

**Interreg  
Danube Region**



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RurALL

# Output 1.1.

## Multi (level) stakeholder Governance

### Model

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## Aim of this document

This manual serves as a comprehensive guide for rural communities seeking to develop and implement the multi-stakeholder governance model. It aims to empower communities to tackle the pressing challenges of depopulation, declining public services, and limited economic opportunities by fostering collaboration among diverse stakeholders—including local residents, policymakers, private sector representatives, civil society organizations, and the international community of experts.

The manual provides practical tools and actionable steps to guide communities through the process of creating inclusive and sustainable governance structures. These models are designed to leverage shared resources, knowledge, and expertise to repurpose existing empty buildings for diverse uses, including public services, commercial ventures, and residential spaces. By doing so, communities can breathe new life into underutilized spaces, attract new residents and businesses, and create opportunities for long-term economic, social, and environmental revitalization.

By drawing inspiration from the New European Bauhaus (NEB) principles, this manual integrates sustainability, aesthetics, and inclusivity into the governance and planning processes. It emphasizes the importance of creating spaces that are not only functional but also environmentally responsible, visually appealing, and accessible to all members of society.

The aim of this document is to help partners how to map, identify and address stakeholders. The proposed process of **the multilevel stakeholder governance model should be tested by partners in the pilot actions.**

The document consists of six main chapters. In the first part the background of the Rurall project can be found, where the main megatrends of rural areas in Europe, and the importance of competitiveness and attractiveness of rural areas are detailed. In the second chapter we continue with innovative institutional governance models, that is a great starting point to understand why innovative solutions are needed to the governance of rural areas. After this, we introduce the multilevel stakeholder governance model in details. In this part we also provide some practical tools how to deal with stakeholders. In the fourth chapter the concept of responsible innovation is introduced. The main reason why this framework is important to discuss, is that New European Bauhaus and responsible innovation has many common points,

thus it is crucial to raise awareness for responsible innovation approach too. In the next chapter a step by step approach and roadmap for multilevel stakeholder governance model is introduced. And the final chapter is about the city profiles, which contains the main challenges and main stakeholders that project partners identified in their territories.

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# 1. Background of Rurall project

***„Rural areas are the fabric of our society and the heartbeat of our economy. They are a core part of our identity and our economic potential. We will cherish and preserve our rural areas and invest in their future.”***

***Ursula von der Leyen, President of the European Commission***

RurALL project tackles the pressing issue of rural depopulation, one of the most significant challenges faced by the Danube region. This issue has led to a shortage of highly educated workers, weakened economic competitiveness, an ageing population, limited accessibility, and declining quality of public services in rural areas. With limited resources and capacities, rural communities struggle to create effective policies to address this multifaceted challenge. To overcome this, RurALL project aims to develop a multi-stakeholder governance model, adopting a cross-sectoral and interdisciplinary approach supported by robust community engagement. The initiative will also explore the potential of deteriorating dwellings as a tool to address depopulation challenges.

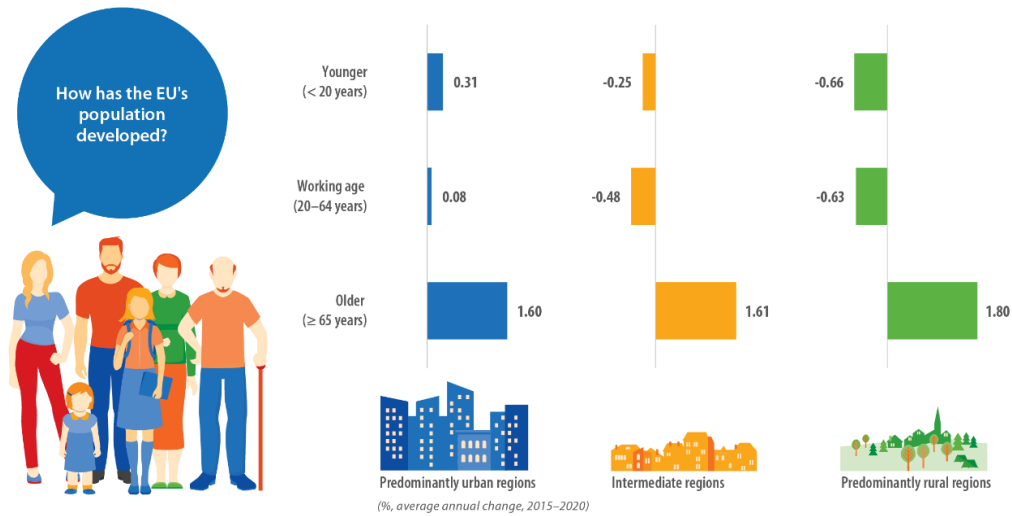
The project's primary goal is to establish a governance model for mitigating rural depopulation by enhancing the planning, management, and decision-making capacities of rural communities. This will include leveraging the untapped potential of deteriorating dwellings. Inspired by the New European Bauhaus initiative, the project will deliver a transnational governance model for utilizing deteriorating dwellings, involving international experts, policymakers, and citizens in a collaborative effort. Through extensive knowledge exchange, resource sharing, and the adoption of best practices, RurALL project will foster innovative solutions. Ultimately, rural communities will be empowered with stronger governance and institutional capacities to face future challenges effectively.

## 1.1 Megatrends of rural areas in Europe

In several developed European countries, the national population growth rate has stagnated or even begun to decline. Besides, on a national level, the already smaller number of

population is concentrated mostly in a few bigger cities and the capital, and their suburbia due to urbanisation processes (Fertner et al. 2015). People leave rural areas and move to urban areas, where there are better opportunities for work and education. As these migration flows from rural to urban areas are not compensated with flows from urban to rural areas, the process usually results in a decrease of population in rural regions and an increase in urban regions (Elshof et al. 2014). By today, rural decline has become an undoubted fact and a global issue (Liu – Li 2017).

Figure 1 Population development in the EU, %, average annual change, 2015-2020

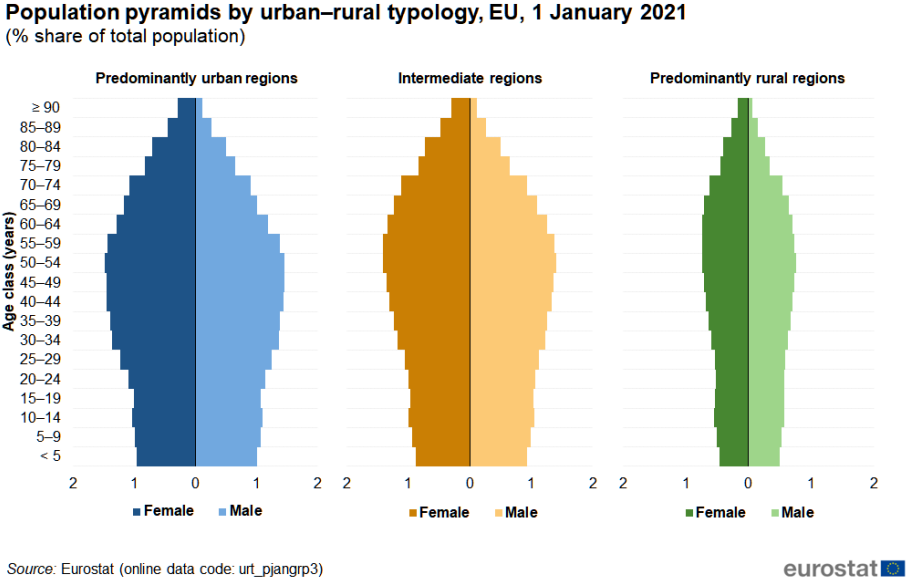


Source: Eurostat (2022)

According to the Eurostat (2022), nowadays a leading megatrend in rural areas of Europe is depopulation. Usually people from rural regions tend to move to urban areas (or even to other European countries) in search for better economic situation, especially in the far north, south and east of the European Union. This phenomenon can be attributed to the fact that there are many challenges in rural regions, like fewer job opportunities, weaker infrastructure (energy, transport, information and communications networks), poorer access to public services such as healthcare or education, or commercial services (such as entertainment). Sadly, these challenges might not be compensated by the advantages of the rural regions that include lower costs of living, better quality of life, less population, more space. Especially younger generations are more likely to be triggered by the challenges to leave rural regions; thus the birth rate of rural areas can also be impacted. Not to mention, that this population shift also

affects the rate of working age and elderly in rural areas. As Figure 1 presents, rural areas experience a decline of younger generations and those of working age, while the number of elderly have grown in these areas.

Figure 2 Population pyramids by urban–rural typology, EU, 1 January 2021



Source: Eurostat (2022)

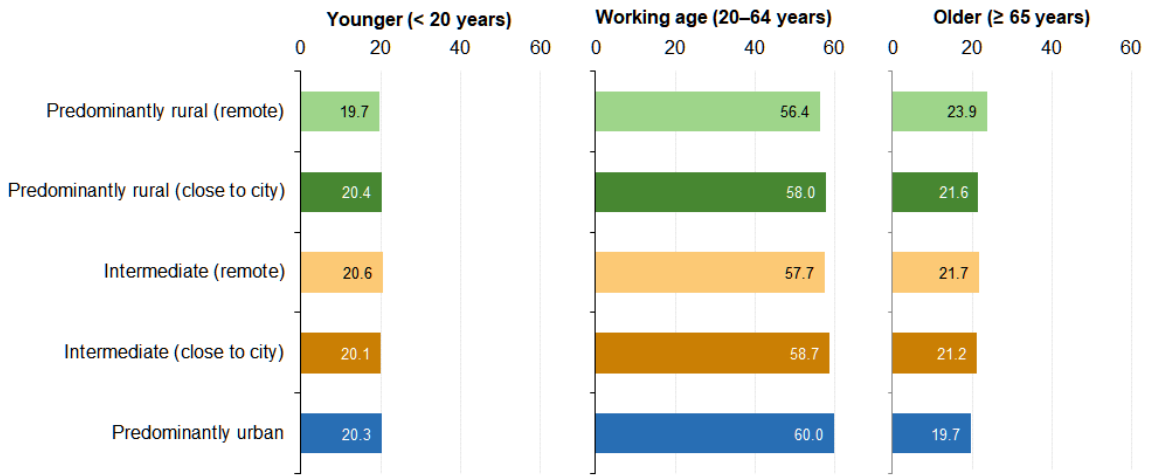
When examining population structures of rural and urban areas of the European Union, population pyramids provide us with interesting information. In Figure 2 there are three pyramids about predominantly urban regions, intermediate regions and predominantly rural regions of the European Union, presenting the share of the total population in age groups and genders. Several interesting phenomena could be pictured, including the fact that although rural regions account for almost half of the EU’s area, the rate of population in these areas are significantly lower, only 20.8%. There are less young people in their twenties living in rural areas, supposedly they have left for urban areas in search for more opportunities in work or education related fields. Up to the age of 54, the share of men in rural areas is higher, which might indicate the characteristics of the labour market, that is there are less employment opportunities for women in rural regions.

In Figure 3 the population structure is presented connected to different urban-rural areas. In remote predominantly rural regions the population is composed by more older people (aged 65 years or over), they account for almost one quarter (23.9%) of the total population. Contrary,

young people (under the age of 20) accounted for less than one fifth (19.7%) of the total number of people living in remote predominantly rural regions of the EU. These shares are outstanding, as they are the highest and the lowest in the urban-rural typology. Regarding the working age group (aged 20–64 years), in generally remote areas (predominantly rural and intermediate) their share is the lowest: 57.7% of the total population in remote intermediate regions and 56.4% in remote predominantly rural regions. Predominantly urban regions account for the highest rate of working age people, which means 60% share.

Figure 3 Population structure by urban–rural typology, EU, 1 January 2021, (% share of population)

**Population structure by urban–rural typology, EU, 1 January 2021**  
(% share of total population)



Source: Eurostat (online data code: demo\_r\_pjanind3)



Source: Eurostat (2022)

The average annual population change by age and urban–rural typology is presented in Figure 4, covering the timeframe of 2015-2021. The population of the European Union remained quite stable, changes were less than 0.5%: the population of predominantly rural regions slightly fell, while the population of predominantly urban regions rose a bit more. When taking the different age groups into consideration, it is visible that the number of older people rapidly grew, especially in rural regions. In comparison, the number of working age people and youth fell there. There is also a discrepancy in the working age population. While it slightly grew in urban regions, a fall can be observed in the intermediate and even more so in the predominantly rural regions.

Figure 4 Average annual population change by age and urban–rural typology, EU, 2015–2020, (%)

**Average annual population change by age and urban–rural typology, EU, 2015–2020 (%)**



Note: break in series.

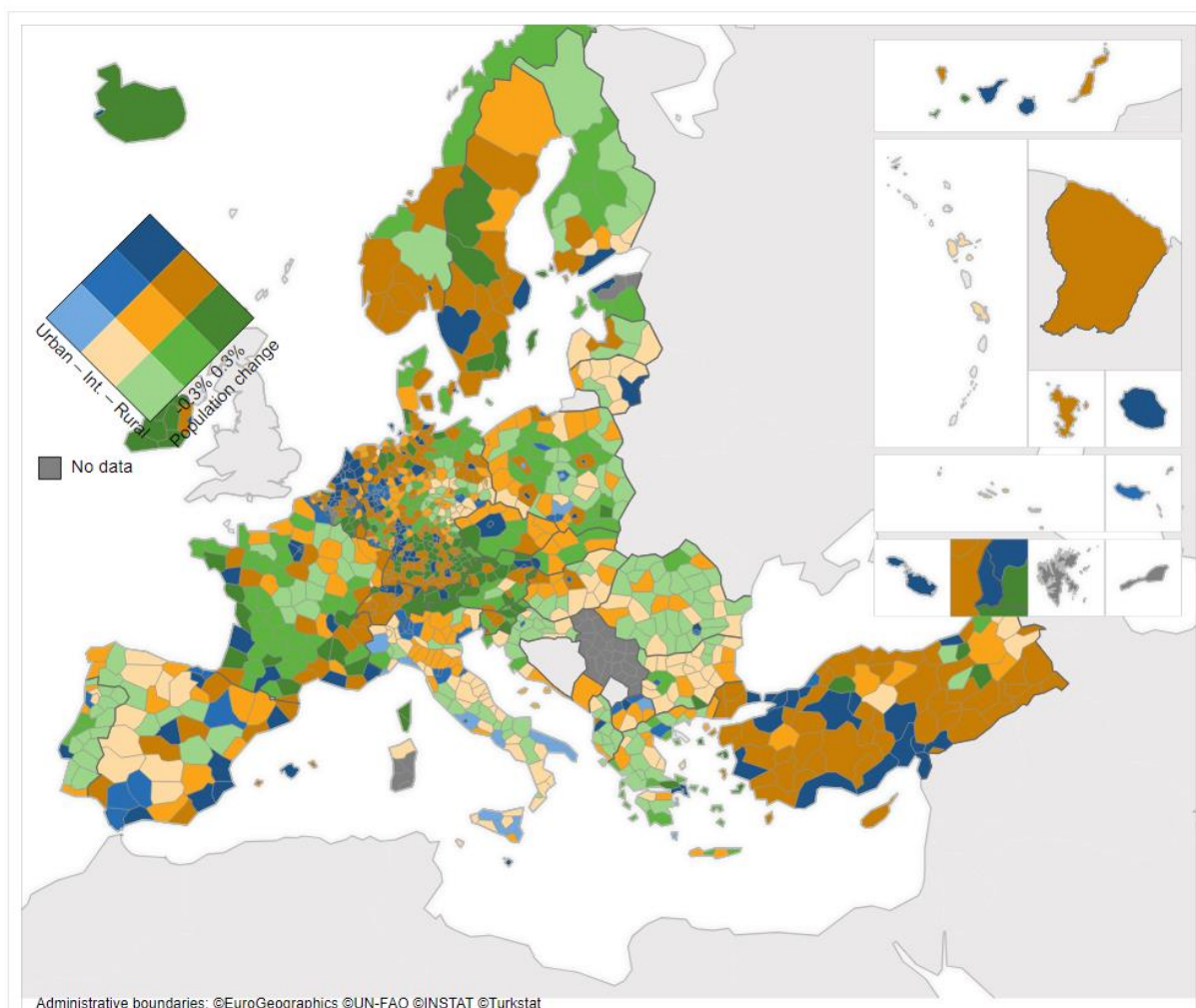
Source: Eurostat (online data code: urt\_pjangrp3)



Source: Eurostat (2022)

According to Eurostat data from 2015-2021, a difference in predominantly rural regions can be observed throughout Europe. There were 108 predominantly rural regions, where the population grew; but in 155 predominantly rural regions the population fell (Figure 5). Regions with particularly high rates of depopulation (on average 2.0% per year) include parts of Croatia, Lithuania and Bulgaria. There are seven countries, where there were regions with the highest population growth rates (at least 1% each year): Germany, Ireland, Spain, Greece, France, Belgium and Sweden.

Figure 5 Average annual population change by urban–rural typology, 2015–2020, (%)



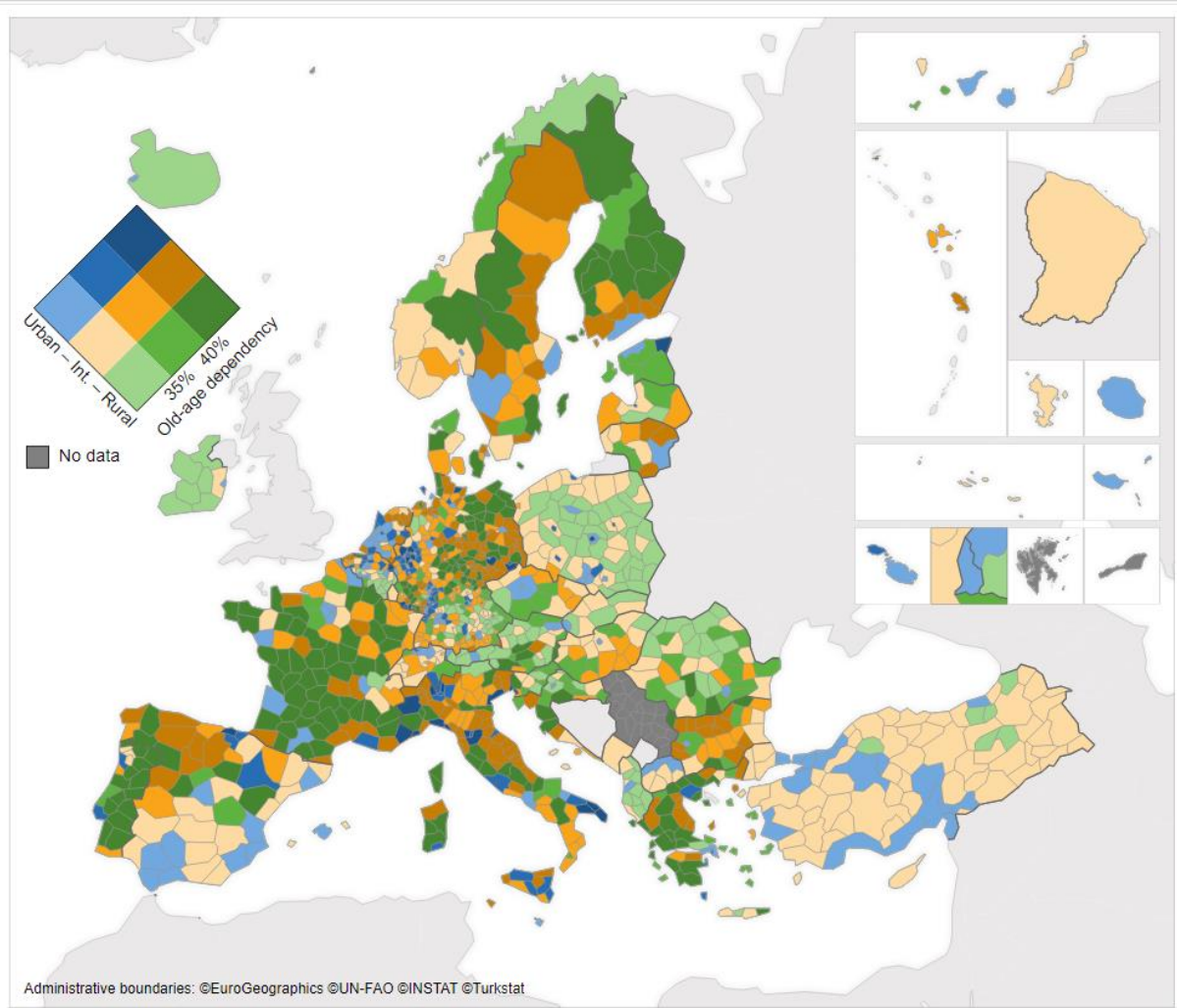
Source: Eurostat (2022)

As it was detailed before, predominantly rural regions tend to have higher share of older people, thus the median age (*a value which divides the population into two equal groups when ranked by age*) of these regions is usually also above the average for the whole of the European Union's population. Studying the timeframe of 2015-2021, the median age of the EU population rose by 1.4 years. This phenomenon is even stronger in predominantly rural regions close to a city, so people there were ageing at a faster pace than the EU average.

Figure 6 provides information about old-age dependency ratios, which are defined as the number of people at an age when they are generally economically inactive (aged 65 years or over) compared with the number of people of working age (aged 20–64 years), expressed in percentage terms. The old-age dependency ratio for the whole European union was 35.4% in

2021. In general, the old-age dependency ratio in predominantly rural areas of northern, western and southern countries of the EU were high, especially in regions of Finland, Greece, Portugal, Italy and France. The five highest ratio (above 60%) can be found in the following predominantly rural regions: Nièvre, Lot and Creuse in France; Etelä-Savo in south-east Finland; and Evrytania in central Greece.

Figure 6 Old-age dependency ratio by urban–rural typology, 2021, (%)



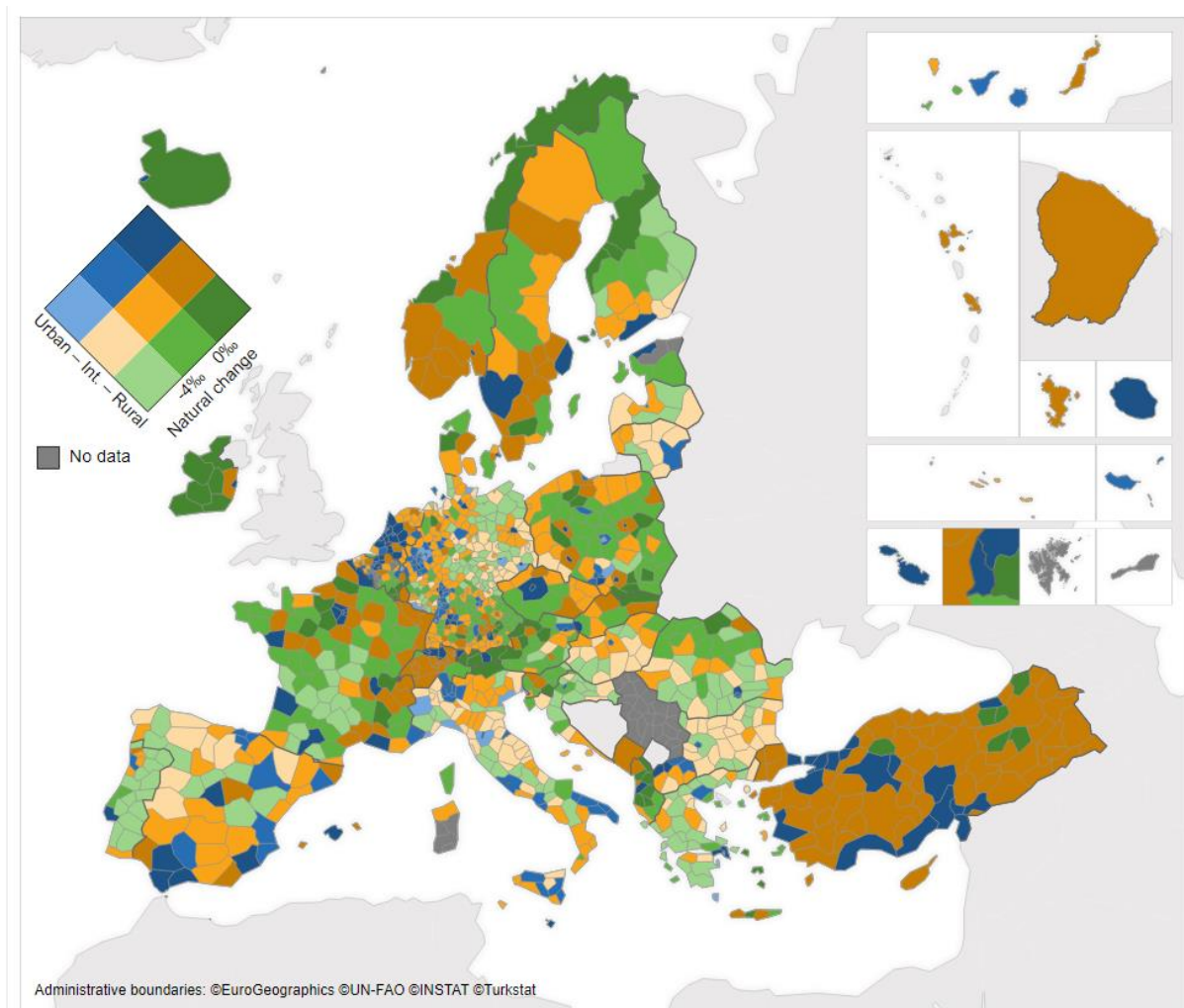
Source: Eurostat (2022)

In Figure 7 and 8 of Eurostat the net migration plus statistical adjustment by calculating the difference between total population change and natural change are demonstrated. Since population changes include information about natural population change and net migration,

these statistical adjustments show information about changes in population that cannot be attributed to births, deaths, immigration or emigration.

In the timeframe of 2015-2021 the natural population change in the European Union fell by 0.09%, so there were fewer births than deaths; on the other hand, the net migration rose by 0.25% every year, so there were more immigrants than emigrants. All in all, this means a growing number of the population in the EU. Although the average number of the fall in the crude rate of the natural population change is quite small, there were regions where this number was 10 times bigger (1%). Such regions include parts of Bulgaria, Portugal, Spain, Croatia, Greece and Romania. This phenomenon is generally present in predominantly rural regions of the EU, since 90% of them reported negative crude rates of natural population change during the period of 2015–2020.

Figure 7 Average annual crude rate of natural change by urban–rural typology, 2015–2020, (%)



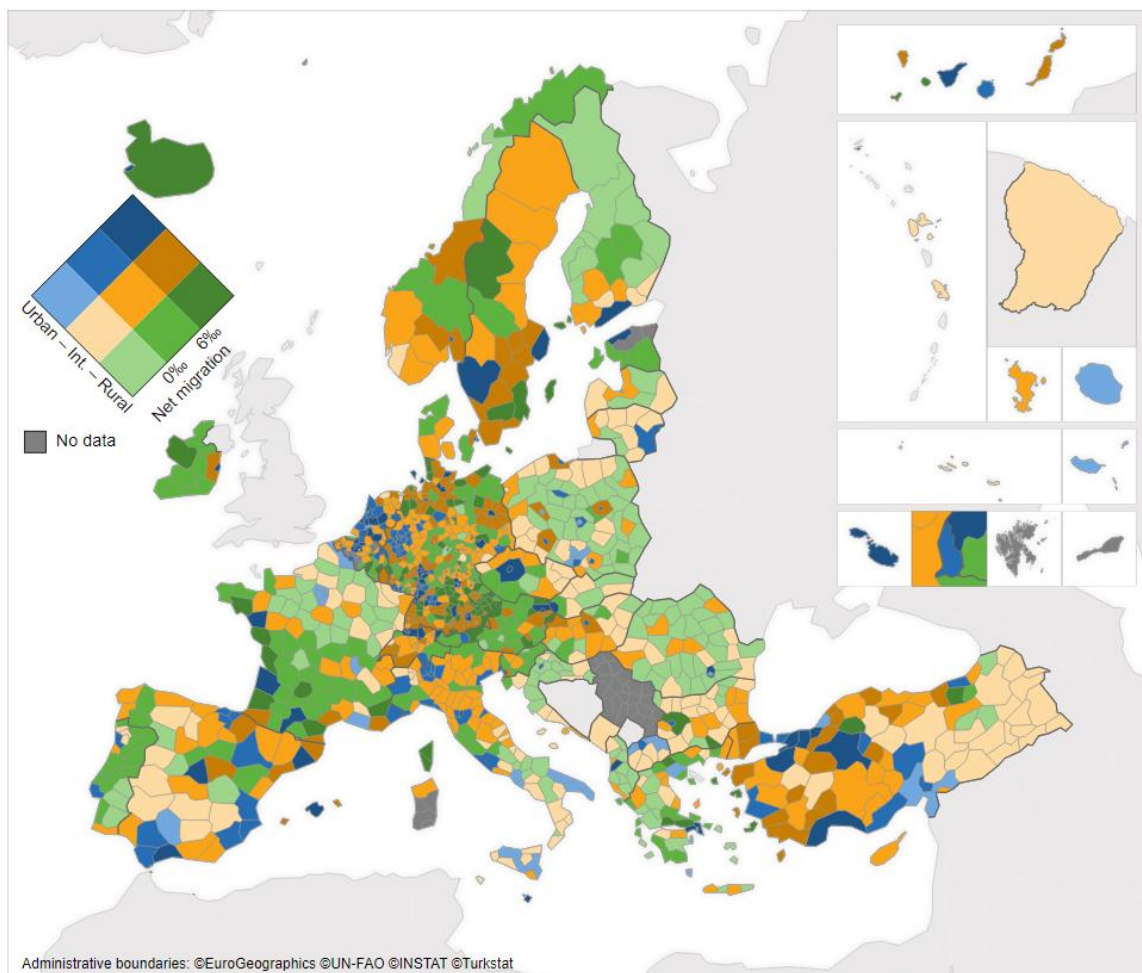
Source: Eurostat (2022)

When analysing data about net migration, it needs to be taken into consideration that migrant flows between regions may reflect internal flows within a particular EU Member State (from one region to another) or external flows (from other EU Member States or non-member countries). Around 30% of predominantly rural regions of the European Union reported a negative crude rate of net migration during the given period. Six regions were outstanding with an annual average crude rate of net migration representing a fall of more than 1%; they were located in Croatia and Lithuania. However, generally this phenomenon could be pictured in also Poland, Romania, central and eastern France and southern Italy. In contrast, there were

also predominantly rural regions, where the annual average crude rate of net migration grew by more than 1%, including:

- Germany: Landshut, Kreisfreie Stadt; Passau, Kreisfreie Stadt; Mühldorf a. Inn, as well as Schwerin, Kreisfreie Stadt;
- Bulgaria: Sofia and Kardzhali;
- Greece: Ikaria, Samos and Lesvos, Limnos;
- Spain: El Hierro and La Gomera in Canarias;
- France: Haute-Corse and Corse-du-Sud;
- Nordburgenland in Austria and Gotlands län in Sweden.

*Figure 8* Average annual crude rate of net migration plus statistical adjustment by urban–rural typology, 2015–2020, (%)

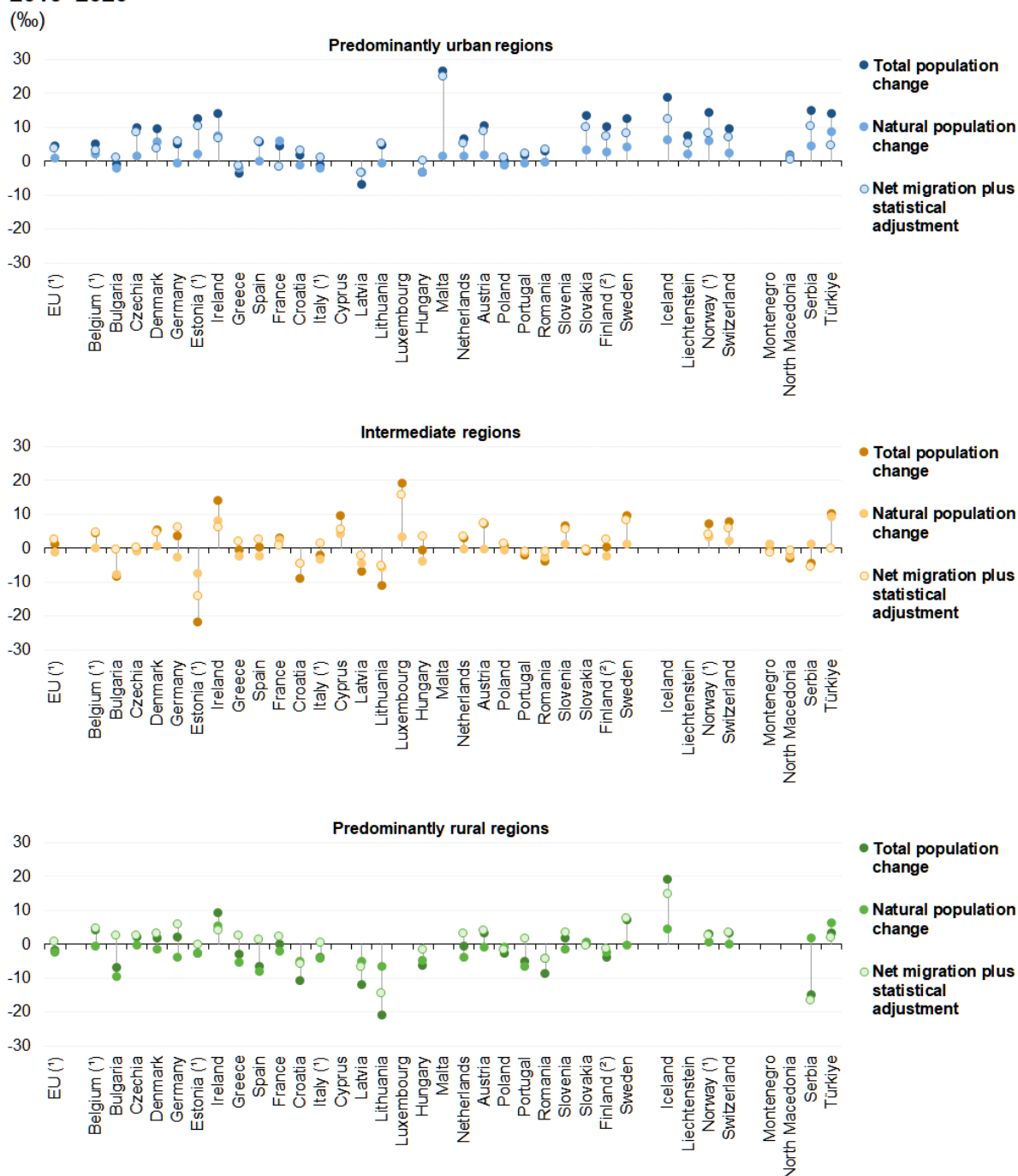


Source: Eurostat (2022)

Figure 9 provides information about the average annual population change in different urban-rural typology in the timeframe of 2015-2020. It should be highlighted that population change was significantly more positive in predominantly urban regions compared to predominantly rural regions.

Figure 9 Average annual population change, by urban–rural typology, 2015–2020, (%)

### Average annual population change, by urban–rural typology, 2015–2020



Note: there are no predominantly urban regions for Cyprus, Luxembourg, Slovenia and Montenegro; there are no intermediate regions for Malta, Iceland and Liechtenstein; there are no predominantly rural regions for Cyprus, Luxembourg, Malta, Liechtenstein, Montenegro and North Macedonia. Belgium, Italy, Hungary, Luxembourg and Romania: break in series.

(\*) 2015–2018.

(?) Predominantly rural regions: 2015–2018.

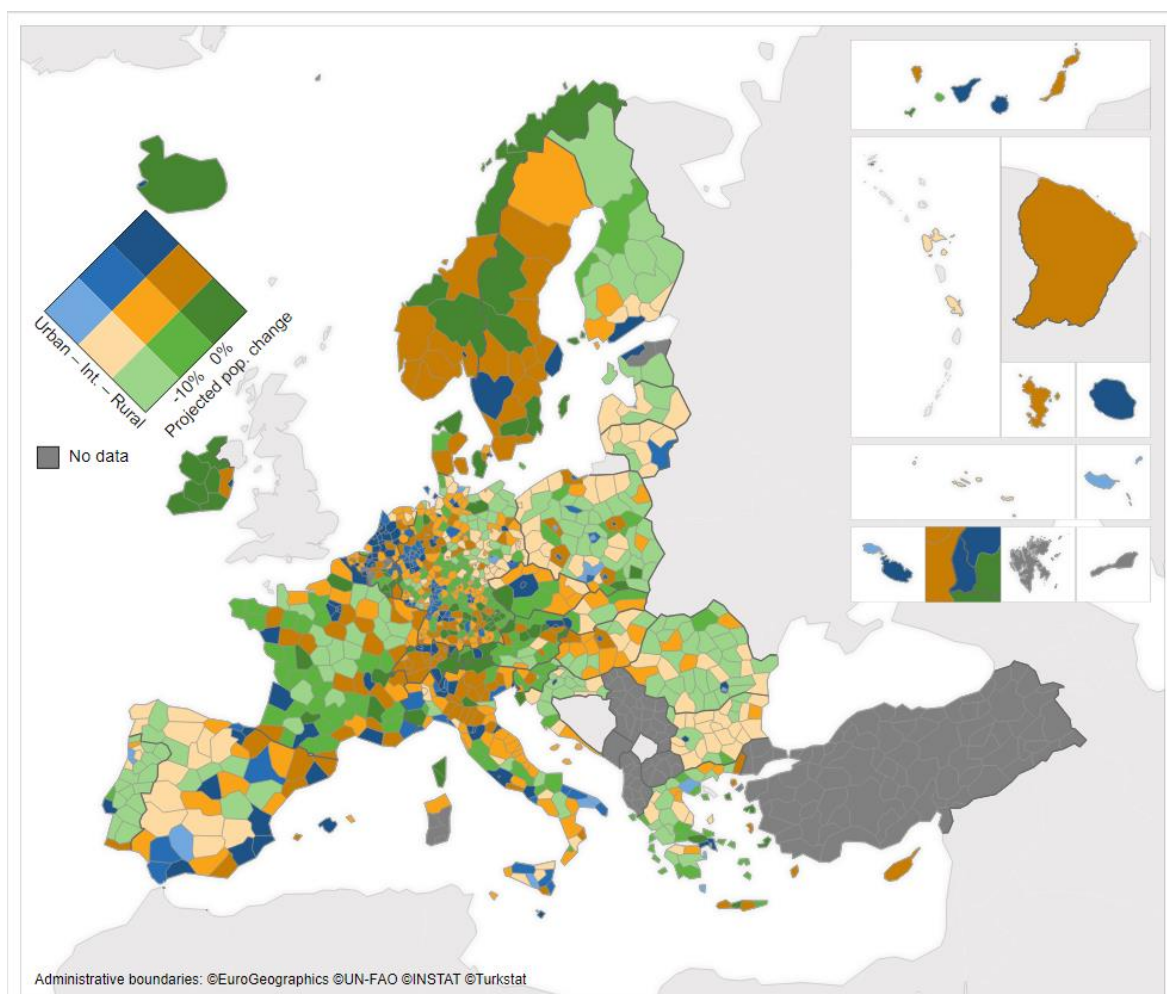
Source: Eurostat (online data code: urt\_gind3)

Source: Eurostat (2022)

Almost every EU Member State had a higher number of the total population change in predominantly urban regions – Greece was the only exception. If we compare the numbers of the same country but in different regions, it could be seen that predominantly rural and urban regions tend to show a different picture in some cases. Considerable differences exist, mostly due to differences in net migration rates. Usually, the average annual population change is higher in predominantly urban regions compared to predominantly rural regions. Such notable differences could be seen in seven EU Member States: Lithuania, Estonia, Finland, Slovakia, Croatia, Spain and Romania.

Population changes are not the same in each Member State. Some conclusions could be drawn, yet there will be significant differences and deviations from the average. As for 2021, the largest overall fall in population was reported in Vidin (a predominantly rural Bulgarian region): 18.4%. The fastest expansion in overall population was recorded in Ikaria, Samos in Greece, where it grew by 15.6%. In the same year, there were predominantly rural regions in several EU countries, which recorded very low crude rates for natural population change, such as in Bulgaria, Spain, Portugal, Greece, Croatia and Romania. The contrary, the highest crude rates of natural population change were recorded in mostly Ireland. Regarding the average crude rate of net migration in the timeframe of 2012-2020, the lowest rates were in regions of Croatia and Lithuania, while the highest rates were in regions of Bulgaria.

Figure 10 Overall projected population change by urban–rural typology, 1 January 2021 to 1 January 2050, (%)

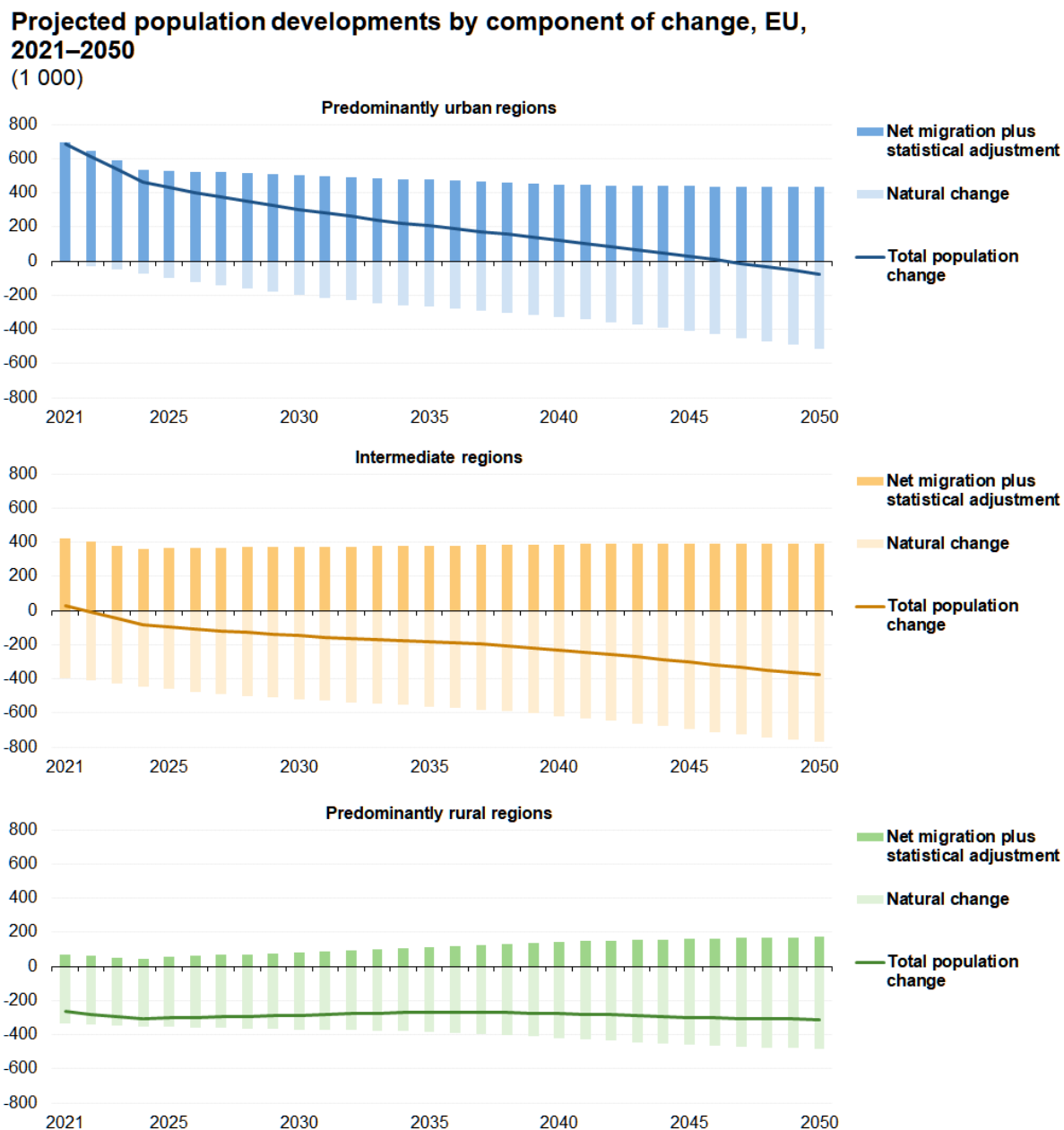


Source: Eurostat (2022)

In order to provide information for the public and decision-makers, on demographic and societal changes, population projections are produced. Population projection are 'what-if' scenarios showing hypothetical developments based on assumptions in connection with population. In the followings population projections data from EUROPOP2019 will be analysed between 2021-2050. One of the main challenges in the European Union will be depopulation in the coming period, mostly concerning predominantly rural regions. As Figure 10 shows, the vast majority (83.5%) of predominantly rural regions are about to face depopulation to a certain extent. In almost half of them (45.1%), the population is about to fall by more than 10%. Even the overall EU population is projected to fall by 1.5%.

Figure 11 illustrates the different patterns of population development based on urban-rural typology. As already indicated, this figure also supports the previous statement, that depopulation is about to occur in predominantly rural regions. However, in predominantly urban regions, the population will continue growing, up until 2047, though to a lesser degree in each year. In intermediate regions the population is projected to decline on a decreasing level.

Figure 11 Projected population developments by component of change, EU, 2021–2050, (1 000)



Note: based on population projections for the period from 1 January 2021 to 1 January 2051.  
Source: Eurostat (online data codes: proj\_19rdbi3)

eurostat

Source: Eurostat (2022)

Table 1 provides information about the average annual population change of the Member States by urban-rural typology between 2021-2050. The average numbers of the EU's population change in different regions are the following:

- predominantly rural: up 0.12%,
- intermediate: down 0.11%,
- predominantly urban: down 3.2%.

In more than 80% of the Member States, the population of predominantly rural regions is about to decrease; exceptions are Belgium, Denmark, Sweden and Ireland. The highest pace of depopulation is projected to take place in predominantly rural regions of Lithuania, Latvia, Bulgaria, Croatia and Romania. The population of intermediate regions are about to fall the most in the Baltic Member States.

*Table 1 Average annual projected population change by urban–rural typology, 2021–2050, (%)*

**Average annual projected population change by urban–rural typology, 2021–2050 (%)**

	Predominantly urban regions	Intermediate regions	Predominantly rural regions
EU	1.2	-1.1	-3.2
Belgium	1.8	0.2	0.1
Bulgaria	-0.6	-8.2	-9.9
Czechia	3.7	-2.9	-0.8
Denmark	2.4	1.8	0.4
Germany	0.6	-0.7	-1.7
Estonia	4.5	-17.3	-6.9
Ireland	7.6	8.1	6.7
Greece	-6.0	-1.6	-3.1
Spain	3.1	-2.1	-6.8
France	3.4	1.5	-2.0
Croatia	0.4	-7.0	-8.4
Italy	-1.1	-1.2	-2.5
Cyprus		5.3	
Latvia	-6.6	-11.4	-15.1
Lithuania	-1.7	-12.1	-18.6
Luxembourg		6.6	
Hungary	-0.8	-1.2	-4.7
Malta	8.6		
Netherlands	1.9	-0.9	-2.4
Austria	3.9	1.4	-0.4
Poland	-3.7	-2.7	-4.7
Portugal	-0.9	-3.8	-6.8
Romania	-3.2	-5.9	-9.1
Slovenia		0.6	-2.3
Slovakia	4.8	-3.5	-2.8
Finland	3.7	-3.3	-4.9
Sweden	6.9	4.9	3.1
Iceland	9.9		8.4
Liechtenstein	3.8		
Norway	7.7	5.6	2.9
Switzerland	5.9	4.4	0.8

Note: based on population projections for the period from 1 January 2021 to 1 January 2051. Within the urban–rural typology: there are no predominantly urban regions for Cyprus, Luxembourg and Slovenia; there are no intermediate regions for Malta, Iceland and Liechtenstein; there are no predominantly rural regions for Cyprus, Luxembourg, Malta and Liechtenstein.

Source: Eurostat (online data code: proj\_19rdbi3)



Source: Eurostat (2022)

Between 2021 and 2050, supposedly, there will be four predominantly rural regions with an increasing number of the population by more than 100 000 persons in the Irish regions of South-West, Border and South-East, as well as Bolzano-Bozen. On the other hand, there will be nine predominantly rural regions with a declining population by more than 100 000 persons in Romania and Poland.

As a conclusion from the above presented statistics, it can be drawn that depopulation and urbanisation are the leading megatrends shaping the population movements in rural areas of the European Union. Usually people from rural regions tend to move to urban areas due to the challenges of rural regions, which might not be compensated by the advantages of them. Rural areas experience a decline of younger generations and those of working age, while the number of elderly has grown in these areas. In the timeframe of 2015-2021, the population of the European Union remained quite stable. However, the natural population change in the EU fell slightly and the net migration rose a bit. In general, the old-age dependency ratio in predominantly rural areas of northern, western and southern countries of the EU were high. According to population projections, one of the main challenges in the European Union will be depopulation in the coming period, mostly concerning predominantly rural regions (some exceptions could be Belgium, Denmark, Sweden and Ireland).

Regarding the megatrends of the rural areas in the European Union, it can be concluded that depopulation and urbanisation are the most relevant shaping the population movements. The number of the population is decreasing and they are settled unevenly mostly in big cities and their suburbs. Usually people from rural regions tend to move to urban areas due to the challenges of rural regions (e.g. few workplaces), which might not be compensated by the advantages of them (e.g. cheaper houses). Rural areas experience a decline of younger generations and those of working age, while the number of elderly has grown in these areas. According to population projections, one of the main challenges in the European Union will be depopulation in the coming period, mostly concerning predominantly rural regions.

## 1.2 Competitiveness and attractiveness of rural areas

Nowadays, the economic-social processes of settlements are influenced by megatrends, such as depopulation and urbanisation. The number of the population is decreasing and they are settled unevenly mostly in big cities and their suburbs. Based on statistics, a significant declining trend in the population of towns and villages has already started due to natural decrease and emigration. Unfortunately, this phenomenon is a self-perpetuating negative spiral, which eventually leads to depopulation (Elshof et al. 2014). A smaller number of dwellers cannot maintain public institutions or local enterprises; and if they are no longer available in the rural area, it cannot attract new dwellers, which results in the bankruptcy of the local government and loss of the remaining population. Developing the attractiveness of the rural area seems a possible solution, which can counterbalance the shrink of the population in rural areas even in the short term.

According to the typology of OECD (2011), *areas are considered to be rural if their population density does not exceed 150 capita/km<sup>2</sup>*. The term of attractiveness is often mixed up with the term of competitiveness (Kwiatek-Sołtys – Mainet 2014), so both of them should be clarified in order to create a common understanding, which is needed throughout this project.

Competitiveness can be defined using different approaches; it can be interpreted referring to several entities from economic and social aspects. From economic point of view, competitiveness means a high level of productivity and a fast pace of growth (Lengyel 2000a). From regional point of view, there is an existing debate in professional circles about whether competitiveness can be interpreted referring to also regional areas and not only companies.

One party of the debate states that competitiveness cannot be interpreted referring to territorial areas, only to companies (Krugman 1998, Polenske 2004). The followers of this view, support their opinion with numerous factors. They claim that countries or even smaller territorial areas act differently compared to companies. While a company can be ceased based on its bad performance, it cannot be done with territorial areas. From a different point of view, the nature of commerce is also different: its sum is zero when talking about companies, but not in case of territorial areas. In the global market, different territorial areas can be both winners; on the contrary, companies with their strategies and profits have a direct impact on the market shares of their competitors. The theory of comparative advantages is of high importance among the followers of this view. This party of the debate interpret competitiveness only on microeconomic

level. The other party of this debate claims that competitiveness can be interpreted also referring to territorial areas, not only to companies. As a result of globalisation processes, besides companies, also countries, regions, cities compete for resources, including raw materials, capital, qualified labour or enterprises (Camagni 2002, Dahlman 2007, Malecki 2002). The theory of competitive advantage – which states that the welfare of an entity depends on its economic policy and competitive strategy – is relevant among the followers of this theory. This party of the debate accepts that competitiveness can be interpreted both on microeconomic and macroeconomic levels.

Moreover, it can also be declared that competitiveness does not refer to a present condition, it can rather be connected to a past or future process. Measuring the level of competitiveness should be made studying the whole complexity of different factors, not only examining a single dimension (Lengyel – Rechnitzer 2013, Lukovics 2004). Competitiveness explains the relative differences of economic development between regions and tries to understand the future economic growth potentials of them (Huggins et al. 2014).

***Competitiveness can be defined as follows: the ability of companies, industries, regions, nations or regions above nations for creating relatively high income and high level of employment permanently, while they are exposed to foreign (global) competition (Lengyel 2000b).***

As for the definition of attractiveness, there is no professional agreement either. The difficulty of defining the term does not only mean an issue for researchers, but it also raises barriers in understanding between researchers and experiential professionals (Niedomysl 2010). Attractiveness should be a coordinated mentality from different aspects: social, economic, political and environmental. Attractiveness can be defined as the ability of local authorities to attract capital, in other words it means an effort of cities towards possibilities for redesigning themselves based on their raw materials and institutional background, with the aim of creating a better economic environment for their citizens (Serrano 2003). Attractiveness can also be understood as the package of advantages and disadvantages in a territorial unit (Goetz – Niedzialkowskiego 2008). Territorial attractiveness can be defined as the ability for attracting new citizens, visitors/tourists, enterprises and investments, and the ability of retaining mobile communities and tools (Ezmales – Litavniece 2011). From a different point of view, territorial attractiveness is the possibility of local municipalities to attract different types of economic, financial and human resources (Miot 2013). According to a different professional,

***territorial attractiveness is the ability of a certain territorial unit to attract and retain given target groups (e.g. tourists, potential migrants, enterprises and investments) with the help of their available advantageous characteristics (Živković et al. 2015).***

Taking every aspect of the above presented definitions, it is visible that there are two main factors of attractiveness: human and economic. Furthermore, various definitions used the verbs 'attract' and 'retain'. It follows from this, that it is justified to take into account both the shorter and longer horizons. What is more, among these definitions we could find both 'hard' and 'soft' factors and also non-economic aspects. All in all, based on the specialised literature, we could see that attractiveness has a wider definition than competitiveness. Competitiveness is mostly interpreted in an economic context, while attractiveness is not that narrowed down.

The attractiveness of territories or cities have become an important matter in policies and among local municipalities, as they aim to provide a better position for their settlement in the global market with increasing its adaptability through a flexible and diverse local economic structure (Kwiatek-Sołtys – Mainet 2014).

From the point of view of the nation, regional and local municipalities, the ability of a place to attract settlers and retain the population is crucial, so that it can advance. In this way, they can attract adequate labour and enterprises in order to increase their competitiveness, thus increasing the tax base and consumption power (Niedomysl 2006). Territories compete for ensuring the most favourable market environment, attract new companies and branches that can create workplaces resulting in higher financial welfare (Ezmales – Litavniece 2011, Ezmales 2012). Furthermore, decision-makers are motivated to deal with this question because of the even ageing population and the commitment to demographic and economic growth (Niedomysl 2006). It is also suggested that the nature, direction and regional manifestation of population change are in close connection with the level of local comfort (Argent et al. 2009). A crucial point of becoming attractive as a municipality is – like in other competitive situations – that you need to do something different, somehow different compared to your competitors, thus gaining a competitive advantage (Kotler – Gertner 2002).

The ideology of NPM (new public management) inspire municipalities to aim at growing independently from their size (Brorström – Parment 2016). However, this ideology does not always lead to the desired objectives. Growing alone does not increase the attractiveness of

the settlement. Citizens usually wouldn't like to increase the size of the settlement, they prefer developing its characteristics that increase their wellbeing, such as enlarging the green areas of the settlement. Also, if each competitor chose this concept, and aimed at growing, neither of them would gain competitive advantage, or would become outstanding. Traditional rural communities are not able to react to the external changes with adaptive and innovative responses (Li et al. 2019), therefore, municipalities need to work on their own, creative and complex strategies towards revival and increasing attractiveness (Brorström – Parment 2016, Sinkienė – Kromalcas 2010).

The attractiveness and its increase in settlements, especially in rural areas with smaller population, is decisive for their survival (Brorström – Parment 2016). Municipalities face serious difficulties because of the increase in the share of elderly, and depopulation. Moreover, financial crises and recessions concern rural areas more severely than big cities, since in rural areas a bigger industrial establishment makes the village more volatile to a shutdown and a resulting lay-off. Usually, rural areas provide less workplaces as the development of the knowledge-based economy is not that significant there, compared to bigger cities; there are less workplaces, too (Boschma – Fritsch 2009). Due to the population decrease, in the near future the number of services will also lessen, enterprises will be closed, the social capital will diminish, which result in a drop in the viability of the territory. Consequently, the negative spiral of the rural decline is inevitable (Haartsen – Venhorst 2010, Li et al. 2016). Population decrease often takes place in a selective form, meaning it only concerns a certain group of the population, especially young and highly educated people (Elshof et al. 2014). The emigration of youth out of rural areas is frequently considered a loss of human and social capital, contributing to the lack of local skills, and decreasing the potential future partners of those staying behind (Thissen et al. 2010). However, maintaining the stable, diverse and properly qualified population is essential for the sustainability of a rural area (Insch – Florek 2008).

Rural areas have never been isolated and distinct societies, usually cities and villages are part of a whole, having strong interconnections, creating spatial and functional interdependencies (Li et al. 2019); there is a flow of labour, capital, materials and information between them (Li 2012). Migration towards rural areas can be seen when due to urbanisation processes there is an overflow in immigration to cities, which their infrastructure, public institutions, services, etc. cannot handle (Birkmann 2016). In this perspective, both cities and rural areas need to develop in a way that they can support each other (Li et al. 2019). This is also a reason why there is an increasing demand on reviving rural areas. People living in these rural areas are

more and more addressed to shape their life quality and maintain it in the interest of successful revival of their place of living (Elshof – Bailey 2015).

Without doubts, there are also exceptions. There are rural communities that survive external challenges and show an increasing trend (Li et al. 2016). These communities can perform functions such as retired communities, local commercial centres, recreational communities, scientific communities and governmental centres. These functions can promote the multifunctional development of these rural communities, and the maintenance of their viability and wellbeing. However, there are also communities that improved their local industry successfully and adjusted their operation to the urban market demand (Li et al. 2019).

### **1.3 Factors of attractiveness and population movements**

After discussing the importance of the attractiveness of rural areas, in this chapter those factors will be studied which might have an effect on the attractiveness of a place. The topic is quite complex, which needs to be discussed from numerous aspects. It is not enough to study the question from the point of view of possible future dwellers, but the opinion of people already living in the certain rural area is also crucial. Globalisation and digitalisation have also altered our days and world significantly, that could also have an impact in the choices of living spaces.

The possibility to successfully increase the attractiveness of a rural area depends on its characteristics (Brorström – Parment 2016). People move to those places which match their interests the best, which they find the most attractive (Elshof et al. 2017). In general, places with a high number of immigrants can be considered more attractive compared to those where the rate of immigration is lower (Niedomysl 2006). From the point of view of cities, the following factors determine attractiveness: the quality of road network and public transport, infrastructure, the scope of activities of the local economy, institutional capacity, strong and diverse cultural and touristic branch, affordable and available housing, healthcare, free time and recreational possibilities, the level of life quality, attractive natural and physical environment (Ezmales – Litavniece 2011, Ezmales 2012, European Commission 2006, Williams et al. 2008). The professional literature has stated that for entrepreneurs, the quality and size of the labour market, and the quality of living space is essential, while citizens value clean and secure environment, balanced social structure, access to good quality public services (Sinkienė – Kromalcas 2010).

Estimating the attractiveness of smaller cities, towns and villages can take into consideration other characteristics, too. Smaller cities are generally considered the losers of transformation and globalisation processes, due to their lack of resistance against recessions (Fertner et al. 2015, Erickcek – McKinney 2006). Those with favourable geographical conditions, that is located closer to the suburbs of big cities, and possessing natural resources are more likely to become successful (Li et al. 2019). Those rural areas, that are located closer to the suburbs of big cities, are more popular because more dwellers hold on to the aspect and atmosphere of the customary city; so when moving, they choose their new home closer to their previous living space (Dövényi – Kovács 1999). However, migration from city to rural areas is not solely motivated by economic factors (Csurgó 2013). Besides a favourable spatial location, the most common key factors for choosing a rural lifestyle are security, peace and the beauty of the natural environment.

The beauty and comfort of rural areas, being the visual attractiveness or physical accessibility, are becoming more and more important, which can be a tool for attracting new inhabitants and also have a positive impact on the current inhabitants (Fertner et al. 2015). The rural idyll is also related to social aspects, such as friendly people, a slower way of life, less crime (Gkartzios – Scott 2010, Van Dam et al. 2002). On the other hand, there are also factors which are less related to the rural idyll but motivate people moving there, like cheap housing, the closeness of family and friends (Bijker et al. 2012). In general, it can be expected that similarly to cities, the migration of rural areas is also affected by their attractiveness; so the level of immigration will be higher, while the level of emigration will be lower in those rural areas, which are considered more attractive (Elshof et al. 2017). Although, it is visible that there is no consensus in the circle of characteristics contributing to this.

The attractiveness of a given place is not only dependent on its characteristics, but also on the people evaluating them (Bijker et al. 2012, Stockdale – Catney 2014). In general, the willingness for moving and its distance particularly depends on the personal attributes of the individuals (Elshof et al. 2017). Different groups of people have different needs, and also different resources to meet those needs. Well-known examples are the followings: many young adults are attracted to cities that offer more opportunities in the field of education and employment (Elshof et al. 2017, Van Dam et al. 2002); middle-class families and elderly are attracted by the components of the rural idyll, like peace and silence (Halfacree 2008). Moving behaviour is proven to be influenced by the consecutive attributes: gender, age, marital status and qualification (Elshof et al. 2017).

Professional literature has shown that people are motivated to migrate to rural areas by various factors (Halfacree 2008, Bijker et al. 2012). Choosing a living space is a complex process, which is also true for moving to rural areas (Csurgó 2013, Grimsrud 2011). Completely homogenous groups cannot be formed of the people moving to rural areas, neither based on the characteristics of their previous living space, nor their new living space. They can also be different taking into account their personal attributes or their lifestyle, the phase of their lives, and their expectations from the rural life. In some European cities, moving to rural areas is connected to prestige. There is a certain mentality behind the growth of the suburbs of cities, independently from social class or lifestyle (Jetzkowitz et al. 2007). Usually, motivations behind moving to rural areas can be grouped into three categories: community, work and education related (Van Dam et al. 2002). Generally, they are connected to life events: enrolment to higher education, new job, childbearing (Feijten et al. 2008). All the above listed contribute to increasing residence mobility, influence the needs and preferences set up about the living space, and form restrictions in connection with the housing search territory.

A special motivation for moving to a rural area can be 'returning migration', when a person moves back to his/her previous residence (Bijker et al. 2012). Returners are usually motivated by social reasons, unlike new dwellers. Such social reasons could be especially the closeness of family and friends. Economic reasons are not relevant in these cases. People who previously lived in rural areas are significantly more likely to move back to a rural area again, compared to those lacking the experience living in rural areas (Feijten et al. 2008). The previous life experience can undoubtedly contribute to returning to a given place, or to a similar rural living space. It is an interesting fact, that the residence of our childhood plays a decisive role in forming our conception about a preferred dwelling. The underlying reason could be the continuity and feeling of security ensured by recreating our childhood memories.

One cannot forget about the existing dwellers besides the newly immigrating population, their demands also need to be met, since outsiders are influenced by the opinion and satisfaction level of the people already living there (Insch – Florek 2008). There are similar factors to be taken into consideration when thinking about retaining the population, like good infrastructure, road- and pavement network, adequate number and quality of housing, commercial provision, healthcare and existence of education institutions. The importance of social connections is also highlighted, since it is stronger in rural areas, which can be an appealing characteristic (Epstein – Jezeph 2001). The retaining ability of rural areas is proportional to the quantity and

quality of the listed factors, which means that the higher the level of these factors, the stronger the retaining ability is (Székely – Krajcsovitz 2017).

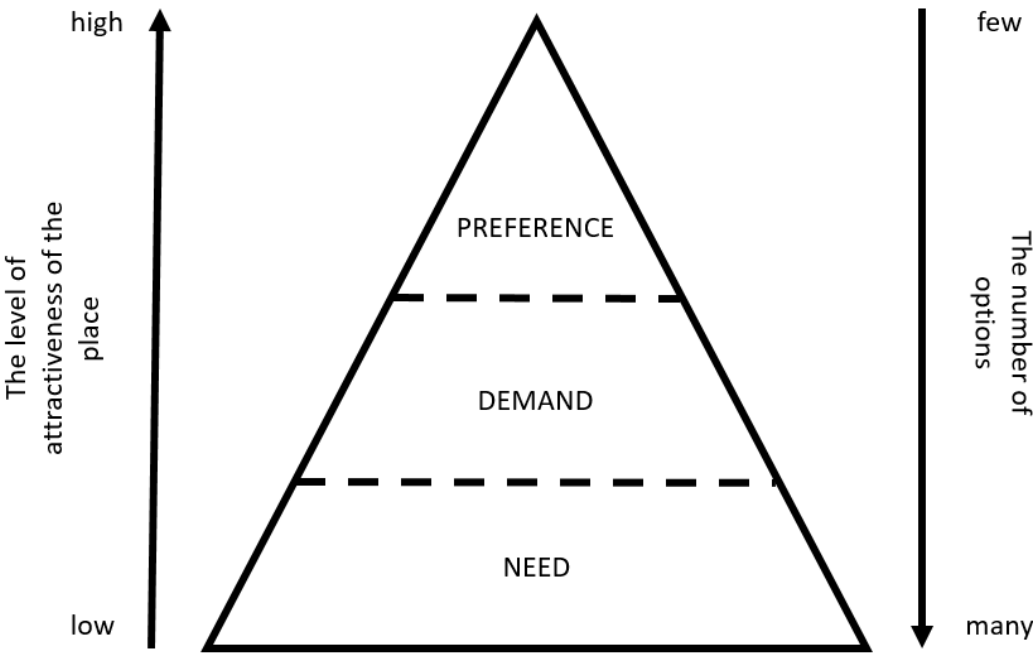
Globalisation and digitalisation have altered our world fundamentally, which also affected the choice of our residence. A number of sources states the connection between urban and rural areas have transformed significantly (Csurgó 2013). Commuting is less expensive and more comfortable thanks to the new transportation solutions, more developed road networks and highways, so people do not necessarily need to live where they work; thus commuting is a tool to expand the opportunities for dwelling options (Elshof et al. 2017, Fertner et al. 2015). Moreover, with the development of modern information and communication technologies, those solutions which facilitate remote work e.g. home office, are gaining ground. As a result, commuting areas have expanded around big cities, so rural areas further to big cities can also become connected to their economic network (Csurgó 2013). Despite the development of communication technologies, physical closeness plays an important role in family and recreation, while it is less dominant in work and business relations. This is not only crucial from the point of view of daily commute, but also living mobility, as people will be able to choose the most preferred dwelling place without a serious compromise, without the need for a workplace-change.

In our modern world, the borderline between work and free time is typically blurred, the values and lifestyle preferences of people tend to change (Csurgó 2013). The quickly changing world has an influence on our family life, creating crises and growing work load. On the long run, there are only few people able to and willing to keep up with the accelerated way of life, so more and more people are looking for peace, harmony and security. Nowadays, for upper classes this is the main motivation for 'escaping' to rural areas, the social-cultural basis for moving there. Social classes with lower incomes are affected by the costliness of living in urban areas. Age can also be influential in choosing a residence: youth look for bustle, while elderly prefer peace.

Niedomysl has created a model (Figure 12), that facilitates the understanding of the attractiveness of a place and its interdependence with population movements. The pyramid has three levels: needs, demands, and preferences. Needs are basic requirements, that is factors which are necessary when choosing a residence, like affordable housing. Demands are more or less unquestionable factors, which need to be met at the chosen place, but concern requirements of a higher standard. Preferences are at the peak of the pyramid, these

are the factors which can be evaluated as special characteristics, which are not essentials, but will be decisive when there are two options at the same standard. The order of demands and preferences cannot be mixed up; demands are always more important, so the existence of higher-level standard can only be taken into account when the demands are met. There is one arrow on both sides of the pyramid which indicate the attractiveness level of a place and the number of options. They demonstrate that the more a place meet the needs, demands and preferences of a person, the higher the attractiveness level of the place is. In the same time, as the attractiveness of a place is increasing, the number of options is decreasing. In other words, the more needs, demands and preferences we would like to be met, the less options there will be. The attractiveness of a place can only be understood if we are willing to make our observations and inspections on a contextual basis, from the point of view of both individuals and groups.

Figure 12 The conceptual framework of a place’s attractiveness in the context of population movement



Source: based on Niedomysl (2006), own edit

All in all, it can be concluded that the attractiveness of rural areas has been gaining attention in both professional literature and in practice among local governments. The factors of attractiveness are a complex topic, which were studied from different points of view. Some characteristics that are attractive in rural areas can be the followings: physical proximity to a bigger city, security, peace, the beauty of the natural environment, friendly people, a slower way of life, cheap housing, the closeness of family and friends. Furthermore, motivations behind moving to rural areas can be diverse, such as returning to a previous living space, or moving out from urban areas at turning points of life. It should be also highlighted that the opinion of people already living in a certain rural area is also decisive, as the population should not only be attracted to a place but also retained there. From this aspect, the following factors are decisive: good infrastructure, road- and pavement network, adequate number and quality of housing, commercial provision, healthcare and existence of education institutions, social connections. A conceptual framework of Niedomysl was also presented, which helps in understanding the attractiveness of a place and its interdependence with population movements. This concept demonstrates that the more a place meets the needs, demands and preferences of a person, the higher the attractiveness level of the place is. In the same time, as the attractiveness of a place is increasing, the number of options is decreasing.

Traditional rural communities are usually not able to react to the external changes adequately in the short term, therefore, municipalities need to work on creative and complex strategies towards revival and increasing attractiveness of rural areas in order to avoid possible negative spirals. It would be recommended to help rural areas in increasing their development with local solutions leading to a higher level of attractiveness for entrepreneurs, families and youth. It should also be highlighted that since each settlement has different factors that affect its attractiveness, they always need to be examined before defining future development goals and strategies.

## 2 Innovative institutional governance

In today's constantly and fast-changing world, one of the biggest challenges that cities need to face with is how quickly they can adapt and have the right reaction to the changes coming from the outside world (Dömötör 2020). Rural local governments, similarly to the national governments, operate in an increasingly globalized economic environment (Mezei 2006). Globalization "has come from nowhere to be almost everywhere" - noted Giddens (1999) (Kettl 2000). The term became more and more popular over the years; however, "globalization" was not clearly defined. Often, the term is used for the global market's rapid expansion, but in reality, it is much more, as it includes several fields, such as politics, technology and culture. It can be considered as an ideology in which basic expectations regarding the roles and behaviours of institutions and individuals are defined.

According to Mezei (2006), this changed environment made the local levels to be more appreciated, and the process was strengthened by the ineffectiveness of the central government policy aimed at managing regional differences (Campbell 1990). At the same time, local governments and self-sustaining developments play an increasingly important role in the maintenance of public services. Local governments, especially in rural areas, have to find unique solutions fitting to their own strategy, take the sustainability criteria into consideration, solve local employment issues, the problem of aging, the migration of the educated workforce, and build on the opinions of local society members in this environment.

Both the population and the local leadership is forced to make decisions and measures faster due to this rapid change, as a continuous challenge (Dömötör 2020). In this situation, the rural local governments have a greater responsibility to recognize whether they manage to keep up with development by exploiting various tools and methods. The leaders of rural communities need to be able to get the best out of their city's or village's features and possibilities while preserving their environmental values. Serving a community like that is not a small challenge.

Those who undertake the lead of a given community must take care of carrying out their mandatory duties and they are also responsible for the proper exploitation of the characteristics of the rural environment, keeping in mind the protection and preservation of local values (Dömötör 2020). The "smart" exploitation of the constantly changing economic, financial and environmental challenges, and the unlimited possibilities of technology and information-communication tools is absolutely necessary for an active community. It is necessary, since anyone who does not recognize the processes of modernization in this ever-changing

globalized world, who cannot compete and keep up with the pace dictated by the environment and the world, and see the potential opportunities in them, will definitely be left behind.

As Gonzalez et al. summarised, there is a multifaceted set of ideas that promotes goals and values of economic nature, includes various elements and entails the search for a controlling professional management type (Gonzalez et al. 2013). It is the New Public Management that has affected the management of Public Administration since the 1980s. The New Public Management covers the particular themes of the public sector's improvement of managerial efficiency, the application of ideas from the private sector (enterprises) and the orientation of them to improve the delivered service for citizens (Jacobsen 2005; Mathiasen 1999; Whelan et al. 2010; Yamamoto 2003). It became a paradigm that is needed in order to have a replacement for the bureaucratic administration of numerous public bodies (Gow – Dufour 2000) as new management methods are required.

There are four administrative megatrends of New Public Management (Gonzalez et al. 2013; Hansen 2011):

- 1) slowing down or reversing the growth of the public sector or of the government
- 2) changing the basic public sector institutions toward (quasi)privatization
- 3) incorporating automation (like Information and Communication Technologies) into public services
- 4) developing a more international agenda

The goal is to involve innovation into the public management methods in order to narrow the gap between administration and the perspective of the citizens (Gonzalez et al. 2013). Another focus is on the collaboration between the government, the public administrations and the citizens, meaning a more equitable (re)distribution of the resources and power. It challenges the traditional notion that between the citizen and government there is only the election channel (Christensen – Lægreid 2002).

Traditional municipality management is slow and lagging behind the active, participation-based initiatives, so it becomes necessary to define new municipality models (Varga 2023). In the operation of the traditional municipality, the local government is the decision-maker actor, who organizes isolated processes and monitors them (URBACT II 2015). In spite of this, the new municipal operation (social innovation) is about a local authorizing government who supports the decisions of the citizens, cooperates and consults – even in rural regions.

**Today, the question is no longer whether individual rural regions need well-planned, long-term development strategies, but what and how these strategies should be structured in order to provide the most effective and favourable solutions for the given rural region, city or village and to adopt to the competition in economic, social and infrastructural development (Dömötör 2020).**

Such key element can be the social capital potential inherent in the given community, which can serve as the initiator of conscious and effective community innovation, the construction and efficient operation of the network of relationships, as well as the responsibility taken for future generations. All these dimensions can contribute to rural regional modernization and development by forwarding messages to strategically important target groups for the given region. For this, it is essential to use the appropriate communication tools, which can be a success factor for effective economic and social development.

Answering this question is not an easy, but a challenging task. It is a difficult topic due to the fact that it is laborious to search and find experiences in the field of innovative institutional models of rural local governments.

The productivity, or in other words, the competitiveness of a given region, is closely related to the knowledge-based economy and the development of its background conditions – this is the result of the research of European Union between 1980 and 2001 when it examined and evaluated the definition of regional competitiveness based on 13 indicators (Dömötör 2020). It became clear that innovation plays a cardinal role in the competitiveness of a given region, therefore it is necessary to encourage various social innovations with the participation of local communities.

It highlighted the fact that - considering the competitiveness - cities has to take into account two basic factors that do not arise when we analyse from the aspect of countries: one is the importance of urban planning/urban design, and the other one is the social cohesion (Dömötör 2020). Urban planning and design mean how the given urban structure is formed, including the sufficient, well-accessible real estate with basic infrastructure. Social cohesion is the unity and collaboration of the local people, which is necessary for the development of certain common goals and visions. In other words, the forums that enable dialogue between different groups within a city and the management of conflicts of interest are and will be of great importance, especially considering rural regions as they rely on the local community to a great

extent. Without social cohesion, social innovation is also unimaginable. In doing so, there are crucial key elements, such as the specific social conditions in terms of the qualified workforce and the attitude of the population, and also the cooperative skills, including the cooperation between the local political elite, the citizens and the civil sphere, all in order to formulate and then accomplish common goals. For successful operation, the formation of a "regional network" and social cohesion is necessary.

According to Lengyel (2003), it can be considered as a coordination process in which the participants or groups of them cooperate in the implementation of a set goal, which goal originates from a common belief or a common vision (Dömötör 2020; Lengyel 2003). The issue of trust plays a prominent role: no formally concluded contracts, but trust, partnership, conviction about the cooperation that benefits everyone, well-functioning system of relationships, constant dialogues between the participants, cooperation that enables solution of conflicts, and openness are needed.

In order to maintain and effectively operate community cooperation, the organization of various consultation forums (as the most important means of coordination) are essential, as it can also mean a tool with the help of which every interested actor of the created rural regional network can become aware of the (desired) common vision of the future that must definitely aim to achieve social well-being.

What drives the need for change? Most often, the first step is when a community's dissatisfaction reaches a "critical" threshold: different social movements are started at the local level, and if a strong internal potential can also contribute to this with an access to external resources and feedbacks, then innovative capabilities can arise even in less promising rural areas (Dömötör 2020). Bacon et al. (2008) investigated case studies, and the following groups of critical factors explain most of the dynamics of innovation (Bacon et al. 2008):

- The intention to change: they realize the thought that "it cannot go on like this anymore".
  - It can also originate from the (rural) local community becoming aware of some kind of threat or a previous failure or finding out a new opportunity.
- The presence or appearance of internal capacities that enable change: including community leadership and cultural conditions.

- Opportunities for new accesses: to external resources that can help to implement change, including human resources, financial resources and networks.
- The power of positive feedback: resulting from being able to provide better services to the "public" which can mean satisfied population, new residents, awards.

One of the success-limiting believes can be that some communities can consider innovation as an unattainable luxury item, when in fact they should interpret it as a basic necessity (Bacon et al. 2008). According to Lengyel (2003) the success of the regions can generally be traced back to the following four factors: the economic structure, the extent of the innovation activity, the regional availability and the qualifications of the workforce (Dömötör 2020; Lengyel 2003).

## 2.1 Knowledge-based governance

Since the middle of the 1990s, the spread of information technologies (IT), the development and widespread use of IT networks intensified, and almost at the same time, the concept of the global "knowledge-based economy" also appeared (Dömötör 2020). The new knowledge-related processes and also subprocesses fundamentally transformed, and still shape the operation and the spatiality of the economy. However, different characteristics of the knowledge-based economy can be observed in the centre regions than in the peripheries and semi-peripheries, the "knowledge-based" regional division of labour is forming. This also means that, partly depending on the development of the regions, and partly on their global knowledge-based and economic "embeddedness", the sources of competitiveness and the means of improving them differ from (rural) region to region (Lengyel 2003).

The increasing appreciation of knowledge is evident, and science goes beyond the recognition of the differentiation of knowledge necessary for development (Pálné 2015). For now, it has become clear that the range of useful knowledge is much wider than scientific knowledge in itself, and concepts have appeared that focus on the spread of knowledge and its interactions, such as the continuously expanded knowledge society, the concepts of information society, post-industrial or post-modern society and network society (Stehr 2007).

The post-industrial society is a knowledge society for two reasons: the sources of innovation come from research and development activities increasingly, and the society's income and employment also fall mainly in the field of knowledge (Pálné 2015). Information creates different ways of knowledge, in which the social sciences play a decisive role, as the creation

and transmission of information becomes fundamental sources of productivity and power. Time and space are important elements of knowledge production, the role of geographical places, history and institutions is still significant, even in a world built on the Internet but in a networking way.

In a knowledge-based society, the state must follow a knowledge-centred strategy and implement a policy that supports the accumulation and utilization of knowledge, which requires a new set of tools in several aspects (Dömötör 2020). A society can be called a knowledge-based society if it enables (and even requires) the individual to learn about their social and physical environment. It generates skills and problem-solving strategies, thereby inducing to rethink the social processes, which are "forced" by the rapidly changing world. As a consequence, the interpretation of well-known and well-proven social processes can no longer be considered as static knowledge, but rather as a dynamically changing and complex process with which the individual is able to rethink, influence and control the social processes.

In a knowledge-based economy and society, important factors are the experts and the availability of knowledge (Pálné 2015). Due to the required resources and the complexity of the relationships, the focus of attention is set on the expert groups: the so-called knowledge communities, the networks of experts that are able to achieve a direct influence on the formation of public policy (however, politics is not dominated by technocrats). External expert knowledge and innovations must be integrated into internal mechanisms through the mediation of bureaucrats as trust in experts is weak. Max Weber considered entrepreneurs as the only ones being independent from the bureaucracy, who possess and use the information necessary for their operation (Stehr 2007). Knowledge societies equip civil society actors with new methods, improving society's adaptability: with the support of national and local pressure and other civic groups, experts are able to bridge the gap between expert and lay knowledge (Pálné 2015). In order to govern, local knowledge needs to be mapped (for example on micro-political, individual and civil levels). Deliberative models based on trust require cooperation between knowledge communities and civil communities, and the development of special dialogue techniques.

Before describing the definition of 'knowledge-based governance', some terms regarding governance are needed to be discussed. According to Ndreu (2016), administrative law is not a precisely determined concept (Ndreu 2016). In the article, it is determined that administrative law covers a wide range of factors: any kind of public authority who participates in the

administration and relations of citizens and non-governmental bodies, and the functions, responsibilities and duties of them. With the tool of defining different legal methods, it controls public administration, and also the rights and duties of officials. There are two main elements in connection with local governments: one is managing public services, and the other is serving citizens and representing their will due to the fact that it is more suitable for the local needs. It serves as a communication tool which can be useful in the communication between the local and the central authorities and the people as well. This mentioned collaboration can happen in two directions: top-down and bottom-up.

The pathway of top-down collaboration between governments and citizens can take different forms, like consultation, citizen participation and co-production (Meerkerk 2019). The crucial points of it are the initiating role and dominance of governmental actors: the involvement of citizens into the policymaking processes or the service delivery. The other pathway is the bottom-up collaboration where the citizens of the given city or town or rural region take the lead and initiate to create community goods and services. The crucial point of it is the role of citizens: self-organizing and initiating, the group or collective nature.

Based on (Furukawa – Hoshino 2001), Pálné (2015) states that the term ‘knowledge-based governance’ is rarely used in the literature, instead, evidence-based governance is more often used. It emphasizes that public policy is based on expert knowledge and knowledge of organizational science, even if its practice is subject to criticism - this knowledge is by no means applied automatically and everywhere. Innovation, technological knowledge, and the knowledge economy are much better known and more frequently mentioned concepts in connection with economic competitiveness, the literature on innovation thinks on a national and regional scale (Pálné 2015). The basis of the national (centralized) innovation system is that the public sector promotes the spread and exchange of innovations born in the competitive sector, supporting the R&D activity of companies, reducing the costs of innovation efforts. Recently, the model paid a lot of attention to the development of human resources, the economic actors of knowledge-creation, and the learning process itself. Rapid changes that are important for innovation can only be managed with the stabilizing role of social capital (Lundvall et al. 2002).

Pálné (2015) summarizes some models as the following:

- In the platform model, regional institutions connect local knowledge to long-distance networks (Vale 2011).
- The regional innovation systems (RIS) also emphasize the bottom-up experimentation and communication. Despite the appreciation of the role of long-distance networks, their essence is the usage of geographical proximity (Vale 2011).
- On the other hand, according to some authors, the regions are only serving as places for the national innovation policy, and in many cases they are not even capable of achieving a meaningful, local influence on the national innovation policies (Uyarra – Flanagan 2010).

In any case, in every innovation system, the location-specific knowledge and the interactivity play an important role (Pálné 2015). Proximity is of fundamental importance in organizational and social learning, trust in long-distance networks is much lower, and local knowledge (local buzz) cannot be replaced by standardized models (Morgan 2004).

The scope of competence and autonomy that local governments are given, and the fact that how centralized or decentralized they are differ from the governance systems (Pálné 2015). Decentralization can be one of the tools of democracy from the point of view of considering the political system as a whole. Another question is whether the performance of a government, including the efficiency of economic development, is related to the spatial structure of governance. The optimum of centralization-decentralization is very complex issue, and dependent both on spatially and temporally changing factors – thus it is a difficult task to establish laws of general validity.

Local governments cannot function well in the presence of poorly performing central governance (Pálné 2015). Although with an outstandingly good local governance, whether rural or not rural, the unfavourable effects of macro-governance environment can be offset for a while. The synergy, that is formed when the good performance of the two governance levels adds up and helps each other, can be considered to being the optimal. To create the framework for optimal decisions locally, decentralized systems can give rural local governments a chance. Taking this opportunity is not simple: for rural local governments it is always a challenge to be able to solve the arising problems in the given place and time.

To explain the above mentioned, a local government can be considered "good" if it can provide good answers locally (Pálné 2015). The aptitude of local government is having the opportunity for managing participation, since it is situated the closest to the stakeholders and it is the least locked and knitted into sectoral mechanisms, so it has the ability to make complex decisions and put them on the base of (local) knowledge. It is an undoubted contradiction to cooperation that with more complex decision-making, there is greater pressure and danger of selecting (group of) participants.

The openness of the government is as it follows: the simpler the decision, the greater the openness, so in the case of complex decisions there is a need for consensuses. In the case of "messy" problems, unique solutions are required, while trials and errors are also necessary, moreover, the background communities can learn more easily and adapt better in such messy situations.

As the process of decision-making is constantly evolving, and learning has different phases, there is no unitary recipe (Pálné 2015). Healey (2004) connects the ideal model of creative local governance to the attributes of the level and dimensions of decision-making, along which specific local governance solutions can be analysed (Healey 2004). The phase "involvement" means more than just the participation of conventional institutions and sectors: the invisible, complex and often hidden local knowledge must also be made visible in order to succeed. In governance, development does not necessarily mean the involvement of new institutions or actors, but the attention to operational practices and different discussions. The needs differ depending on the place itself, they can mean for example mobilizing new actors, dissolving distrust between politics and the administration, motivating key players, and involving the business sector - for specific goals they need to bring together the different dynamics. The strategic leadership capacity is able to pay attention to threats, support initiatives, form synergies, deal with tensions and limitations, while preserving the civility of the governance.

Local governance, especially rural local governance, is a learning process that can take quite a long time, and the need to renew the existing governance methods must prevail (Pálné 2015). To realize that the renewal of a rural area, city or town relies on the energies and knowledge of the different individuals and groups, tolerance and sensitivity are necessary in the process. The world of local governments is very diverse, they are able to activate rural local knowledge and adapt to changes. The authorization and toolkit system provided by the broader governance system is only the starting point for successful "good" local governance.

One of the important resources a government can have is the local knowledge, the familiarity with the local conditions and environment, and the ability to cooperate with other actors in the place. International experiences already play an important role in the process of utilizing local knowledge and innovating local governance, even in rural regions: participating in international networks, and connecting the most specialized local knowledge with the global ones (Beal – Pinson 2014).

## 2.2 Social innovation and social sustainability

Social innovation cannot be limited to a specific sector or area (Dömötör 2020), as it may come in the form of a new service, an initiative or an organization, or in the form of a new approach. Social innovations are innovations that are "social" in terms of their goals as well as their means, that are both good for society and serve to improve the acting ability of the given communities, for example in rural regions. The term of "social innovation" is used in the sense that new ideas (products, services and models) that serve unmet social needs are developed or improved. Many social innovations are also supported by the public sector, while others are supported by different community groups, or other voluntary and civil organizations. Social innovation may also be developed by or in cooperation with companies or other economic actors.

The definition and interpretation of the concepts of social and micro-regional innovation, its types and meanings are not clear in the literature, because the question is what kind of "viewpoint" must be present in a small community in order to be able to manage its everyday life innovatively (Dömötör 2020). Partly in accordance with this approach, according to Varga (2017), a decisive and charismatic leader (mayor) who, as an innovator, can operate as the engine of its own community is also necessary for the creation of social innovation (Varga 2017). On the other hand, Varga calls this a social innovation acting "from the inside out", when the municipality creates an innovation centre in-house, and social innovation acting "from the outside in", is when the city administration implements the innovation by relying on external organizations or accepting their help. According to experience, the results will be optimal if the two methods are combined, which together, strengthening each other's power, are able to create and successfully implement social innovations at the (rural) regional level, with the goal of increasing the well-being of the community.

As the technological and economic innovations cannot provide answers to all social challenges, and as natural and material resources are increasingly scarce, it becomes necessary to use these assets as rationally as possible, achieving greater social and economic efficiency (Varga 2023). Sustainability is not only considered in the aspects of the environment: approaches based on sustainability must pay attention to economic, environmental and social issues at the same time (Gyulai 2013). The social aspect of sustainability includes the conscious effort to improve the quality of life, which, in addition to material well-being and social justice, aims to create equitable opportunities (Gombos – Sziebig 2020). Social challenges that require long-term solutions (such as unemployment, migration, educational inequalities, disadvantaged areas) require innovative social cooperation.

According to Bulut et al. (2013) the successful implementation of social innovation depends on cultural acceptance, economic sustainability and technological applicability (Gombos – Sziebig 2020). They highlight the importance of the individual level during social initiatives, they consider the efforts to be new and original ideas that are sustainable and provide answers to the various challenges of social development for the individual (Bulut et al. 2013).

Phills et al. (2008) identify social innovation as the main driving force for solving social problems in a more novel, efficient, effective and sustainable way. This approach also lays the foundation for the theory of social innovation (Gombos – Sziebig 2020; Phills et al. 2008). The process of social innovation makes societies more sustainable and cohesive through inclusive solutions, collaborations and proactive grassroots initiatives (Gombos – Sziebig 2020; Grimm et al. 2013). However, social innovation should not be approached exclusively as a bottom-up activity, since innovation and its support often come from the macro level (Gombos – Sziebig 2020; Nemes – Varga 2015).

The aim of new social practices and solutions is social change based on comprehensive, pre-planned, goal-oriented activities even in rural areas (Cajaiba-Santana, 2014; Gombos &–Sziebig 2020). To examine the sustainability of this social change is a fundamentally important task. Social innovation is a new solution for dealing with social problems, which manages the challenges in a more effective, efficient, and sustainable way than previous, existing solutions (Gombos – Sziebig 2020; Phills et al. 2008).

## 2.3 Good governance toolkits

Various innovative institutional models of local governments can be mentioned. Several guide examples, programmes, toolkits and good practices are presented that can serve as inspiration for municipalities to take steps towards the innovative governance, taking into account the possibilities for rural local governments. Under the Council of Europe, the Centre of Expertise for Good Governance is operating to promote governments at local, regional and even central level by building capacities and delivering legal and policy advisory services for them (Council of Europe & Centre of Expertise for Good Governance 2019). They set up the list of the 12 Principles of Good Democratic Governance, that summarizes those fundamental values that define the common vision of the democratic governance in Europe. The Centre of Expertise for Good Governance defines effective democracy as enhanced public participation, as all groups of civil society having a say and being heard in decision-making at all levels of government (Council of Europe & Centre of Expertise for Good Governance 2020a). Those citizens who can have a say and are heard in policy debate, are more likely to accept the made decisions of the governance. It supports better decisions and stronger governance.

The 12 Principles of Good Governance are the followings (Council of Europe & Centre of Expertise for Good Governance 2019):

1. Participation, Representation, Fair Conduct of Elections
2. Responsiveness
3. Efficiency and Effectiveness
4. Openness and Transparency
5. Rule of Law
6. Ethical Conduct
7. Competence and Capacity
8. Innovation and Openness to Change
9. Sustainability and Long-Term Orientation
10. Sound Financial Management
11. Human Rights, Cultural Diversity and Social Cohesion
12. Accountability

One of their priorities is to develop and promote innovative capacity-building tools that can be adapted and implemented (Council of Europe, n.d.). They have 25 such tools on 8 different topics:

- Transversal Tools to support Democratic Governance Reforms,

- Democratic participation,
- Good Governance,
- Human Resources and Leadership,
- Teleworking in Public Administration,
- Institutional Capacity and Quality Public Services,
- Local Finance and
- Territorial and Cross-Border Cooperation.

Amongst the Human Resources and Leadership tools, there is an interactive training programme, called Leadership Academy Programme, which serves as a supporting tool for local authorities at any level, for example rural, to develop leadership in different fields: for organizations, strategy and capacity building (Council of Europe & Centre of Expertise for Good Governance 2020b). They have a pre-training survey in the frames of which they aim to collect and analyse every important data to prepare and adapt the training material for better fitting to the needs of different level governments (Council of Europe & Centre of Expertise for Good Governance 2020c). In the document named Syllabus, they provide knowledge on the Leadership Academy Programme, the leadership itself, and the different types of it and the leadership matrix in which the leadership challenges can be seen according to the different levels of leadership (Table 2) (Council of Europe & Centre of Expertise for Good Governance 2020d).

The Guide for trainers document helps local authorities over three stages with available exercises. In the stage 1, the topic of Leadership for Organizations is discussed, and there are 9 modules, i.e. good local governance, understanding leadership, self-awareness and group empowerment, and identification of personal leadership styles. The stage of Leadership for Strategy has modules on, for example, strategic management, learning about organization and organizational communication. The stage of Leadership for Capacity Building includes modules for example in the topic of civil participation in decision making; inter-municipal, cross border, and city-to-city cooperation. Local governments can inspire from this interactive training programme to develop their existing knowledge. As we can see, besides the practical exercises they also focus on the good understanding of the different terms and concepts of the topic, as for the common communication.

Table 2 The Leadership Matrix describing the leadership challenges by level of leadership

		Leadership Challenges		
		Organisational	Strategy	Local governance
Level of Leadership	<b>Leadership for Organisation</b>	<ol style="list-style-type: none"> <li>1. Strengthening individual/group capacities for self-awareness, on-going learning and exercising initiative</li> <li>2. Developing individual/group capacities to work in groups and to foster the sharing information among organisations' members</li> <li>3. Developing individual/group capacities for motivating organisations' members in achieving high level of performance</li> </ol>	<ol style="list-style-type: none"> <li>4. Strengthening individual/group capacities in order to create a dynamic organisation and a learning organisation</li> <li>5. Developing individual/group capacities to foster inclusion and valuing diversity</li> <li>6. Developing individual/group capacities to promote innovation</li> </ol>	<ol style="list-style-type: none"> <li>7. Strengthening individual/group capacities to ensure an effective people management</li> <li>8. Developing individual/group capacities to work in partnership and to establish networks</li> </ol>
	<b>Leadership for Strategy</b>	<ol style="list-style-type: none"> <li>9. Strengthening organisational capacities to support mutual understanding and reflective learning</li> <li>10. Developing organisational capacities to envisage and attain purposes</li> <li>11. Strengthening organisational capacities to elicit the full potential of all staff</li> </ol>	<ol style="list-style-type: none"> <li>12. Developing organisational capacities to improve processes and promote open communications</li> <li>13. Strengthening organisational capacities to value staff</li> <li>14. Providing organisations with the tools to effectively manage performance and conflict, to develop direction and strategy, and to benchmark the effectiveness of local authorities</li> </ol>	<ol style="list-style-type: none"> <li>15. Strengthening organisational capacities to ensure an effective performance management and political management</li> <li>16. Developing organisational capacities to foster an effective Service planning and Management</li> </ol>
	<b>Leadership for Capacity Building</b>	<ol style="list-style-type: none"> <li>17. Strengthening organisational capacities of communicating positively</li> <li>18. Promoting partnership working and the establishment of networks</li> <li>19. Developing the capacity of organisations to actively engage community members</li> </ol>	<ol style="list-style-type: none"> <li>20. Strengthening organisational capacities to manage change, promote partnerships and establish networks</li> <li>21. Develop organisational capacities to promote local accountability, ensure transparency, foster public participation and deliver public value</li> <li>22. Leadership in times of crisis</li> </ol>	<ol style="list-style-type: none"> <li>23. Fostering cooperation and promoting citizens' participation and active engagement</li> <li>24. Leadership for City to City Cooperation</li> <li>25. Equal opportunities</li> <li>26. Accountability</li> <li>27. Using CoE tools for Good Governance</li> <li>28. Storytelling for leaders</li> </ol>

Source: (Council of Europe & Centre of Expertise for Good Governance, 2020d)

### 2.3.1. Digital innovation

According to techUK, digital innovation is of key importance, the outcomes of which can be more responsive, effective and citizen-centric local public services that meet the needs of citizens (techUK 2023). Meaningful innovation does not always mean grand and revolutionary actions, but it comes from collaboration and involvement of different actors: teams, citizens, technology suppliers. That is in line with and supports the idea that was described in the previous chapter discussing innovation, according to which there are several types of innovation, and even a small change can be considered innovative. Incremental advancements can mean innovation – the main point is to serve as a solution that liberate, in our case, the local governments from traditional methods. Digital innovation can be a tool that can promote the process of local public services becoming more and more efficient and personalized providing access to information, supporting economic growth, attracting investment in order to make informed decisions.

The techUK organized an event, called Local Public Services Innovation Week, where stakeholders shared ideas on how a local government can leverage innovation in order to improve its services - the outcome is as it follows (techUK 2023):

- 1) Data and innovation are used by the Council of the future:

Addressing the scarcity of resources and the increase in demand, using data effectively is at high importance. Creating safe places for citizens through services provided by innovation and data, engaging and empowering automating services and digitalising, enhancing skills and sustainability is emphasized. With the help of the data that is hold by (rural) local authorities can involve and empower stakeholders to play an active role in the community.

- 2) Solving challenges and transforming communities by emerging technologies:

Taking advantage of the emerging technologies can be considered crucial for the local governments' future success as they can serve to prevent fraudulent activity. As the nature of emerging technologies, there are challenges to overcome, for example finding time and funding for innovation and intangible projects but local leaders need to be more agile and create the innovation culture.

- 3) Collaboration is key:

Successfully delivering services for local citizens requires collaboration and partnerships. Their long-term fostering is essential from the point of view of supporting organizations to be successful. Co-ordinating a 'client company – local authority – public sector' cluster can help deliver technology solutions and social value to the lives of citizens improving their lives and addressing council challenges.

### 2.3.2 Innovation showcase

In the report of techUK, they present events that serve like a match-making platform: they connected the digital suppliers with local authorities to provide them a mutual place where they can meet and discuss what they need, and what the other participants have got to offer (techUK, 2022). Their goal is to ease the challenge for local authorities that is about identifying the innovators, and for the suppliers that is about identifying councils who are open for innovation.

One such event is the Innovation Showcase where the local government proposed challenges and opportunities and held the event in a format where small and medium-sized enterprises (SMEs) had the opportunity to pitch their innovative solutions (techUK, 2022). This allowed companies to make their way to the public sector level and meet other participants who may become their next partners, may resulting in a diverse and growing local 'govtech' ecosystem. In addition, engaging with suppliers was also beneficial for the local authorities as it also made possible for them to better understand innovation, to be informed about existing innovative solutions, to hear them first-hand from SMEs in order to advance data maturity and to consider the opportunities for improving community engagement by the digital tools of SMEs.

The latter point was in focus while discussing innovation in the previous chapters. It is essential for (rural) local governments to meet innovation in practice to get to know and understand the innovation itself, especially significant if it can happen through a real-life example. That is why useful information about understanding innovation firstly from the great minds in the literature were collected and emphasised, and then by providing use cases and best practices from real-life projects.

### 2.3.3 Children's municipality

Local governments are responsible for utilizing the local, specific resources, while protecting and developing the local values (Dömötör 2020). Local children must also be included in the community-based strategy creation at the micro-regional level.

In Turkey, the Child Friendly Cities programme, together with UNICEF Turkey established child assemblies that serve as a platform where children and adolescents can express their opinions and thoughts for example about children's rights or municipal services by establishing child assemblies for 7-18-year-old children (UNICEF 2017b). Through the assemblies, children set their priorities and contribute to municipal development planning and even to the processes of the city budgeting. The child assemblies include several participants: NGOs, sports clubs for children, volunteers, experts who work with children, and, of course, students – with an average of 100 child members.

A child assembly involves children into governance at their own levels, and they elect the managing body and committees of the assembly that collects the list of activities planned to organize in a year and targets to reach. In Turkey, the municipal council must consider the child assembly's proposals by law.

The key steps of the programming included (UNICEF 2017b):

- 1) The local governments' umbrella organization partnered with UNICEF in order to identify and approach those municipalities that could implement potential pilot projects for the initiative.
- 2) Then, they raised the awareness of the chosen pilot municipalities and reached out to them to secure their commitment.
- 3) The next important step was to care for municipality experts and child participants: building capacity and training them in the fields of strategic planning and budgeting.
- 4) Last, but not least, they involved key stakeholders at the urban level to provide the inclusion of several different groups, for example vulnerable and marginalized ones, and to facilitate the discussions of the child assembly.

In 2017, UNICEF brought out a guide to help enhance children's participation in the local governance (UNICEF 2017a). In line with our previous chapter describing the relevant concepts of our topic, the guide note describes key concepts and rationale in regard to the topics of child participation and local government. The guide note provides help by identifying

key programming steps for the local governance with meaningful child participation. There are five steps described in the guide:

- 1) Situational analysis: as the contexts of policy, institution and culture vary by country, the situational analysis is essential for the programme's duration and scale of benefits, and to reduce the risks. In the frames of the analysis, four contextual issues should be examined:
  - a. child policy framework
  - b. decentralization framework
  - c. institutional landscape
  - d. social, cultural and political context
- 2) Design of the child participation mechanism: the guide provides elements for the practical aspects of the participation mechanism design that should be considered holistically and not in a linear fashion. The pilot projects' specialities should be considered along the followings:
  - a. objectives of child participation
  - b. degree of child participation
  - c. focus of child participation
  - d. child participation process
  - e. child participants
- 3) Implementation: after the analysis of the starting situation and the participation mechanism design, the next step is to address implementation, along the following four points:
  - a. capacity development and training
  - b. creating and maintaining political will and buy-in
  - c. ongoing national policy dialogue
  - d. continued funding
- 4) Operational considerations: internal expertise and technical skills are required for the child participation in local governments. Thus collaboration is needed to support and accelerate the effectiveness of the participation activities, some possibilities for doing so (UNICEF, 2017a, p. 24):

- a. assigning an appropriate number of staff to the activity
  - b. ensuring that staff have sufficient capacity and expertise in both child participation and local governance
  - c. making a plan to address internal capacity gaps (e.g., through training or partnerships)
  - d. establishing internal coordination mechanisms, particularly if several programme sections are involved
  - e. giving a realistic estimate of the budget involved
  - f. putting in place a long-term support strategy that covers staffing and funding requirements, especially if participation is to be scaled up
- 5) Monitoring and evaluation: it is crucial to try to demonstrate the results of child participation even though it is a challenge to measure and track it. The outputs of the participation should put the emphasis on the establishment of an enabling environment, qualitative aspects and the satisfaction of the participating children. The guide provides some examples on how to set the outputs along statements, indicators and means of verification.

### 2.3.4 National Laboratory

In Hungary, there are eight professional workshops that operate within the framework of the Social Innovation National Laboratory (Eötvös Lóránd Tudományegyetem 2023). The thematic forums mean the basis for the innovative and collaborative potential of the National Laboratory. They can build connections, networks and collaborative possibilities between the actors of the academia, industry, public sector and civil sector spheres (quadruple helix).

Within the Social Innovation National Laboratory, the goal of the “Local developments, good governance” forum is to establish partnership between participants to jointly cooperate in providing and developing common good and well-being (Eötvös Lóránd Tudományegyetem 2023).

Local development means improving the quality of life of the region's population, developing and maintaining local wealth, overcoming market problems, strengthening cohesion and implementing local development projects. On the forum meetings, social innovation solutions were sought to achieve these goals, good practices were presented in which the actors of the quadruple helix cooperate in some form and achieve the realization of social innovation

through joint work. The further topics of the forum were social innovation projects aimed at the development of rural areas, the development of new forms and tools of governance, local public administration, local democracy, and good governance.

### **2.3.5 E-government**

In the Netherlands, the Citizens Net, which is a technological system for collaboration between police and citizens, from idea it became to a nation-wide implementation (Meijer 2015). The innovative idea was developed based on the experiences of a police officer who worked on the streets. The system is not a typical example for e-governance as not focusing on service delivery, but it is a good practice due to the relation of citizen participation and their contribution to governance.

The system is used for helping the police by sending messages (voice or text mail) to find lost persons and even criminals (Meijer 2015). These information messages are processed at emergency centres who channel them to police officers, but also the centres can contact citizens to ask for information. It is an interesting example for e-government as new technology is used, there is a strong collaboration between the citizens and the government, and it produces public value: safety. This project is a good example for showing that one idea, from one person can make a significant difference.

The development and implementation of the project started in 1993, and nine years later, in 2012 the idea scaled to a nation-wide implementation (Meijer 2015). The following five steps were taken in the process:

- 1) idea generation: the idea was developed by the police officer
- 2) idea selection: the idea won an innovation award and got the support of the Ministry of Internal Affairs
- 3) idea testing: the idea was tested in one location
- 4) idea promotion: the idea was tested in nine localities after getting support from the national government
- 5) idea roll-out: all Dutch police departments implemented the idea

### **2.3.6 Social innovation-based sustainable urban development**

The international network, called UBRACT is a good practice that implements social innovation (Varga 2023). The program responds to the challenge of how individual rural cities and villages can develop long-term strategies that integrate the fairer social development and the goals of sustainable development and promotes the exchange of experiences and knowledge.

The projects investigating social innovation of the UBRACT program summarize the main characteristics that make social innovation as a process more understandable for localities (Varga 2023). They present opportunities, examples for local governments with the help of implemented innovations<sup>1</sup>.

Particular attention is given to the local level (grassroots level), where residents create powerful organizations creating value, primarily in cooperation with the city administration. This cooperation means a shift in paradigm in the operation of local governments. The participants of the program receive help from external experts, and they can also learn from each other due to joint events as it is a priority of the program to share the knowledge and experience, which results in social learning.

## 2.4 Practical models

In the following table (Table 3) several implemented practical models that could be executed in rural areas are listed. The purpose of this table is to provide opportunity for inspiration by visualizing a set of projects that were already realized in some cities across the world. Therefore, it is a quick and easy way to take a look at what types of projects have been implemented in practice, and even by combining more ideas, it may be easier to come up with a unique solution that can be executed taking into account the characteristics of a given rural area.

The list of projects, even those from cities with a higher number of citizens are selected based on the idea that governments of all levels should be able to implement them as they do not require special conditions that could only be provided by big cities, metropolises, or capital cities. Details of each project are further expanded in the paragraphs following the list.

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<sup>1</sup> UBRACT Good Practices. <https://urbact.eu/good-practices> accessed: 02.18.2024.

Table 3 Summary of projects that could be implemented in rural areas

<b>Name of the project</b>	<b>Location (city, country)</b>	<b>Type of the project</b>	<b>Description</b>
Collective school catering	Mouans-Sartoux, France	a sustainable territorial agri-food policy initiative	Circular economy approach was developed, change of mentalities, multi-level governance and local jobs were created, many citizen initiatives emerged.
A municipal farm to supply local canteens	Troyan, Bulgaria	city leadership in local food production	Municipal Farm built with minimal resources, inclusion of many stakeholders, benefitting children and parents.
Vilawatt	Viladecans, Spain	Innovative partnership for energy governance between local public-private-citizen sectors	A complex governance structure was built, its services were implemented in a short period, effective engagement of neighbours with innovative communication and gamification.
Public Works	Boston, USA	infrastructure development with the inclusion of citizens	An innovative solution was created to solve local problems with involving citizens and drawing in partners.
Civic Imagination	Bologna, Italy	participatory care and regeneration of urban common goods	A tool was developed to listening, collaboration, participation, and co-production regarding city projects and policies.
Improving Solution Quality at The Good Kitchen	Holstebro, Denmark	rethinking and developing meal delivery services by the government	Innovative modification of the existing solution of government-provided meal delivery by interviewing and empathizing with the final customers.
Creative Bureaucracy Festival	Berlin, Germany	developing a creative bureaucracy	A festival created for stakeholders with creative problem-solving mindsets, dedicated to highlight the value of innovation in governance.

Intelligent City	Gdansk, Poland	a smart city with well-functioning social networks	Management of open data and e-services with the engagement of people and authorities.
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Source: own edit based on (City of Boston, 2018; City of Gdansk, 2023; Creative Bureaucracy Festival, 2024; Fondazione Innovazione Urbana, 2020; IBM Center for The Business of Government, n.d.; URBACT, 2017, 2021, 2022)

### 2.4.1 Municipal farm

The city of Mouans-Sartoux, France connected different issues: food, health and environment (URBACT 2017). Faced with a lack of organic food, they developed a municipal farm with two farmers who grew vegetables to supply the needs of the school canteens: they covered 85% of the needs of the three schools serving 1,000 meals a day. Several solutions were achieved: healthier food in the local schools at no extra cost, significant reduction of food waste, employment protection, a shift in behaviour and eating habits to a healthier diet, new set of projects, and sustainable land use. They led the BIOCANTEENS network to help 6 other cities to transfer this good practice.

A city in Bulgaria, Troyan, got inspired by the good practice of Mouans-Sartoux, and established the country's first municipal farm (URBACT 2021). The goal of the Bulgarian project was to produce food and supply the local school canteens. To ensure successful implementation, the city partnered with a research institution, and together they planned how to develop the organic fruit and vegetable production – the town announced that a major size publicly owned land (15 ha) would be dedicated to support the project. They also joined the BIOCANTEENS network to manage the operational processes of the implementation. Fruits and vegetables were planted in greenhouses that supplied 500 children in the town's kindergartens in 2021. They followed two integrating axes: horizontal integration to support smart land use as the project has a significant environmental dimension and social aspects to raise the awareness of children; and territorial integration: the town totally integrated the project into its strategy. This is a great example of starting a relatively small project and reaching a significant effect on the local governmental level.

### 2.4.2 Innovative energy governance

VILAWATT is a project of the city of Viladecans, Spain that focuses on boosting the energy transition process by creating administration offering energy supply consultancy, retrofitted buildings, communication campaigns and consortium governing structure (URBACT 2022). It set up a partnership between the public and private sectors and the citizens with the priority of increasing the commitment and sense of belonging of citizens in order to enhance the process of sustainable energy transition.

They have made significant progress in governance by establishing new associations aimed at building trust and providing a platform for citizens to voice their opinions and be heard (URBACT 2022). The innovative solution lies in boosting the shift towards a low-carbon economy, promoting citizen's engagement (bottom-up design process where the ideas come from the citizens and build up towards the governmental levels) to boost energy model change, enhancing the possibilities of employment, and revitalising the local sector (new digital currency in connection with energy savings).

Doing so, there is a collaborative and participative work between the public and private sector partners and the municipality. The challenges related to the project were managed by innovative communication, gamification, being creative and finding fast alternatives to barriers, besides putting the focus on building trust in citizens towards the government.

### 2.4.3 Urban innovation units

The urban innovation units are usually smaller teams within a city's government, with the mandate to experiment in order to develop urban policy: with new services, new ways or new processes. They usually draw in new partnerships and divide labour amongst departments and functions in order to unsettle the perspective of "business-as-usual" (The Conversation 2023). They look at failure with tolerance and learn from it, until a better-working version is achieved that can be for example a policy or a new service. These units need to consider the unique local specifics, priorities and politics, and can work even in rural regions.

Public Works in Boston handles many duties to maintain the streets (City of Boston 2018). The City of Boston came up with the solution to potholes. They built an engaging experience for the citizens to connect with them deeper and to build trust in citizens towards their government: there is an opportunity for citizens to report potholes on the city streets via a mobile application

or on a given telephone number<sup>2</sup>. In the application they can give the specific request, the location and attach a picture of the pothole. Then, the government can measure the efficiency.

In Bologna, the Fondazione Innovazione Urbana is a multidisciplinary centre, which focuses on taking care of the urban common goods (Fondazione Innovazione Urbana 2020). They aim to co-produce decisions considering public policy and to create mutual listening and collaboration. Their task is to achieve participatory processes and monitor them. In order to do so, they organize different events, for example campaigns and initiatives in cooperation with their neighbourhoods, public and private institutions and associates.

#### 2.4.4 Design thinking

Focusing on people, even if they work in the government or are citizens – it is design thinking at its best (The Conversation 2023). Design thinking can include and engage people who were traditionally not involved in an authentic way in program and policy design beforehand. It can be implemented in rural cities and towns as due to their smaller size, the community is more close-knitted.

In 2007, the city of Holstebro, Denmark decided to rethink the existing meal delivery services provided by the government (He, n.d.). There is a significant number of senior citizens in Denmark, and those who are in assisted living may suffer from poor nutrition and malnourishment. That is why the delivery service teamed up with the local design agency: they interviewed and empathized with the senior customers, and by understanding their needs, they completely redesigned their service as a result. Technology was not the solution this time, but empathy and understanding were.

With the inclusion of the final customer, the target audience, who is in focus of the service, the City of Holstebro could offer the renewed service at higher quality, more flexibility and in a more human-centred way (IBM Center for The Business of Government, n.d.). As it can be seen in this case, there was no need for a new product or technology to solve the local problem, they happened to think out of the box and with the inclusion of their customers, a new, innovative idea arose that changed the lives of elder people.

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<sup>2</sup> Politico: How Boston fixes a pothole. <https://www.youtube.com/watch?v=6ApXez9OSLQ> accessed: 02.18.2024.

## 2.4.5 Creative bureaucracy

City government innovation can be considered as being about solving problems in creative ways (The Conversation 2023). City of Berlin organizes the international Creative Bureaucracy Festival every year for participants from various fields: governments, civil societies, change-making organizations and politics (Creative Bureaucracy Festival 2024). They organize sessions from several countries to exchange ideas, share expertise and celebrate great examples of administrative innovations<sup>3</sup>.

They emphasize how important is trust in changing public administration and to find solutions that really serve people by changing mindsets. The leaders and officers of rural local governments can also participate in such events, collecting ideas and changing experiences, and with taking into consideration their own rural values, they can customize these good examples and practices to fit to their environment.

## 2.4.6 Smart city

In its Final Deliverable for the European Commission's Intelligent Cities Challenge, the City of Gdansk (Poland) handed in its Intelligent City Transformation Overview (City of Gdansk 2023). In the document, they give details about their goals considering an integrated approach to e-government services as they have different IT systems and web applications but without a common customer experience. They aim to upgrade their open data to provide better flow of data from the local government to the citizens.

They evaluated their city's performance, and there is higher performance observed in the following fields (City of Gdansk 2023):

- 1) Growing number of citizens using the eGov channels for contacting local administration.
- 2) In public transport, there is advanced real time open data.
- 3) 24/7 Contact Center with services on different channels (phone, mail, chat, social media)
- 4) The city web portal integrated e-payments.
- 5) The residents have high level of awareness.

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<sup>3</sup> Creative Bureaucracy Festival 2023. <https://www.youtube.com/watch?v=U-mcs6x7-DI> accessed: 02.18.2024.

- 6) There is cooperation and comprehensive local programmes.
- 7) The local ecosystem has a high innovative potential.

The city of Gdansk presented itself in an in-dept interview as a reflective and entrepreneurial city having well-functioning social networks (Osowska 2023). The city considers smart city issue as one of its horizontal programs and has activities – amongst others – including transport open data, integrated traffic management system (TRISTAR). Social projects are also at high importance: implementation of the openness policy (which aims to create opportunities to support projects and to increase entrepreneurial competencies), and of centres for modern advisory and coaching as well as for talent development.

To sum up, globalization means global changes that affect different fields of our lives, and amongst others, local governments need to adapt to these changes and keep up with them (Dömötör 2020). The local levels became more appreciated in this changed environment - this process was strengthened by the fact that the central government's policy related to managing regional differences is ineffective (Campbell 1990; Mezei 2006). In this case, the task for (rural) local governments is to find solutions that are suitable for their own strategy based on their unique characteristics.

The fast changes require fast decisions and measures both from the local leadership and the population as well (Dömötör 2020). Besides preserving their environmental values, community leaders need to get the best out of themselves, which possibly requires new tools, methods, or in other words, innovation. It is necessary since those who are not able to recognize and keep up with the changes, will fall behind. Instead of the traditional management styles which are slow and organizes isolated processes, new municipal operation is needed which supports the decisions of the citizens, cooperates and consults, and can operate based on social innovation, even in rural areas (URBACT II 2015).

As some closing thoughts, the overview of the chances of villages is summarized by Pálné (2022). Local participation, consideration and adaptation to local conditions and needs that are necessary for good local governance, cannot be achieved with municipalities who stand without resources and tools, and we cannot expect these to be "replaced" with a centralized and standardized public policy (Pálné 2022). Centralized public policies cannot make the

organization of public services or local development fair and more efficient, moreover, centralization can be less effective and more expensive, and, in the case of smaller rural villages, even counterproductive.

The diverse system of associations, based basically on local specialities, characteristics and trust, combines the democratic requirements of the local community model with the optimal organizational framework of efficiency and quality (Pálné 2022). This requires intensive learning and cooperation between the different government levels and actors – both locally and in the central formation of public policy.

Integration must be strengthened, or more precisely created, not only on the scale of rural neighbourhoods, but also on the scale of cities and their surroundings (Pálné 2022). At least as important is to strengthen the middle-level governance, which, especially in the case of fragmented structures, is more realistic on a county scale than in larger regions. For example, the county municipalities can become government actors on the basis of cooperation with localities and other civil and economic partners, and not on their own. They can do so, for example, by helping out where small rural villages have poor means, or by working together with the big cities of the region to create real spatial integration, they mitigate territorial inequalities and keep balance in regard to central governments that always tend to centralize.

The National Association of Local Governments (Hungary) summarized some thoughts of the European Commission (Települési Önkormányzatok Országos Szövetsége 2022). According to them, the hierarchic and bureaucratic system cannot set free the energies of employees. We need to make steps in order to become more innovative, it will not happen by itself, by doing nothing.

Office workers (in public administration) need to feel that they can experiment with new aspects, and they do not have to fear from failure and the criticism by their bosses (Települési Önkormányzatok Országos Szövetsége 2022). They need to feel and be encouraged to actively search for best practices of other rural local governments, as learning from each other enhanced innovation. Their achievements need to be celebrated in order to make employees feel more satisfied and to encourage them to search for and try new ways of implementation. Good communication is key, as it ensures the flow of information to people about everything that is innovative, and the spread of good practice developed in one part of the organization so it can reach out to other departments as well.

Last but not least, for the leaders of rural local governments, here are some suggestions to boost innovation (Települési Önkormányzatok Országos Szövetsége 2022):

- Learn about risk management thoroughly.
- Support senior officials in taking risks.
- Support colleagues in testing and trying new things.
- Make discussions with employees about their work and practice.
- Listen to the challenges expressed by colleagues.
- Experiment more, try new things.
- Be less critical and more appreciative of others' efforts.
- Encourage people to come up with new ideas.
- Combine ideas and build on suggestions.
- Compare activities using benchmarking.
- Learn from mistakes.
- Share knowledge about the things that work.
- Creating a process for collecting new ideas.
- Invite outsiders and send out insiders.
- Incorporate idea generation into the agenda.
- Design small experiments.
- Mobilize people, change teams.
- Introduce job shadowing.
- Ensure selection of different types of people in team building.
- Ensure the diversity of people within the organization.
- Build networks and network opportunities.
- Try things that work elsewhere

Innovation may seem intangible and unattainable to rural areas, cities and even less so for smaller villages (Bacon et al. 2008), but if they understand what innovation is about, they can use it as a tool to improve their governance methods and keep up with the fast-changing world.

To summarize the topic of the innovative institutional models of local governments, we aim to promote and enhance innovation in rural governments with our advisory document as it seems it is challenging to search and find experiences and good practices to take the first step towards innovation.

By providing feasibility examples and good practices, our goal was to collect several kinds of ideas that can be considered by rural local governments. They may get inspiration and start collaborating with their community, neighbours, private or public organizations. Taking part in events to meet innovation through existing examples and change experiences is a great opportunity to broaden their way of thinking about innovation, and with taking into consideration their own rural values, they can customize the good examples and practices to fit to their environment.

### 3. The concept of multi(level)stakeholder governance model

**Governance is “the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest.” (Burger – Mayer 2003, pp.50).**

The White Paper on European Governance identifies five principles that underpin good governance:

- Openness: Prioritizing transparency and effective communication in decision-making processes.
- Participation: Guaranteeing the involvement of all relevant stakeholders.
- Accountability: Clearly defining the roles of each participant in decision-making; each involved actor should take responsibility for their assigned role.
- Effectiveness: Ensuring decisions are made at the right level and time, and that they deliver the necessary outcomes.
- Coherence: Establishing consistency and alignment among various actions.

Multi(level) stakeholder governance can contribute directly to the effective implementation of these principles.

**Multi(level) stakeholder governance model is a vertical (multiple levels) and horizontal (multipleactors) allocationof central government authority, fostering the participation of a wide range of stakeholders (public, private and civic) in policy-making and implementation through formal and informal means (Bache – Flinders 2004).**

The primary goal of the multi-stakeholder governance idea is to engage all relevantstakeholders in decision-making by means of a conversational exchange/dialogue.

Multi(level) stakeholder governance model has three main components:

- **Multi:** Refers to the engagement of various groups or organizations beyond just two. This can include entities such as civil society, government institutions like local authorities, ministries, and other state bodies, international organizations, the media, the private sector, as academic institutions, etc.
- **Stakeholders:** A stakeholder refers to anyone who has an interest in a specific issue—this includes individuals directly affected by a problem (such as a conflict), those who benefit from or are impacted by a possible solution, as well as those who have the power to influence it. Identifying the right groups to engage can be challenging.
- **Process:** Multi-stakeholder processes can take many forms, ranging from informal and flexible discussions to more formalized partnerships with written agreements, established decision-making procedures, and, in some cases, formal action plans and administrative backing. These processes function as platforms for dialogue, debate, or negotiation, often blending elements of all three.

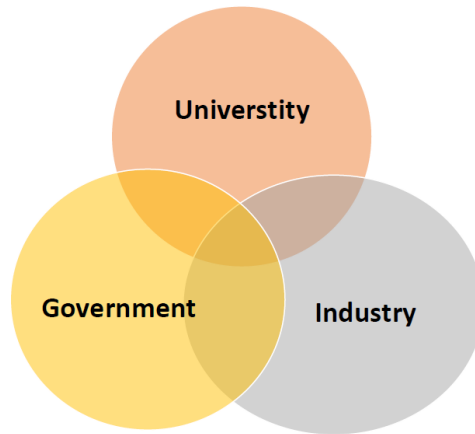
The Multi(level) stakeholder governance model can be interpreted on two dimensions:

### 1. Vertical - coordination between different levels of government and actors

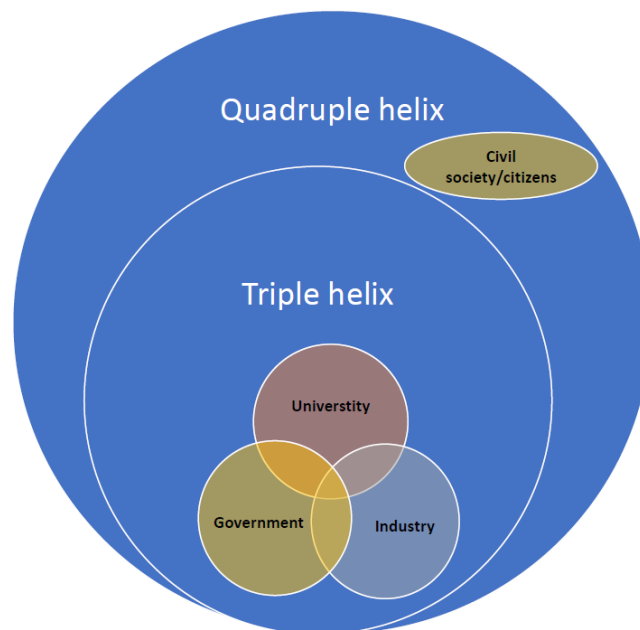
- transnational
- national
- regional
- local

### 2. Horizontal - the involvement of several actors from the same level

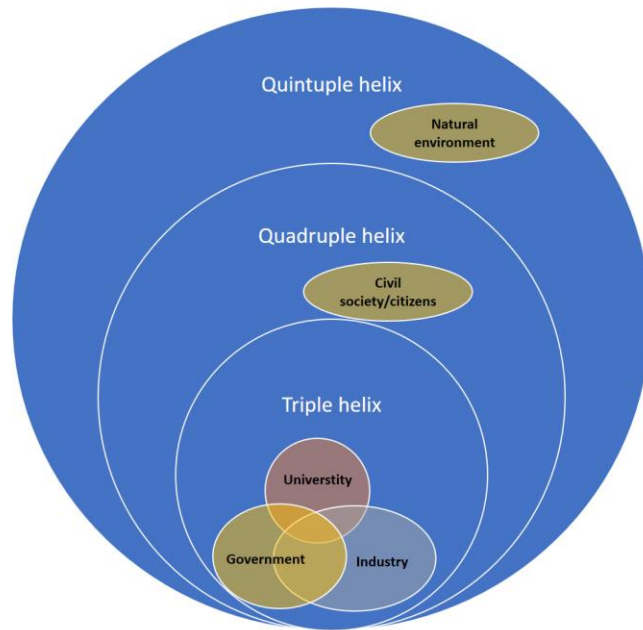
- Triple helix model: In this tripartite relationship, academia focuses on education and research, industry drives business activities such as production and commerce, while the government establishes the necessary framework through policies and regulations.



– **Quadruple Helix Model:** This model introduces a fourth element: the public, encompassing civil society and the media. The inclusion of this component addresses the issue that innovations may have limited impact if they fail to align with people's needs and demands. Engaging civil society and leveraging the media for communication and dissemination helps prevent or resolve such challenges.

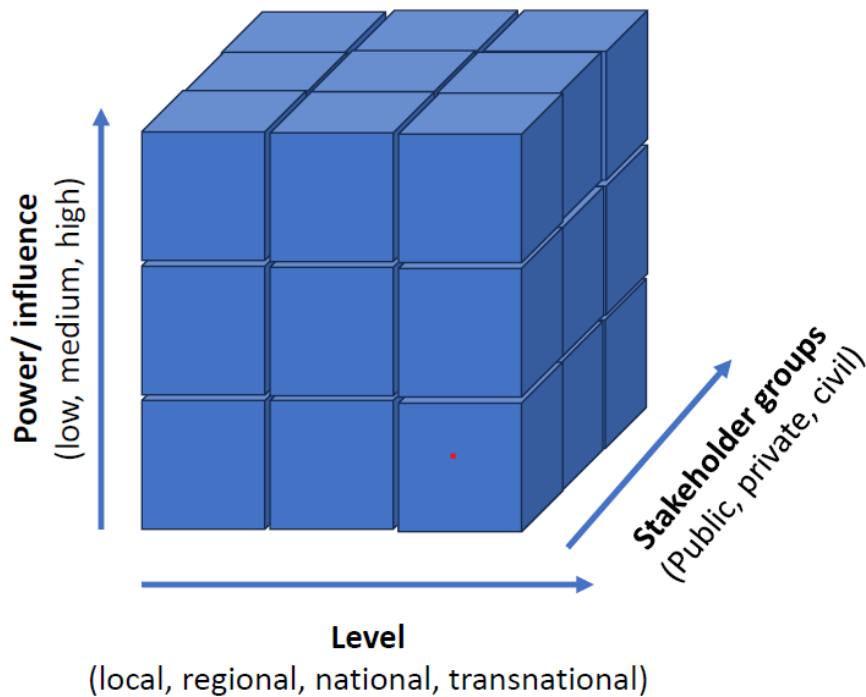


– **Quintuple Helix Model:** The natural environment is introduced as the fifth helix in this model, emphasizing the importance of sustainable development and addressing issues such as climate change. While this aspect is essential, this guide will primarily focus on the quadruple helix model.



**Multi(level) stakeholder governance model** can be depicted as a three-dimensional cube. The model organizes stakeholders along three axes, capturing the complexity and diversity of governance environments:

1. **Power/Influence:** This axis represents the level of power or influence stakeholders hold in decision-making, categorized into **low, medium, and high** tiers. It illustrates how different stakeholders contribute to governance processes based on their capacity or authority.
2. **Level:** This axis defines the geographic or jurisdictional scope of governance, spanning from **local** to **regional, national, and transnational** levels. It highlights the varying scales at which stakeholders operate.
3. **Stakeholders:** This axis classifies stakeholders into **public, private, and civil sectors**, reflecting their roles in governance processes. Public stakeholders include governments and intergovernmental organizations, private stakeholders encompass corporations and businesses, and civil stakeholders include NGOs, community groups, and individuals.



This model helps visualize and analyze the interactions and relationships between diverse actors involved in governance, supporting more inclusive and effective decision-making processes.

Multi(level) stakeholder governance model can have several benefits for the decision-making processes (Coopenergy 2015):

- Align local, regional, and national policies to ensure consistency.
- Develop clear and unified visions tailored to local needs and strategic goals.
- Establish stronger financial opportunities by building partnerships across various stakeholder groups, creating a stable environment for investments and funding.
- Enhance communication among stakeholders by promoting coordination and efficiency.
- Standardize methods for monitoring and reporting to ensure consistency across processes.
- Facilitate the sharing of knowledge, expertise, and skills among stakeholders.
- Pool together resources, abilities, and techniques to maximize efficiency.
- Define roles and foster collaborative relationships through consensus-building.

### 3.1 Actors of participatory process

A key aspect of the participatory approach is determining who will take part in the action. The following actors can be distinguished:

**1. Public Sector:** Government entities play a central role by providing regulatory frameworks, policies, and resources. They act as facilitators and decision-makers, ensuring accountability and alignment with broader societal goals. Eg. Local governments, national ministries, regulatory agencies.

**2. Private Sector:** Businesses and industry groups contribute innovation, funding, and practical solutions. Their involvement ensures that economic perspectives are included and that projects remain feasible and market-oriented. Eg. Corporations, industry associations, and small-to-medium enterprises (SMEs).

**3. Civil Society:** Non-governmental organizations (NGOs), community groups, and grassroots movements represent the needs and interests of various social groups. They advocate for inclusivity, equity, and sustainability, often acting as a voice for marginalized populations. Eg. Advocacy organizations, local community groups, grassroots movements.

**4. Academia and Research Institutions:** Universities and research organizations provide expertise, data, and evidence-based recommendations. They support innovation, capacity building, and the evaluation of policies and practices. Eg. research universities, independent researchers.

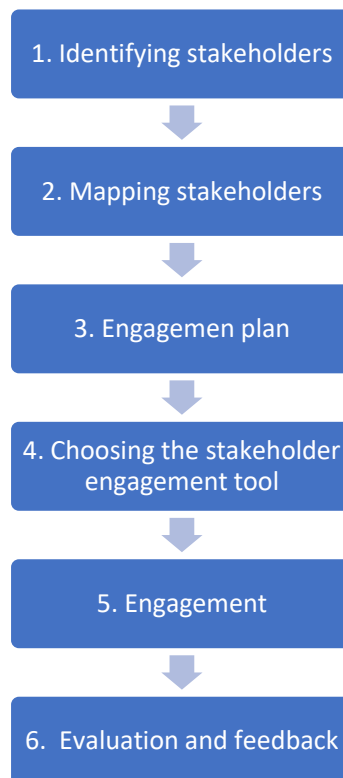
**5. Media and Communication Channels:** Media organizations and communication platforms disseminate information, raise awareness, and encourage transparency. They play a vital role in keeping stakeholders informed and enabling public dialogue. Eg. Journalists, social media platforms, public broadcasters.

**6. General Public:** Citizens, including underrepresented or marginalized communities, bring lived experiences and grassroots perspectives to participatory processes. Their involvement ensures that outcomes reflect real needs and priorities. Eg. Individuals, community leaders, citizen assemblies (more information in the O.1.2. Community Engagement Plan document).

These actors bring diverse perspectives, resources, and expertise, making participatory processes more inclusive, effective, and reflective of societal needs.

## 3.2 Stakeholder involvement and engagement

In the process of multi(level) stakeholder governance model, the first step is always to identify stakeholders. After that we need to map and categorise the stakeholders. This is followed by preparing a plan how to engage and communicate with stakeholders. After that we need to choose the best method/tool how to engage stakeholders. After stakeholder engagement, the evaluation phase comes when we collect feedback from stakeholders. In this section the process is quite similar to the process in the Community Engagement Plan (Activity 1.2, Output 1.2).



### 3.3. Identifying and mapping of stakeholders

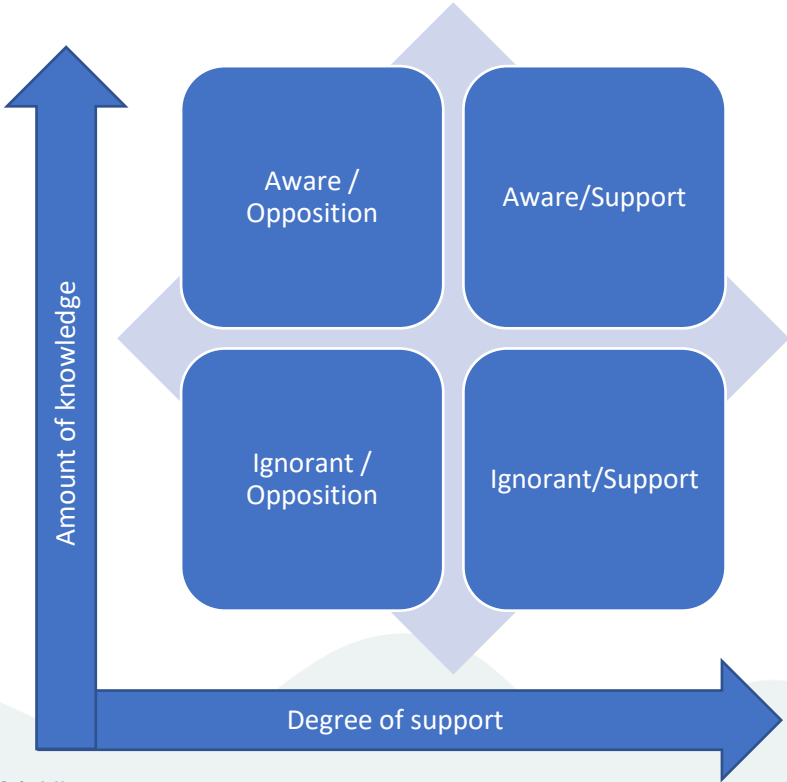
The initial stage of stakeholder identification lays the groundwork by creating a detailed list of all relevant stakeholders and their respective groups. This vital step also identifies the reasons behind their participation, highlighting the varied motivations driving their involvement. In the

subsequent phase, attention turns to accurately assessing and analyzing these stakeholders. This analysis is crucial for prioritizing stakeholders based on the importance of their engagement. A key principle guides this process: not all stakeholders or groups require the same level of involvement, nor must their participation occur simultaneously. Instead, a strategic approach is necessary, acknowledging that the extent and timing of engagement will differ across stakeholders and groups.

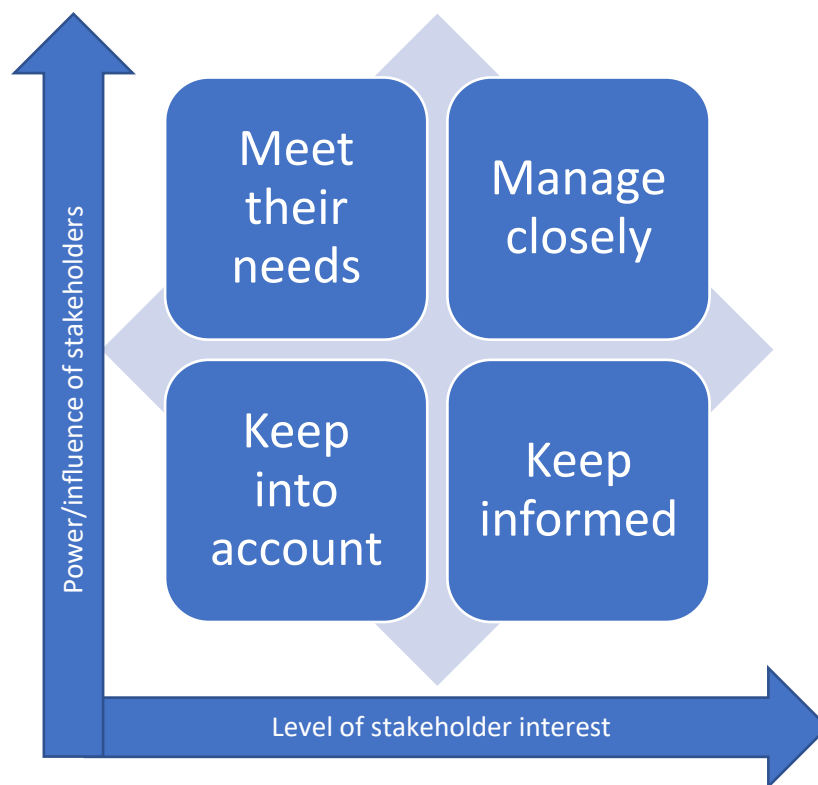
Mapping stakeholder groups is a critical step in fostering effective cooperation and engagement. With a growing emphasis on inclusive, sustainable, and community-oriented initiatives, the range of tools available for stakeholder engagement has significantly expanded. These tools are designed to promote active participation, mutual understanding, and collaborative problem-solving. Exploring their importance highlights how they facilitate dialogue, empowerment, and co-creation, as well as their transformative impact on modern strategies for inclusive development.

Several methods have emerged to aid in identifying and categorizing stakeholder groups:

- **Stakeholder Knowledge Base Chart:** This tool evaluates stakeholders' attitudes and knowledge regarding a project. Based on these factors, stakeholders can be classified into four categories: *Aware/Opposition*, *Aware/Support*, *Ignorant/Opposition*, and *Ignorant/Support*.



- **Power/Interest Grid:** This tool organizes stakeholders into four key quadrants based on their level of power and interest. It helps in strategizing tailored engagement approaches for each stakeholder group.



### 3.4 Stakeholder participation and engagement

Stakeholders can be classified into different levels of participation based on the extent of their involvement and influence in a project. These levels serve as a guide to understanding how stakeholders engage and contribute, helping organizations define their roles, expectations, and responsibilities more effectively. Here are the four primary levels of participation, ranked from the least to the most involved:

#### 1. Informing

At the *informing* level, stakeholders are kept updated on the project's progress, objectives, and results but are not directly involved in decision-making. Communication flows in one direction—from the project team to the stakeholders—providing them with

essential information without seeking their input. This level ensures stakeholders are aware of the project but limits their role to passive observers.

## 2. Consulting

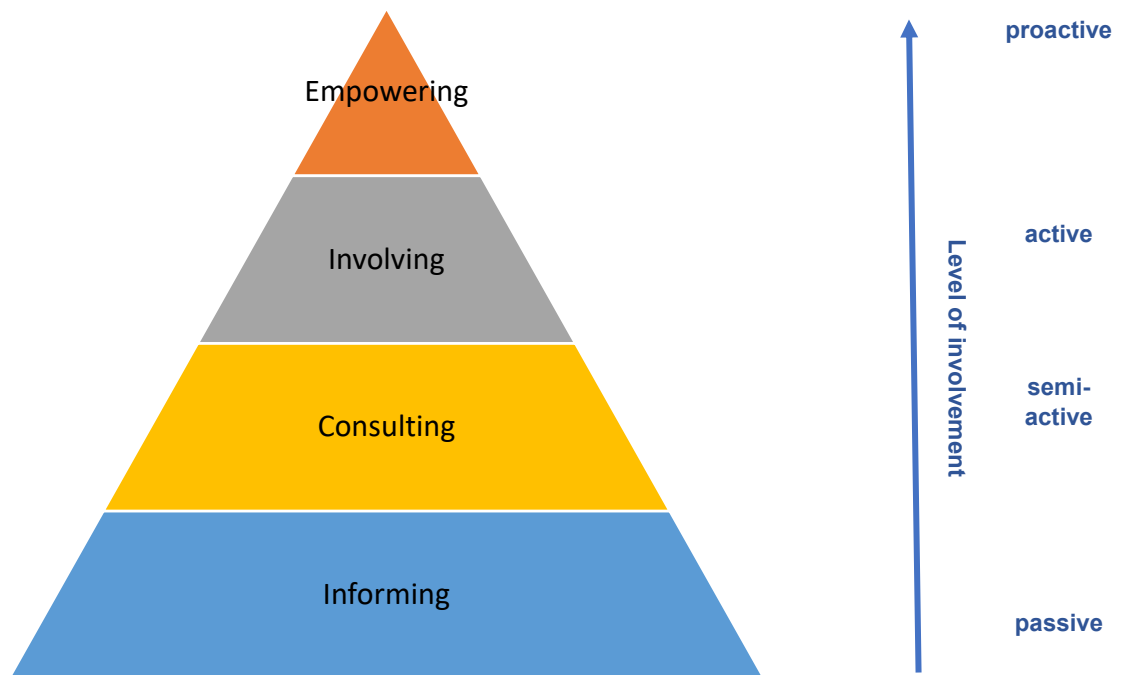
At the *consulting* level, stakeholders are invited to share their perspectives and feedback. Techniques such as surveys, interviews, or focus groups are commonly used to gather their opinions. While this input can shape certain project decisions, ultimate authority remains with the project team. Stakeholder influence is limited to the areas where feedback is requested, making this a more interactive but still controlled level of engagement.

## 3. Involving

The *involving* level reflects a more active form of participation. Stakeholders are engaged in collaborative discussions, workshops, or planning sessions. Their contributions are not only solicited but also integrated into the decision-making process, giving them a tangible role in shaping the project. Although the project team retains some control, stakeholders' input significantly impacts specific aspects of the project. This approach builds a sense of ownership and deeper engagement.

## 4. Empowering

The *empowering* level represents the highest form of participation, where stakeholders act as equal partners in the project. Their involvement spans all phases, from planning to execution, and their decisions hold substantial weight. In this collaborative model, stakeholders and the project team share authority and responsibility, co-creating strategies and outcomes. This approach fosters innovation, inclusivity, and shared ownership of the project's success.



Recognizing these participation levels allows project teams to design targeted engagement strategies that draw on the unique strengths and perspectives of each stakeholder group. By adapting the degree of involvement to the needs and expertise of stakeholders, projects can achieve better outcomes while fostering collaboration, respect, and a shared sense of achievement and ownership. Thoughtfully planned stakeholder engagement ensures that all participants are not only informed but also empowered to contribute meaningfully to the project’s success as well as to the sustainability of project results by potentially involving th stakeholders not only in the design, but also in the implementation and long-term governance phases.

### 3.5 Stakeholder engagement and methods

Stakeholder engagement is most effective when approached as a continuous, evolving cycle. By incorporating strategic planning, clear and comprehensive reporting, and insights gained from regular monitoring and evaluation, the process can be continually improved. This iterative method ensures that stakeholder engagement becomes an ongoing effort informed by experience and adaptation, rather than a series of disconnected actions.

When executed well, stakeholder engagement can serve as a powerful driver of innovation, sparking new ideas and creative solutions. However, poorly managed engagements risk undermining stakeholder trust, leading to tension and mistrust. As such, the effective

management of stakeholder engagement is vital—it can strengthen relationships and foster collaboration, or, if neglected, jeopardize future partnerships and organizational success.

Several tools can be used for engaging stakeholders.

### 3.5.1 OPERA

The OPERA method is a practical and participatory tool for group collaboration, designed to stimulate idea generation and streamline decision-making. It provides a systematic framework for problem-solving while fostering creativity and engagement. By actively involving participants affected by the main question, the method leverages their knowledge and experiences to collaboratively develop solutions. This inclusive approach helps build commitment to the outcomes while unlocking the group's collective creativity, energy, and innovation.

Unlike traditional workshops, where only a few voices dominate, OPERA ensures that all participants are continuously active, creating structured and shared perspectives. This makes it a versatile method suitable for team meetings, brainstorming sessions, workshops, and both national and international gatherings.

The process is built on six simple steps, enabling the collection and organization of diverse ideas:

1. **Presenting the Task:** The facilitator begins by introducing an open-ended question or task to the participants.
2. **Individual Reflection:** Each participant spends 3-5 minutes individually reflecting on the task and writing down their ideas on paper or post-its, without engaging in discussion.
3. **Pair Collaboration:** Participants form pairs (or small groups, if the workshop size is larger) and spend 5-10 minutes sharing and discussing their thoughts. Each pair reaches a consensus and records their joint proposal on new papers or post-its, which are then displayed on the OPERA board.

4. **Proposal Explanation:** Pairs present their proposals to the group in short (1-2 minute) explanations. Other participants listen without providing feedback or comments at this stage.
5. **Prioritizing Ideas:** Using agreed-upon criteria, participants rank the proposals by selecting the most important ones (e.g., using stickers or dots). These rankings are marked on the OPERA board.
6. **Organizing and Aligning:** Facilitators organize the proposals on the OPERA board, combining similar ideas and grouping them under relevant subtopics based on participant input. Proposals are arranged by priority, with higher-ranked ideas placed at the top.

The OPERA method encourages active participation from all stakeholders, ensuring that everyone contributes their ideas and engages in meaningful discussions. This approach promotes moderate to high involvement, fostering a sense of ownership and producing innovative, collaborative outcomes.

### 3.5.2 Decision Theatre

The Decision Theatre is an advanced platform equipped with immersive technology, designed to showcase plans and visualize data for planners, stakeholders, researchers, and citizens. By integrating cutting-edge digital tools, it enhances participants' understanding of complex planning concepts while enabling clearer communication of ideas. Beyond visualization, the Decision Theatre serves as a collaborative space for discussions and decision-making processes.

Tackling complex challenges requires a strategic and multidisciplinary approach. The Decision Theatre unites researchers, policymakers, and business leaders to explore and address societal issues. Using data analytics and high-performance computing, it transforms large data sets into interactive, visually compelling models. Through collaboration with interdisciplinary partners, it simplifies complexity, enabling participants to engage with innovative simulations and data visualizations.

The Decision Theatre process consists of three key phases:

1. **Presentations:** Local stakeholders and experts begin by presenting empirical insights and introducing a simulation model.
2. **Interactive Group Work:** Participants work in groups with the simulation model, discussing and analyzing the outcomes.
3. **Feedback and Discussion:** The session concludes with a general discussion and feedback, reflecting on insights and outcomes.

### 3.5.3 Walkshop

Walkshops, an innovative blend of workshops and site visits, leverage the dynamic nature of exploration to foster engagement and collaboration. This method involves a structured walk along a predefined route within a community or project area, undertaken alongside local residents and representatives from various stakeholder groups. Typically conducted at the early stages of fieldwork, walkshops encourage participants to engage in active discussions, share observations, and interact informally while exploring the project environment. This mobile approach energizes conversations, breaks down formal barriers, and nurtures spontaneous dialogue, creating opportunities for deeper connections and shared insights.

The walkshop format is particularly effective in addressing practical challenges. For example, in the context of autonomous vehicles, walkshops help stakeholders visualize their impact on urban infrastructure, traffic flow, and pedestrian safety. By grounding discussions in the physical environment, this approach bridges the gap between theoretical innovations and practical, context-specific solutions, enabling stakeholders to better understand and address real-world implications.

Walkshops follow a five-step process:

1. **Identify Participants:** Select key individuals from relevant stakeholder groups who are willing to participate in the walk and share their observations.
2. **Define Objectives and Route:** Discuss the purpose of the walk with participants and collaboratively determine a route that represents a variety of local conditions.

3. **Set Observation Guidelines:** Work with participants to establish criteria for documenting observations during the walk.
4. **Conduct the Walk:** Highlight the dual importance of the physical journey and the resulting discussions. Identify specific stopping points along the route for focused discussions and documentation of observations.
5. **Analyze and Visualize Findings:** Use the collected information to develop diagrams or maps, which serve as a foundation for further stakeholder discussions and planning.

By combining movement with dialogue, workshops create an interactive platform that strengthens communication, fosters relationships, and inspires shared discovery among stakeholders, making them a powerful tool for collaborative problem-solving.

### 3.5.4 Hackathon

A hackathon is an event where individuals or teams work closely together on a specific project for an extended period. The term "hackathon" combines "hacking" (creative problem-solving) and "marathon" (a prolonged effort). While hackathons originated in the tech industry, where they often last between 24 to 72 hours, today they are open to a much broader range of participants, including startups, students, stakeholders, employees, and citizens. They are valuable for fostering innovation and tackling social challenges.

Hackathons were initially held as physical events, but today, there are several formats. Onsite hackathons bring participants together at a specific location, requiring organizers to provide a venue, tools, workspace, and catering. Online hackathons enable people to connect across geographical and time zone boundaries. Hybrid hackathons are a combination of both, often starting online with ideation and then transitioning to an onsite phase for prototype development.

The main focus of a hackathon is on innovation and creativity. Participants are encouraged to think outside the box, experiment, and create new solutions. Inclusive hackathons bring together diverse teams to harness the power of collective creativity. The format of the event

promotes experimentation, problem-solving, and a playful approach, making it an excellent opportunity for both participants and organizers to generate ideas and knowledge.

By forming versatile teams, different approaches can be combined to find the most innovative and effective solution.

Hackathons typically follow the design thinking process, which includes these steps:

1. **Empathize:** Understand the problem from the perspective of the users or stakeholders. Conduct interviews, surveys, and observations to gain insights and develop empathy by seeing things from the users' viewpoint.
2. **Define:** Clearly define the problem based on the insights gathered. Create a problem statement that highlights the users' needs and challenges, and outline the project's scope and limitations.
3. **Ideate:** Generate a wide array of ideas without judgment. Encourage brainstorming and creative thinking through techniques like mind mapping and ideation sessions.
4. **Prototype:** Create tangible representations of your ideas for testing and refinement. Build low-fidelity prototypes, such as sketches or digital mock-ups, to test ideas quickly and cost-effectively.
5. **Test:** Collect feedback by testing prototypes with users. Hold a pitch contest to present the prototypes and assess how well they address the problem. Identify areas for improvement.
6. **Iterate:** Refine the prototypes based on feedback. Continuously test and improve the designs until a satisfactory solution is achieved, embracing a mindset of ongoing improvement.

### 3.5.5 Surveys

Surveys are structured questionnaires distributed to stakeholders that serve as effective tools for collecting quantitative data on preferences, opinions, and perceptions. They allow a broad range of stakeholders to share their views anonymously. Beyond offering a numerical

representation of stakeholder perspectives, surveys also provide a holistic overview, revealing emerging trends within the community. The data gathered through surveys are crucial for informed decision-making, ensuring that stakeholders' input is captured and integrated systematically.

In the context of autonomous vehicles, surveys can address specific issues such as safety, privacy, and ethical concerns. By asking targeted questions, they gather a range of opinions, offering key insights into public acceptance of new technologies. This data helps policymakers and developers identify and address potential concerns, making surveys a valuable tool for gauging community readiness and shaping the approach to the deployment of autonomous vehicles.

### 3.5.6 Focus Groups/Forums

Focus groups bring together a small, diverse group of stakeholders to engage in in-depth discussions on specific topics. Unlike surveys, which gather quantitative data, focus groups offer qualitative insights that explore the emotional and contextual nuances of stakeholders' perspectives. These intimate, facilitated discussions encourage participants to collaborate and explore ideas together, helping to uncover hidden concerns, diverse viewpoints, and underlying motivations. This deeper understanding enriches decision-making by highlighting stakeholders' experiences and aspirations.

For autonomous vehicles, focus groups can provide detailed insights into expectations, ethical dilemmas, and the cultural impacts of autonomous technology. During these sessions, participants openly share their personal experiences and discuss how autonomous vehicles could affect their daily lives. The diversity within these groups — encompassing different demographics, professions, and cultural backgrounds — ensures a broad range of perspectives, making the feedback more comprehensive.

Additionally, focus groups and forums support collaborative problem-solving, where participants can brainstorm ideas, explore solutions, and offer feedback on proposed strategies. This collaborative environment nurtures creativity, often leading to innovative solutions. By building on each other's ideas, participants feel a sense of co-ownership in the decision-making process.

Focus groups and forums are not limited to in-person gatherings. Virtual platforms, such as online forums, chat rooms, or webinars, also facilitate participation from stakeholders in different geographic locations, ensuring inclusivity and expanding the reach of engagement efforts.

### **3.5.7 Informal Interviews, Meetings**

Informal interviews, whether one-on-one or in small groups, foster candid conversations in more relaxed, familiar settings. These interactions encourage participants to open up and share honest responses, leading to more authentic and valuable insights. Informal meetings, such as community gatherings or casual coffee shop discussions, provide a natural space for organic conversations.

What sets informal interviews and meetings apart is their ability to humanize complex topics. Participants, regardless of their roles or status, share personal stories, concerns, and aspirations, revealing the social context in which these issues arise. These interactions often uncover challenges but also spark innovative solutions, laying the foundation for community-driven, culturally sensitive approaches to various issues.

In any context, informal interviews and meetings serve as vital tools for building genuine connections and gaining insights that can guide meaningful, human-centered initiatives.

### **3.5.8 Conflict Resolution, Mediation**

Conflict resolution and mediation are essential in stakeholder engagement, particularly in managing disputes or tensions that arise between stakeholders or between stakeholders and the organization. These processes involve skilled facilitators who guide conversations, fostering open dialogue and understanding between conflicting parties. The main objective is to identify and address the root causes of conflicts, such as miscommunication, differing perceptions, or unmet needs.

Mediators create a safe environment where stakeholders can openly express their concerns, fears, and expectations. Through active listening and impartial facilitation, these processes help uncover the underlying issues and encourage collaborative problem-solving. Conflict

resolution and mediation also promote empathy by encouraging participants to understand each other's perspectives, making it easier to find common ground.

These methods empower stakeholders by involving them directly in the resolution process. When stakeholders actively participate in discussions and decisions, they feel a sense of ownership over the outcomes, fostering a cooperative atmosphere for future engagements. A successful conflict resolution not only resolves the current dispute but also strengthens relationships and builds trust, laying the groundwork for more positive and productive collaborations in the future.

### **3.5.9 Interactive Website/Portal**

Interactive websites and portals have become essential tools in modern stakeholder engagement strategies. These digital platforms serve as dynamic spaces where stakeholders, organizations, and communities can engage, share ideas, and build meaningful relationships. One of the primary benefits of an interactive website is the ability to facilitate ongoing communication. Stakeholders can participate in forums, discussion threads, and live chats, enabling real-time interactions. This immediate communication fosters transparency and responsiveness, allowing organizations to address concerns promptly and engage stakeholders effectively.

Interactive websites also commonly include polls and surveys, which provide a structured way to gather feedback from stakeholders. By integrating these tools, organizations can continuously collect data and insights, ensuring that stakeholders have a platform to voice their opinions and contribute to the decision-making process.

### **3.5.10 Participatory Action Research (PAR)**

Participatory Action Research (PAR) is a transformative approach to stakeholder engagement that prioritizes collaboration, empowerment, and inclusivity. Unlike traditional research methods, PAR actively involves stakeholders as partners in the research process, enabling them to shape the direction of the research and drive social change. A core feature of PAR is

its participatory nature, where stakeholders, including community members, experts, and representatives from various organizations, contribute to defining research questions, designing methodologies, and collecting and analyzing data. This collaborative approach ensures that the research reflects the lived experiences and priorities of those directly affected by the issues being studied.

PAR is deeply rooted in the concept of empowerment. By involving stakeholders at every stage of the research process, it enables them to voice their concerns, needs, and aspirations. This active participation fosters a sense of ownership and agency, allowing stakeholders to become active contributors to finding solutions to the challenges they face. Furthermore, PAR is action-oriented, encouraging stakeholders to translate research findings into tangible actions, such as policy advocacy, community projects, or awareness campaigns. These actions are directly informed by the research, ensuring that the outcomes have a meaningful, positive impact on the community.

### **3.5.11 The Delphi Technique**

The Delphi Technique is a structured method used to gather expert opinions and reach a consensus on complex issues. It is particularly valuable in scenarios that require diverse expert insights, such as policymaking, technology forecasting, and strategic planning. The process involves a panel of experts who respond anonymously to a series of questionnaires. Experts review and refine their responses in multiple rounds, gradually converging towards a consensus opinion. The anonymity and iterative nature of the technique ensure unbiased responses and allow experts to reconsider their views based on the collective input from the group.

This process is especially useful when dealing with uncertainty or ambiguity. By harnessing the collective intelligence of experts, the Delphi Technique helps to navigate complex problems and make informed decisions, particularly in areas where forecasting and anticipating future trends are critical. It's an ideal method for situations involving strategic planning, risk management, and technology foresight, where expert judgment is essential to making accurate predictions and decisions.

### **3.5.12 Advisory Boards**

Advisory boards are formal groups of external experts and thought leaders who provide strategic guidance and insights to organizations. These boards are an invaluable resource, offering diverse perspectives and expert advice that enrich organizational decision-making. Members of advisory boards typically come from a wide range of fields, including academia, industry, non-profits, and government, ensuring that discussions benefit from a multidisciplinary approach. This diversity enables comprehensive evaluations of challenges and opportunities, leading to well-informed recommendations.

A key strength of advisory boards is their long-term commitment. Members often serve for extended periods, providing continuity and preserving institutional knowledge. Their independence from the organization allows them to offer objective, unbiased assessments of strategies and initiatives. By critically evaluating proposals, advisory boards help ensure that decisions align with industry best practices, ethical standards, and emerging trends. Their external perspective also helps identify blind spots and uncover innovative opportunities that might not be visible from within the organization.

### **3.5.13 Participatory design**

Participatory Design is a collaborative methodology that involves stakeholders, particularly end-users, in the design process to ensure solutions meet their needs and preferences. This approach fosters active engagement, creativity, and inclusivity, resulting in designs that are more effective, user-friendly, and widely accepted.

By inviting stakeholders to co-create solutions, Participatory Design builds trust and ensures diverse perspectives are incorporated into the design process. This method is especially valuable when addressing complex social, environmental, or technological challenges, as it helps bridge the gap between the designers' expertise and the users' lived experiences.

The Participatory Design process typically follows these key steps:

- 1) **Defining Objectives:** Identify the goals of the design project and clarify the roles of stakeholders involved.
- 2) **Stakeholder Mapping:** Gather a diverse group of stakeholders, including end-users, experts, and decision-makers, to contribute their insights and expertise.

- 3) Co-Creation Workshops: Facilitate workshops where participants collaborate to brainstorm ideas, identify challenges, and propose solutions. Tools like sketching, role-playing, and prototyping may be used to visualize concepts.
- 4) Prototyping: Develop initial prototypes based on stakeholder input, enabling participants to interact with and provide feedback on the designs.
- 5) Iterative Refinement: Refine the prototypes through multiple feedback cycles, incorporating suggestions from stakeholders to improve the design.
- 6) Implementation and Evaluation: Implement the finalized design and evaluate its effectiveness with the stakeholders, ensuring it meets the intended objectives.

Participatory Design emphasizes shared ownership of the process and outcomes, fostering a sense of community and collaboration. It is an ideal method for projects requiring strong stakeholder buy-in, such as urban planning, public service design, and sustainable development initiatives. By actively involving those affected by the outcomes, Participatory Design ensures solutions are not only functional but also meaningful and impactful.

### 3.6 Collecting feedback from stakeholders

Stakeholder feedback is essential for informed decision-making and successful project management. It represents a continuous cycle of insights, opinions, and perspectives from those invested in a project or decision. The importance of stakeholder feedback cannot be overstated, as it is fundamental to creating responsive, adaptable, and successful initiatives. One of the key functions of stakeholder feedback is managing expectations. Stakeholders often have specific needs, desires, and expectations related to a project. Collecting feedback provides an opportunity to assess whether project outcomes meet these expectations. This insight helps organizations adjust their strategies to meet or exceed stakeholder needs. At times, stakeholders may diverge from the project's goals due to miscommunication or differing perspectives. Regular feedback helps maintain alignment between stakeholders and the project by identifying and addressing any misalignments. Promptly responding to these concerns ensures the project stays on course and all stakeholders remain aligned with the common objectives. Internal stakeholders, such as employees or project management teams, offer valuable insights into the efficiency of project processes. Their ongoing involvement enables them to spot strengths and weaknesses in day-to-day operations. Collecting feedback

from these stakeholders helps organizations identify opportunities to improve processes and optimize productivity and quality.

Stakeholder feedback serves as a catalyst for innovation. Engaging a diverse group of stakeholders brings together various viewpoints, leading to a wider pool of ideas. This diversity challenges existing approaches and fosters creative problem-solving. Tapping into this collective knowledge enables organizations to nurture a culture of innovation, driving continuous improvement and leading to groundbreaking solutions. Actively seeking and valuing stakeholder input signals respect and consideration, which builds trust, transparency, and collaboration. When stakeholders feel their opinions matter, it fosters a sense of ownership and partnership, promoting ongoing engagement. Trust is essential for long-lasting relationships, and demonstrating receptivity to feedback helps organizations maintain strong, mutually beneficial collaborations. In essence, stakeholder feedback is not just a collection of opinions but a strategic resource. When used effectively, it allows organizations to align their strategies, enhance processes, foster innovation, and build lasting relationships. It reflects an organization's commitment to growth, adaptability, and a stakeholder-centered approach, making it a key element in modern project management and organizational success.

## 4. Responsible research and innovation

Regarding responsible governance models, it is crucial to shortly introduce the approach of responsible research and innovation (RRI), as it plays a crucial role in addressing the main challenges of our time, such as resource depletion, poverty, and aging societies (von Schomberg 2013). Recently, there has been an increasing demand to make the processes of scientific research, development, and innovation (R&D&I) more open and inclusive in order to ensure a sustainable future. In this regard, it is of paramount importance that all stakeholders are involved in the R&D&I processes, not only traditional actors (researchers, entrepreneurs, policymakers, and funders), but also citizens and civil society organizations (Wilsdon - Willis 2004).

**Responsible research and innovation is “a transparent, interactive process by which societal actors and innovators become mutually responsive to each other with a view to the (ethical) acceptability, sustainability and societal desirability of the innovation process and its marketable products( in order to allow a proper embedding of scientific and technological advances in our society)” (von Schomberg 2011, p. 9).**

According to Schomberg (2013), responsible innovation can occur through the involvement of as many stakeholders as possible, within a framework of mutual responsibility, in order to reduce potential negative impacts and with the hope of a sustainable future. In von Schomberg’s (2013) interpretation, innovation is therefore the only answer to overcoming societal challenges. Responsible research and innovation places particular emphasis on cooperation among the actors involved in innovation. The slogan “better innovation for a better society” exemplifies the realization of this idea (Fisher et al. 2006), highlighting the fact that the environment of innovation has undergone a complete transformation, during which taking social values into account is absolutely essential.

In order to make the abstract definitions of Responsible Research and Innovation (RRI) more concrete and practical, theorists and policymakers have sought to operationalize the concept in terms of both content and process. The introduction and implementation of responsible innovation is a collective and ongoing commitment, in which the fulfillment of four key dimensions is essential (Owen et al. 2013):

- **Anticipatory dimension:** In R&D&I processes conducted under the principles of responsible innovation, anticipation is the first step, involving the systematic consideration of the possible effects of innovation, whether direct or indirect. The main task in this dimension is to identify, describe, and analyze the planned and potentially unforeseen economic, social, environmental, or other impacts. While positive impacts can also be identified, the focus is on uncovering potential negative effects in order to avoid them. It is important to emphasize that this is not about prediction, but about considering future events and outcomes in a more open-minded way, particularly with a focus on identifying and managing uncertainties. The ultimate goal of the anticipatory dimension is to determine possible outcomes and answer "what if" questions, systematically reflecting on our R&D&I processes.
- **Reflexive dimension:** Unlike the anticipatory dimension, which primarily focuses on assessing the possible consequences of innovations, the reflexive dimension provides an overview of the personal perspective, viewpoint, and behavior of innovators, encompassing their assumptions, knowledge base, values, and goals. The aim of this dimension is to identify the researcher or innovator's attitude and framework, the ideas through which they conceptualize and interpret the R&D&I process and its possible consequences.
- **Deliberative dimension (Deliberation/inclusion):** The goal of the deliberative or inclusive dimension is to involve as wide a segment of society and the public as possible in the R&D&I processes. This includes not only the directly involved parties but also society at large and all indirectly affected stakeholders. In this phase of the process, the primary objective is to discuss and deliberate on the vision for the future, the goals, emerging questions, and dilemmas with the stakeholders. This can occur through public dialogue or debate, where the public and various stakeholders can share their perspectives on the subject of innovation. If this dimension is successfully implemented, involving the broader public can yield valuable, otherwise hard-to-reach information, which can not only support the legitimacy of decisions but also help to dissipate uncertainties and conflicts related to new technologies.
- **Responsive dimension:** The purpose of the first three dimensions is to explore, analyze, and thus improve the R&D&I processes and outcomes. In contrast, the responsive dimension focuses on the ability to change routines, structures, and systems in order to adapt to changing circumstances and new opportunities.

Responsible research and innovation can be regarded as an umbrella term encompassing multiple themes (which are often referred to as key elements). In order to make the practical application of RRI smoother and more comprehensible, the European Commission has formulated five main key elements, which can also help guide the development of responsible research and innovation processes (EC 2014):

- **Public engagement:** This key factor plays a vital role, according to the European Commission, as it aims to shape the future together by involving members of society and civil organizations. It is crucial to engage as broad a range of stakeholders as possible in the co-creation process. The public engagement element corresponds to the third of the previously mentioned dimensions, the deliberative dimension.
- **Open access / Open science / Open innovation:** This key element focuses on making research data and results freely accessible and encouraging their reuse. The main idea is that the innovation process must be open to all relevant parties, with a particular emphasis on involving end-users, as the innovation process works best when knowledge and ideas flow freely. This key element most closely relates to the anticipatory and reflexive dimensions and is also closely connected to the deliberative dimension.
- **Gender equality:** This key element refers both to achieving gender balance within research teams and to focusing on the gender dimensions of the R&D&I processes and their content.
- **Ethics:** In order to appropriately address societal challenges, research and innovation must respect fundamental rights and adhere to the highest ethical standards.
- **Science education:** This key element refers to efforts aimed at making scientific careers more attractive, enhancing the general scientific literacy of the population, and striving for greater citizen engagement.

The concept of responsibility can be understood as an extension of the innovation concept, meaning that responsible innovation can be interpreted as the sum of innovation and the participation of stakeholders, while taking ethical and social considerations into account throughout the process (Blok – Lemmens 2015). Thanks to this extension, innovation processes will be better equipped to find a balance between economic profit, social interests, and environmental concerns (Blok – Lemmens 2015). Responsible research and innovation never takes place in isolated frameworks; instead, it emerges in an innovation environment

where all stakeholders share a high level of trust and ethical behavior. The aim is to foster a cooperative attitude in addressing major challenges (Dreyer et al. 2020). Informing and involving the public in scientific and innovation processes can help improve and encourage the current relationship between science and society (Inzelt – Csonka 2014). Numerous studies support the idea that open innovation models and methods can be beneficial for actors and stakeholders involved in innovation (Dóry 2015). Responsible research and innovation ecosystems strive to involve different actors and then create open innovation processes aimed at generating economic, social, and environmental value for the stakeholders. In contrast to traditional approaches, the goal of the responsible innovation ecosystem is to realize a positive social vision, focused on addressing social and environmental challenges (Ntsondé – Aggeri 2017).

## 5. The New European Bauhaus

The New European Bauhaus (NEB) is a creative and interdisciplinary initiative launched by the European Commission to bridge the worlds of science, art, and culture while addressing pressing sustainability challenges. The NEB seeks to reimagine how we live by creating spaces, products, and services that are sustainable, inclusive, and aesthetically pleasing. This initiative encourages collaborative innovation and the integration of diverse perspectives to foster environments that align with the European Green Deal's objectives.

NEB invites citizens, experts, businesses, and institutions to co-create solutions that reflect its core values. By promoting a participatory, bottom-up approach, NEB ensures that innovative ideas emerge from the community level and are shaped by the needs of those most affected.

The New European Bauhaus is, in short, an ambition to explore how society can live together and in harmony with the planet. It's about bridging Culture, Science, Art, etc. by creating communities and movements, that can support or even generate transformation of places where we live – to be sustainable, inclusive, and aesthetical.

### 5.1 NEB Values

By creating bridges between different backgrounds, cutting across disciplines and building on participation at all levels, the New European Bauhaus inspires a movement to facilitate and steer the transformation of our societies along three inseparable values:

#### 1. **Sustainability (Sustainable):**

- Prioritizing climate goals, circular economy principles, zero pollution, and biodiversity.
- Ensuring that designs and projects contribute positively to the environment.

#### 2. **Inclusion (Together):**

- Emphasizing accessibility, affordability, and diversity.
- Fostering spaces that welcome and reflect the needs of all individuals.

#### 3. **Aesthetics (Beautiful):**

- Enhancing the quality of life by going beyond mere functionality.
- Incorporating style and experience into the design process to inspire and uplift communities.

These may be applied to a wide range of typologies: buildings, products, services, education models, etc. It also indicates possible directions for change, with three growing levels of ambition, to support (decision and project) makers at the earliest stage of their activities.

## 5.2 NEB Principles

NEB operates on three guiding principles that ensure the alignment of its projects with its values:

### 1. Participatory Process:

- Engaging communities throughout the design, decision-making, and implementation phases.
- Ensuring that local voices and lived experiences shape project outcomes.

### 2. Multi-level Engagement:

- Addressing challenges at local, national, and global levels by integrating horizontal (within communities) and vertical (across governance levels) dimensions.

### 3. Transdisciplinary Approach:

- Combining expertise from various disciplines, including non-formal knowledge.
- Moving beyond professional silos to encourage holistic problem-solving.

These principles describe the process through which a project should operate and work to achieve the highest level of ambition in the three values.

## 5.3 NEB Ambition Levels

NEB identifies three levels of ambition for its principles and values:

### 1. Ambition I:

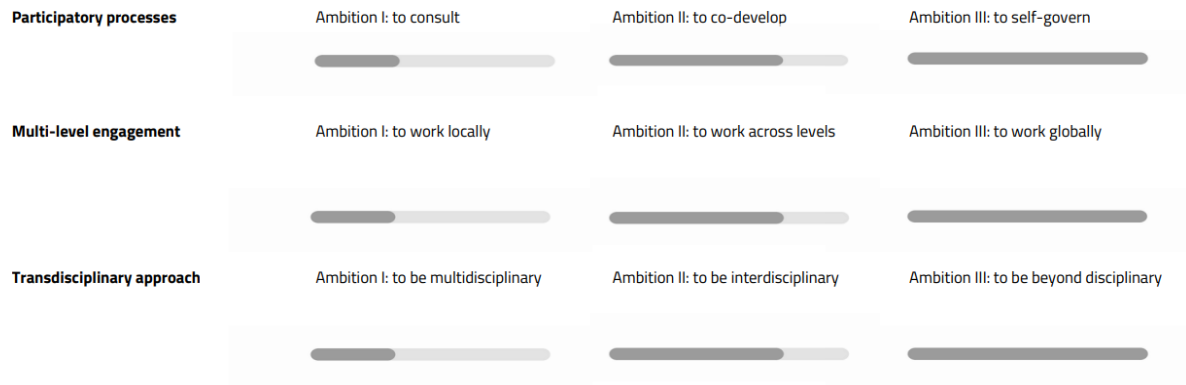
- Consulting stakeholders and addressing local issues.
- Focusing on multidisciplinary approaches.

### 2. Ambition II:

- Co-developing solutions by connecting stakeholders across different scales and levels.
- Emphasizing interdisciplinary collaboration.

### 3. Ambition III:

- Enabling self-governance and tackling global challenges.
- Moving beyond traditional disciplines to achieve systemic change.



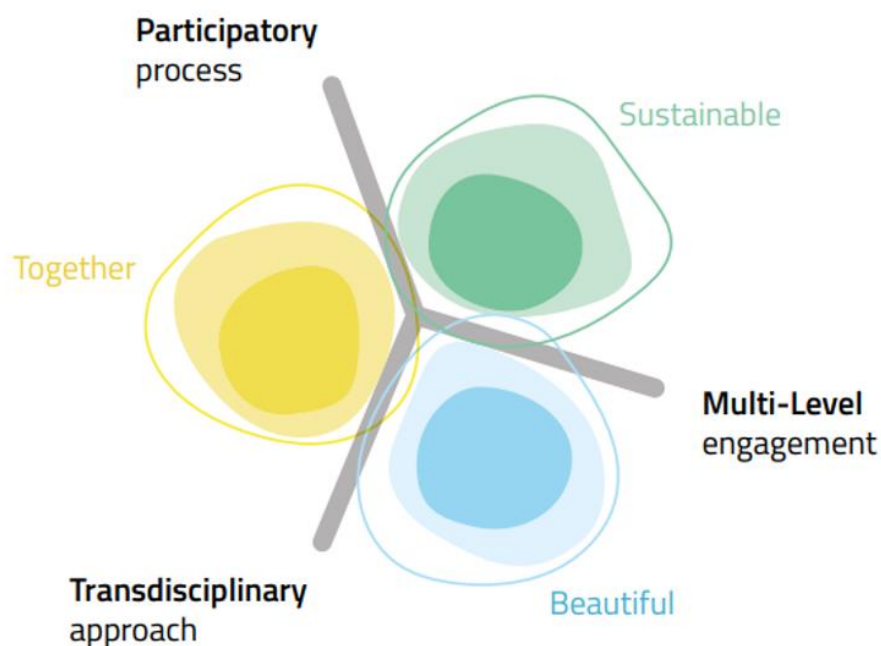
Source: NEB Toolbox<sup>4</sup>

## 5.4 The NEB Compass

The NEB Compass serves as a guiding framework for project developers and decision-makers. It helps ensure that projects align with NEB values and principles by:

- Providing criteria for assessing sustainability, inclusiveness, and aesthetic quality.
- Encouraging iterative design and evaluation processes to meet evolving community needs.

<sup>4</sup>[https://new-european-bauhaus.europa.eu/document/download/4f0d4136-4fa8-44d4-a054-522e990bf70\\_en?filename=NEB%20toolbox.pdf](https://new-european-bauhaus.europa.eu/document/download/4f0d4136-4fa8-44d4-a054-522e990bf70_en?filename=NEB%20toolbox.pdf)



Source: NEB\_Compass\_V\_4<sup>5</sup>

## 5.5 NEB Project Phases

Projects aligned with NEB principles typically progress through three key phases:

1. **Identification:**
  - Define challenges and set goals.
  - Map social, economic, technical, and natural environments.
2. **Exploration:**
  - Implement actions using integrated tools to achieve targeted objectives.
  - Foster innovation and collaboration across stakeholders.
3. **Refinement:**
  - Make ongoing adjustments through transparent decision-making and stakeholder communication.
  - Build a committed community around the project.

<sup>5</sup>[https://new-european-bauhaus.europa.eu/document/download/405245f4-6859-4090-b145-1db88f91596d\\_en?filename=NEB\\_Compass\\_V\\_4.pdf](https://new-european-bauhaus.europa.eu/document/download/405245f4-6859-4090-b145-1db88f91596d_en?filename=NEB_Compass_V_4.pdf)

## 5.6 Additional Resources

NEB provides additional resources to enhance project development and implementation:

1. [NEB Compass:](#)
  - A framework to guide project alignment with NEB principles.
2. [NEB Dashboard:](#)
  - An interactive map showcasing NEB projects and key actors across Europe.
3. [NEB Toolbox:](#)
  - A comprehensive collection of tools for planning and executing NEB-aligned initiatives.

## 6. Process and Roadmap of the Multi(level)-stakeholder Model (step by step)

Creating an effective multilevel stakeholder governance model involves several key steps.

**Step 1: Define Objectives and Scope:** The first step is always to identify the main purpose and determine what you would like to achieve. Based on this the boundaries of the governance model should be clarified, including which stakeholders will be involved and what are the main roles of the stakeholders.

**Step 2: Identify Stakeholders:** The next step is the **mapping of stakeholders**. **Under this activity, we need to** list all relevant stakeholders (e.g., community members, employees, investors, suppliers, regulatory bodies). After that we need to **analyze their influence and interest**. We need to evaluate each stakeholder's level of influence and interest in the governance process to prioritize engagement efforts.

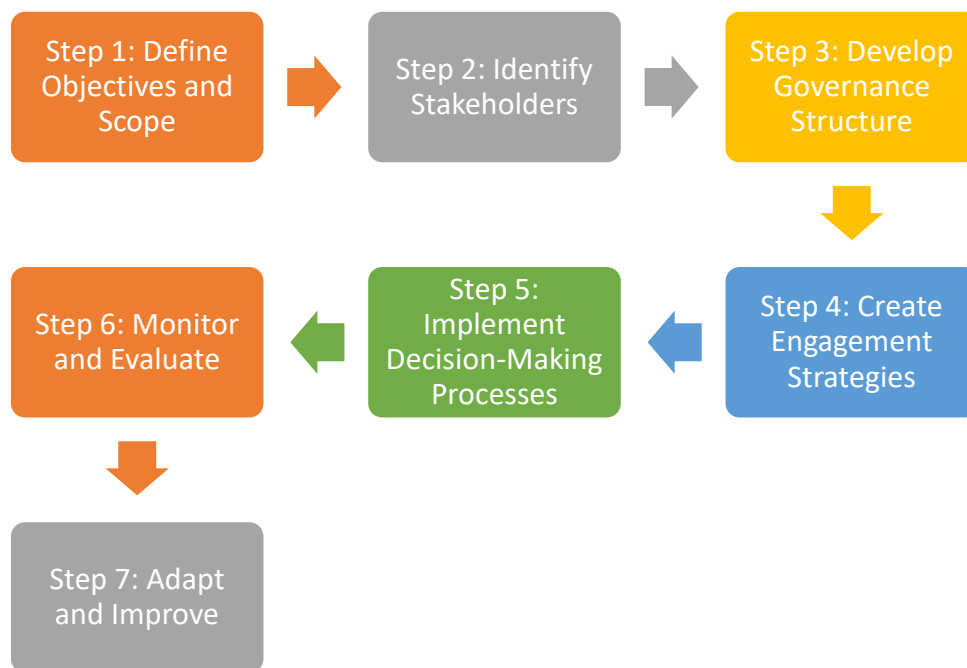
**Step 3: Develop Governance Structure:** The third step is about developing the main structure of the governance model. It consists of **defining the roles and responsibilities**, assigning roles for each stakeholder group within the governance structure, outlining their responsibilities and decision-making powers.

**Step 4: Create Engagement Strategies:** For this purpose a **communication plan should be** developed and tailor-made for each stakeholder group, ensuring transparency and clarity. We also need to choose appropriate methods for stakeholder engagement (e.g., workshops, surveys, public meetings).

**Step 5: Implement Decision-Making Processes:** Establishing processes that promote collaboration and collective decision-making. With the help of continuous feedback, we can adapt governance practices based on stakeholder input.

**Step 6: Monitor and Evaluate:** Define key performance indicators (KPIs) to assess the effectiveness of the governance model. Schedule regular evaluations to assess stakeholder satisfaction, engagement levels, and overall governance effectiveness.

**Step 7: Adapt and Improve:** Use the insights gained from evaluations to make necessary adjustments to the governance model.



By following these steps, a robust multilevel stakeholder governance model can be developed encouraging effective collaboration, enhancing accountability, and supporting informed decision-making.

For an effective governance model, it is crucial to focus on the four main components. These are the (1) shared vision and strategy, (2) the participatory approach, (3) the financial resources and (4) the commitment of decision makers.

A functional governance framework relies on a **clear vision and strategy** of the desired change and a step-by-step roadmap to achieve it. This vision and strategy must be developed collaboratively with stakeholders to ensure their active involvement. This is crucial because of the coordinated efforts toward shared goals are more efficient, and people value belonging to a community, even if there are no immediate material benefits. Additionally, they appreciate being informed and having a voice in decisions, such as future projects, fostering a sense of inclusion and ownership.

To ensure rural regions can maintain their vital roles, the European Commission has outlined a long-term vision for the EU's rural areas extending to 2040. This vision highlights key actions aimed at creating stronger, more connected, resilient, and thriving rural areas and communities. The strategy includes a Rural Pact and an EU Rural Action Plan featuring concrete initiatives and innovative tools to achieve these objectives. The Rural Pact serves as

a collaborative framework, bringing together national, regional, and local governments, civil society organizations, businesses, academics, and citizens to work collectively toward achieving the shared goals outlined in the rural vision. The main objectives of Rural Pact:



Amplifying rural voices and bringing them higher on the political agenda



Structuring and enabling networking, collaboration & mutual learning



Encouraging and monitoring voluntary commitments to **act for the vision**

Source: Rural Pact<sup>6</sup>

The Rural Pact welcomes participation from five key groups:

1. Public authorities
2. Civil society organizations
3. Businesses
4. Citizens
5. Academic, research, and innovation organizations.

Participation can have several benefits:

- Helping to keep rural areas at the forefront of the political agenda.
- Sharing innovative practices and learning from others' experiences.
- Gaining priority access to collaborative platforms and events.
- Staying informed about developments on topics relevant to rural life, including opportunities for consultations.

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<sup>6</sup> [https://ruralpact.rural-vision.europa.eu/rural-pact\\_en](https://ruralpact.rural-vision.europa.eu/rural-pact_en)

A functional governance system depends on the **active participation** of a wide range of stakeholders, including public institutions, the business community, and civil society. Many challenges associated with the main problems of rural areas cannot be resolved by a municipality acting alone. Therefore, collaboration is essential to gather accurate information about required changes and to engage all key actors whose involvement is critical for successful implementation (More information in the previous chapters and in the Community engagement plan).

The next component is the **political commitment**. Securing strong commitment from local leadership, such as the mayor, is often one of the most challenging aspects to achieve. Even a single project idea can progress toward development only with political support and decision-makers prioritizing the relevant policy area. More comprehensive initiatives, such as finding solutions for the main challenges of rural areas can demand an even greater level of publicly stated political commitment to ensure their success.

And the final component is the **financial issues**. Establishing and maintaining an effective governance system requires financial resources. An internal team will incur staff-related costs, while a dedicated organization will need funding not only for member salaries but also for additional operational expenses.

The Rural Toolkit features a funding finder, an intuitive platform for discovering diverse financing opportunities. Its resources section offers comprehensive guides on EU funding options available from 2021 to 2027, covering sectors like broadband, culture, education, energy, environment, and tourism. Designed to support rural communities, the toolkit provides guidance for implementing integrated strategies and projects, including Community-Led Local Development (CLLD) and Integrated Territorial Investments (ITI).

The Rural Toolkit supports the design and implementation of initiatives tailored to the unique challenges of rural areas. Acting as a central access point, it provides comprehensive information on existing initiatives and resources, highlighting their relevance to rural development. The platform fosters knowledge sharing and peer learning through practical examples, with the “Get Inspired” section showcasing successful projects from across the EU. These examples demonstrate effective combinations of EU funds to address local needs and maximize impact. Equipped with handbooks and guidance on EU funding opportunities, the toolkit empowers users with the tools and knowledge to address rural challenges. It promotes

an integrated, place-based approach to rural development, enabling communities to develop impactful, context-specific solutions. Visit the platform here: [Rural Toolkit](#).

The European Agricultural Fund for Rural Development (EAFRD) serves as the financial tool for the second pillar of the EU's Common Agricultural Policy (CAP). Its primary goal is to enhance the social, environmental, and economic sustainability of rural areas.

For the 2021–2027 period, the EAFRD has a budget of €95.5 billion, which includes an additional €8.1 billion from the Next Generation EU recovery instrument to address challenges stemming from the COVID-19 pandemic. Starting in 2023, rural development activities will be integrated into national CAP Strategic Plans, with each EU country designing its own plan that combines funding for income support, rural development, and market measures. The European Commission aims to align rural development efforts with pressing challenges like climate change and generational renewal. The EAFRD also provides financial instruments—such as loans, microcredits, guarantees, and equity investments—to support agriculture, forestry, and rural projects that align with its priorities and demonstrate financial viability.

## 7. City profiles

In this chapter we detail the main challenges and some possible solutions that RurAll project partners need to face with and that we would like to solve with the help of multilevel stakeholder governance model.

The RurAll partners collected initially the main challenges and possible solutions concerning their territories and rural areas. It is crucial to highlight that the proposed solutions are based on the initial phase of the project, thus later, project partners will work out a more complex plan for addressing the main challenges.

### Beltinci, Slovenia

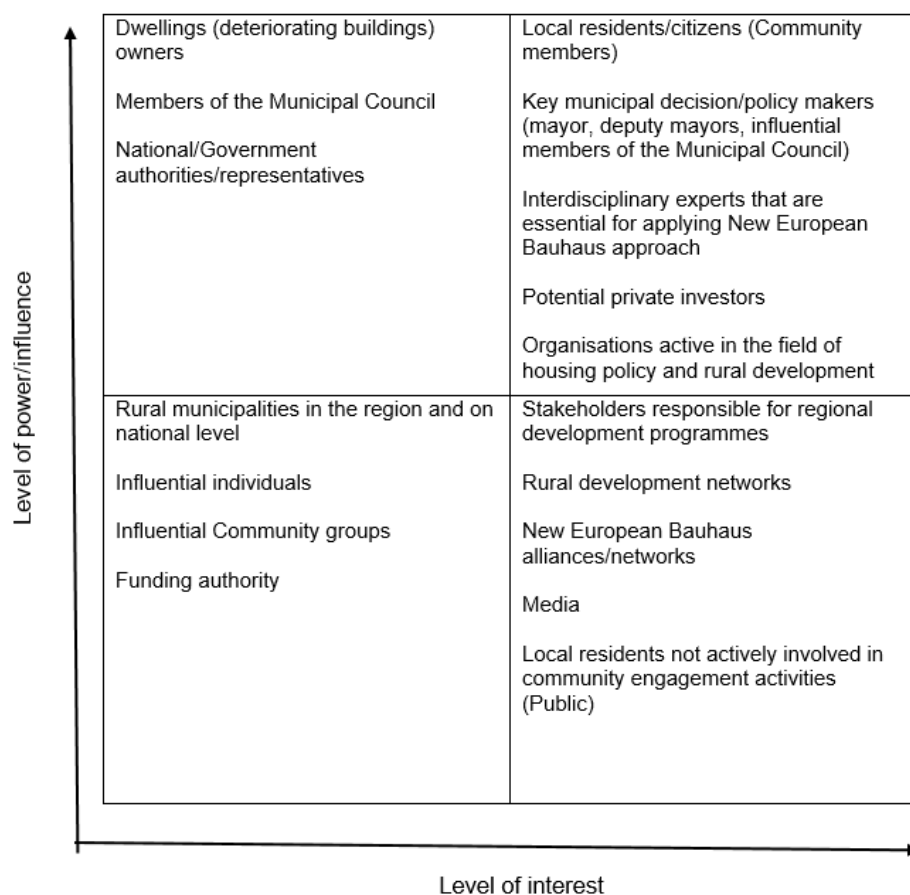
The main issues with deteriorating dwellings in Municipality of Beltinci:

- The attitude of the owners (especially the elderly) towards the buildings - due to the emotional component and attachment to the property, they are often unwilling to sell the buildings
- Older buildings (residential) are often oversized. In the past, large houses were built with the intention that several generations could live in the house. Today, these houses often remain empty or only one person lives in them because the children have moved out.
- Possible solutions:
  - Thinking about the possibility of multi-apartment and/or multigenerational buildings. Big old houses could be transferred to several apartments. People living there could »form communities«. Older generations could spend time together, socialize, and members of different age groups could help one another where needed.
  - Possible new function of dwellings: business (small businessmen, craftsmen ...)
  - Renovation of older buildings for the purposes of homes for the elderly
  - Renovation of older buildings for the purposes of digital nomads
- Community cultural halls, village community centers - the problem is ownership (local community - municipality relationship). The owners of cultural halls and village

community centers are local communities, which do not have their own resources/funds (only for maintenance). If the municipality were the owner, they could apply for tenders (EU projects, investment tenders...)

- The lack of overnight accommodation in the municipality of Beltinci is also a problem. There are many cultural events (including an international folklore festival), the municipality has many tourist attractions (Island of Love on Mura river in Ižakovci, the castle in Beltinci...), but it does not offer accommodation - the solution could be found in old buildings that would be renovated for these purposes

The main stakeholder groups of the Municipality of Beltinci are the followings:



Regarding the **shared vision and strategy**, the Municipality of Beltinci does not have a development strategy, there are some partial strategic documents that do not address the challenge of depopulation in a comprehensive and systematic manner. Broadly, the Municipality of Beltinci is part of the Pomurska statistical region. The problem is evident at the

regional level – the fragmentation of the region (27 municipalities) results in measures that are more or less outcomes of minimal compromise. Despite the efforts of certain actors, regional development is not progressing in the desired manner. Partial interests often take precedence over common ones. Although the region has established a vision and strategy, challenges arise in the formation of larger joint regional projects that could lead to a significant development breakthrough for the region. Similarly, within the Municipality of Beltinci, which consists of eight settlements, a lack of cohesion and the dominance of partial/local interests are noticeable. At the national level, the Slovenian Development Strategy was prepared. The document does mention demographic issues, but it does not specifically address rural depopulation (there are no significant measures in place).

The migration of educated people and experts to larger cities and abroad is also a challenge (due to a lack of suitable job opportunities in the local environment, higher salaries and better career development prospects in cities and abroad, poorer digital and transport infrastructure, and limited cultural and social infrastructure in rural areas...).

At the municipal and regional levels, there is a lack of institutional and human resources capacity to address challenges such as depopulation.

The diminishing sense of community belonging / increasing individualism among the population is also a great challenge.

As a possible **solution** for these challenges with the RurALL project, the Municipality of Beltinci can develop an approach at the level of the Municipality of Beltinci that will be transferable at least to the level of the Pomurska statistical region (resulting in a strategy for addressing depopulation at the municipal level). In this process, it is crucial to involve experts, local stakeholders, and residents in the pilot phases of the RurALL project, as well as in other strategically important activities that are not directly connected to the RurALL project. More networking and collaboration among stakeholders, including decision-makers, policymakers, and communities, is needed to strengthen the sense of belonging to a broader community, recognize the common good, and pursue related solutions. Integrating the governance model developed within the RurALL project into the next development program for the Pomurska statistical region would also be beneficial, as it would ensure the enhancement and expansion of solutions. Study visits or excursions to areas with successful approaches for developing and implementing shared visions and strategies could also contribute to finding effective solutions.

Promoting the local economy and creating quality jobs (developing business incubators, support centers, and programs for startups, creating jobs with higher added value, etc.) can also provide a solution for the main problems. Moreover establishing connections with universities and research institutions to develop programs and projects that address local needs and challenges and encouraging remote work by investing in high-speed internet connections and creating co-working spaces for remote workers can also help to tackle the main challenges. Developing public infrastructure that supports a high quality of life (recreational areas, well-organized public services, cultural activities, etc.) and establishing joint professional services to address the challenges of depopulation. Not to mention that strengthening local identity and community, for example, by organizing events can enhance the sense of belonging and pride in the local community.

Regarding **participatory approach**, one of the main challenges is that only traditional approaches are being used (surveys, occasionally a local community meeting). Moreover there is no culture of participatory decision-making (neither among decision-makers nor citizens). A lack of interest/disinterest (passivity) among a large portion of the population in participating in decision-making processes is also a significant problem. A sense of powerlessness - the population believes they cannot influence change can be also mentioned as a challenge. Finally shifting responsibility onto those in positions of authority (prevalence of the mindset: "Let those who are paid for it do the work") is also a problem.

The solution for these problems can be:

1. Having direct access to an administrative level even lower than municipalities (local community councils).
2. Representatives of local community councils are the closest and most direct link to residents and stakeholders. They can play a key role in encouraging residents to participate.
3. Introducing rewards or financial incentives for active participation by residents.
4. Attractive locations/venues for participatory events that draw in the population can also be part of the solution.
5. Transparency of (past) proposed solutions and outcomes or implemented measures.
6. Promoting the results is essential.
6. Ensure the most democratic process possible within the framework of the pilot activities.

Regarding **financial resources**, the main challenges are the limited budgetary funds, that make it difficult to implement multiple projects that would improve the quality of life in the municipality. Financial expectations rely too heavily on non-refundable subsidies. Low levels of collaboration on projects at the regional level, along with the absence of a systematic and structured approach to project development, result in smaller, fragmented projects that lack significant impact on the region. Low capitalization of the results from already completed projects and insufficient promotion of synergies between projects. Allocation of available funds is also problematic.

Possible solutions can be for these challenges:

1. Securing additional funds from national and European grants, as well as through public-private partnerships.
2. Developing business models and financing models that rely on private investments.
3. Regional projects.
4. Ensuring genuine capitalization of project results.
5. Introducing participatory budgeting:
7. By providing a budget that allows residents to make direct decisions, priorities can be better aligned with the real needs of the community. This will lead to a more efficient allocation of funds and encourage greater citizen participation.
6. Regular monitoring and evaluation of projects:
8. Regular evaluation can enable the reallocation of funds based on results, preventing further investments in ineffective projects.

Regarding the commitment of policy makers, the main challenges are the fear of losing voter support. This concern arises in situations where unpopular decisions need to be made. Regarding the implementation of pilot activities in the RurALL project: We do not foresee issues with support from the Municipality of Beltinci, as it is the lead partner in the project. Likewise, other pilot areas should not face significant problems, as their municipalities are either Project Partners (PP) or Associated Strategic Partners (ASP). Challenges may arise, however, when attempting to scale solutions to the regional or national level. The challenge lies more in staffing capacity than in the political level: There is insufficient expertise for implementing such projects, and municipal administrations need to be strengthened. They currently lack the knowledge necessary for addressing key future development priorities, such as the green and digital transitions and demographic changes.

The possible solutions for these problems can be:

1. Clear communication and promotion of the long-term benefits of (sometimes unpopular) decisions.
2. Informing key political actors about the RurALL approach through members of the National Assembly and relevant state ministries, incorporate the approach into future strategic development documents, and conduct an intensive communication campaign about the project (media).
3. Organize a roundtable discussion about the project, with participation from representatives of the Ministry for a of Solidarity-Based Future, Ministry of Labour, Family, Social Affairs and Equal Opportunities, Ministry for Cohesion and Regional Development, Economy, Tourism and Sport, Economy, etc.

## Eberau, Austria

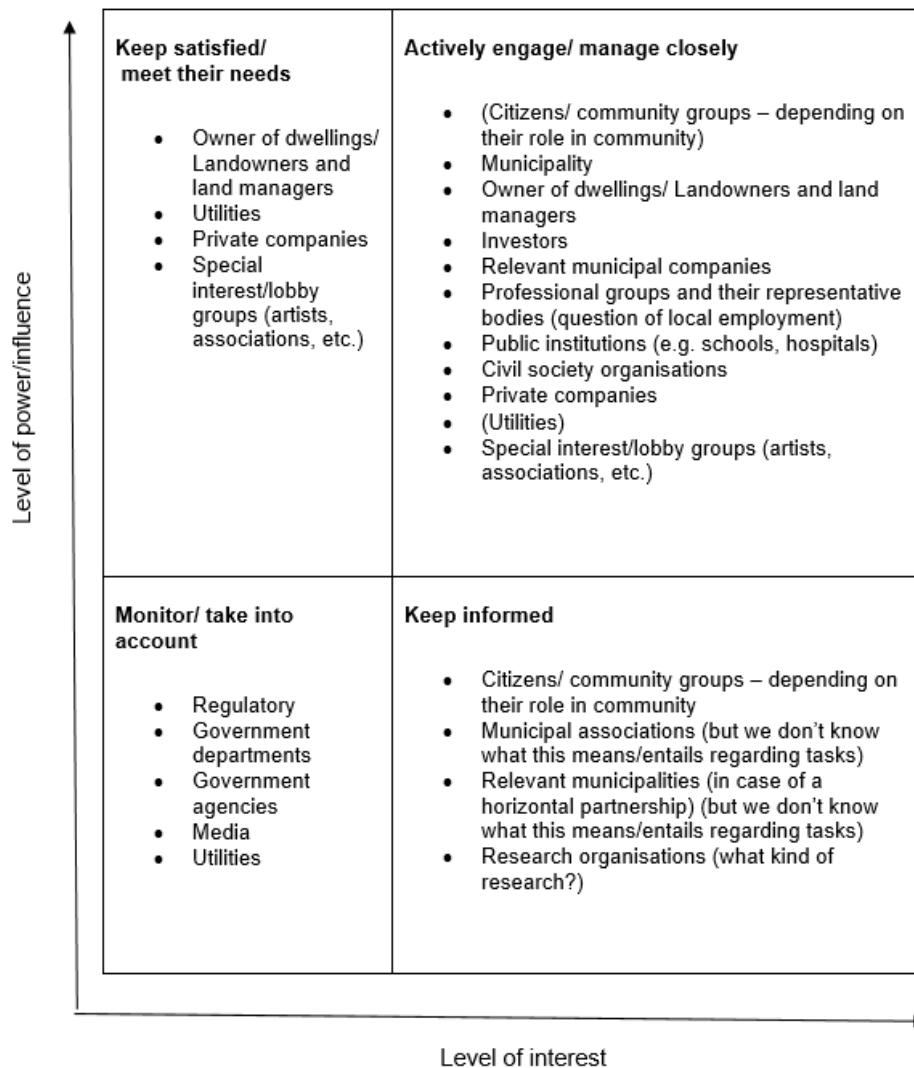
Eberau is located in the Southeast of Austria (Burgenland) and faces considerable demographic and structural challenges (ageing, employment, mobility). Historically, Eberau used to be an agricultural community, while nowadays people move there for living and leisure, bringing new opportunities and challenges.

One of the main challenges are the scarce job opportunities in the area for young people, as well as the ageing population. This trend is strengthened by a lot of elderly people from Western Austria who move to the area. This implies that there is a need for living arrangements for elderly people. While there is currently an already existing need for professional care, this may also be an opportunity to create new jobs in the area. A second challenge is the strengthening of 'sustainable tourism'. First steps towards this direction have been taken by repurposing 'Kellerstöckl', small buildings on vineyards, originally for agricultural purposes, as locally specific tourist accommodations. By revitalizing closed restaurants and abandoned dwellings, the community hopes to make the area more attractive for tourists to create new and sustain existing business opportunities (e.g., local wine trade).

A third challenge is missing infrastructure (like shops, cafés, medical care) and public mobility. Currently, a car is necessary to move around in the area. Ideas about enhancing mobility in the area exist (electro bus, car sharing), but have not yet been sufficiently implemented. Also, one example on how to make public space more inclusive and accessible would be the issue of missing public facilities in the municipality. To allow for revitalizing the public sphere, there is a wish for public facilities that are accessible, free of charge, and inclusive.

All these challenges (and potential strategies to overcome them) are hampered by the difficulty to receive funding or financing for the projects, as well as uncertainty about the homeowners' willingness for abandoned dwellings to collaborate.

The main stakeholders are the followings:



## Sárvár, Hungary

Sárvár, the second-largest city in Vas County, is a prominent touristic and industrial hub. Despite its significant economy and appealing living conditions, the city faces a significant challenge: the younger generation is leaving the city. Many youths choose to work in Austria, just 50 kilometres away, or move to larger cities.

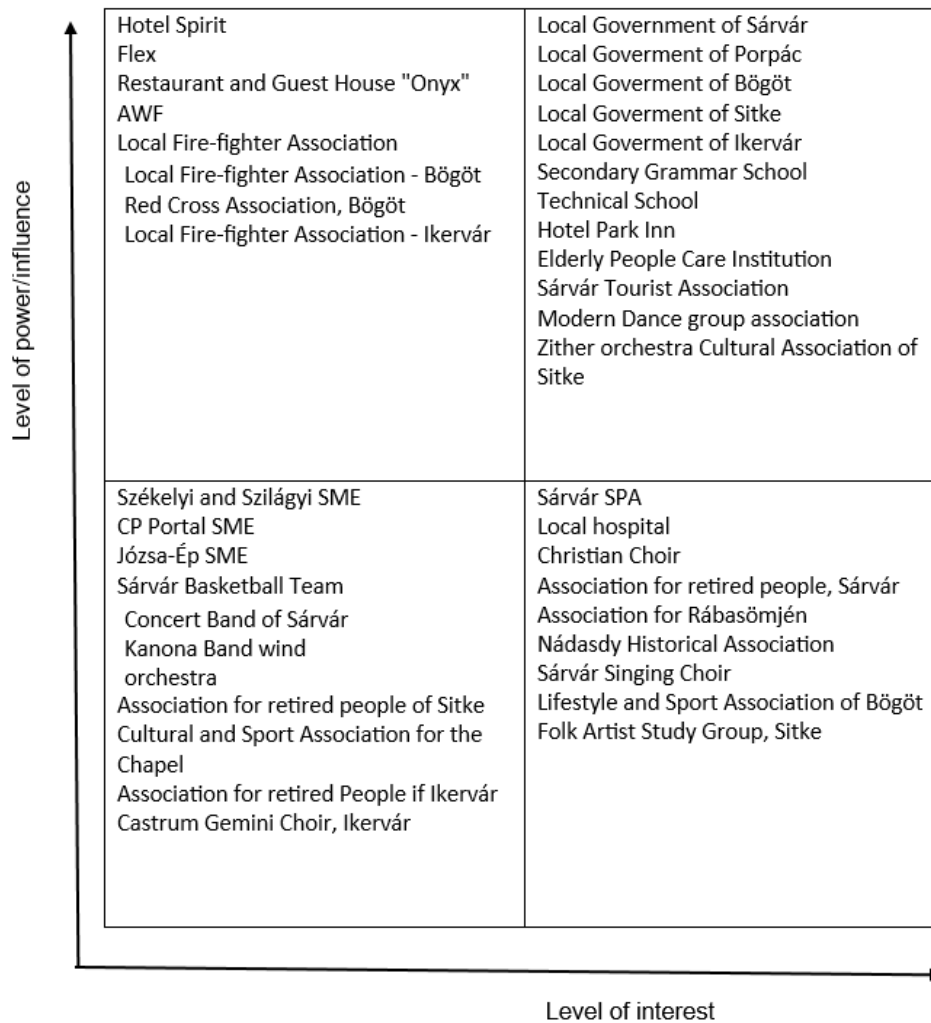
To address this issue, we propose a **pilot project aimed at anchoring young people**, particularly high school students, in Sárvár. Our goal is to establish a hub that serves as a **vibrant, inspiring space where young minds can brainstorm innovative ideas and engage in local collaborations**. This initiative is designed to set up the foundation of local startups and SMEs.

### Objectives of the Hub:

- Career Orientation: Organize events to guide and inform career choices, helping students discover professional opportunities within Sárvár.
- Cultural Engagement: Organize cultural events and jams that enrich Sárvár’s cultural scene and create an inviting space for the youth to find their niche in local entertainment.
- Healthcare Awareness: Promote the importance of preventive healthcare through educational activities and partnerships with local health organizations.
- Community Collaboration: Collaborate with local civil entities to organize thematic events and discussions that foster community engagement and civic participation.

**Vision for the Hub:** We envision this hub as a safe and stimulating environment where the younger generation can create lasting friendships and connect deeply with the local community. By enhancing their attachment to Sárvár, we aim to shift their perspective, encouraging them to consider long-term prospects in their hometown. This approach is intended **not only to retain young talent but also to increase the city’s economic and cultural vitality**.

The main stakeholder groups are the followings:



Regarding **participatory approach**, Sárvár has to face with several challenges. First, the younger generation is not involved in the planning of the local strategy. Younger generation is not motivated enough to participate in the decision-making process, they don't feel that is important and it influences their future. The top-down approach is more widespread in decision making processes, and the participatory approach would be totally new for this generation. The younger generation is sceptic about this approach.

The establishment of the HUB would serve as a solution for these challenges, for example:

- Community Collaboration: Collaborate with local civil entities to organize thematic events and discussions that foster community engagement and civic participation.
- Awareness raising is crucial to motivate this younger generation to take active role in forming the future.

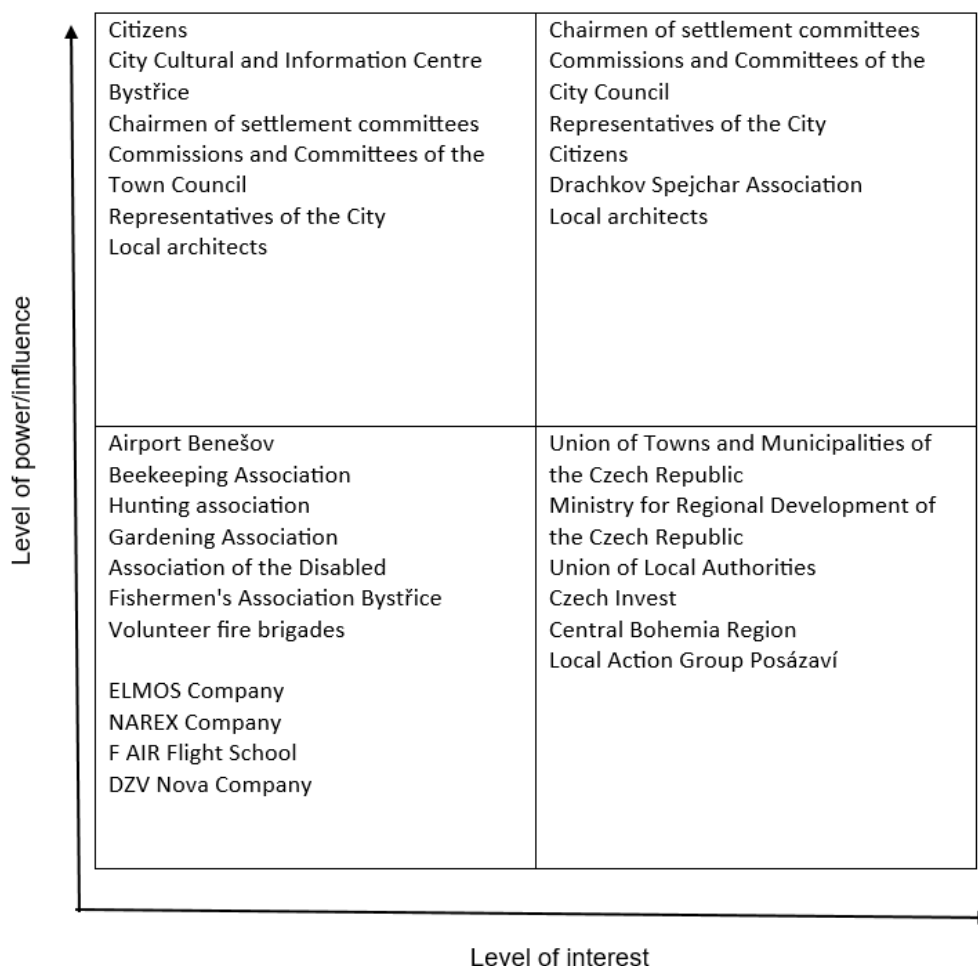
- Establish stronger connection between decision makers and younger generation.
- Engage young “influencers” to champion the ideas and to raise the awareness and build engagement through use of the social media platforms focused on younger generations.

Sárvár faces notable challenges in securing **financing** for its development initiatives. The uncertainties surrounding EU funding, limited domestic resources, and the difficulty of efficiently allocating available local funds present significant obstacles. Proposed solutions can be for this challenge: budget for implementation, putting the establishment of the HUB into strategic focus and the city must find direct EU funds or private investors or donors (i.e. larger hotel and spa owners).

## Bystřice, Czech Republic

The main challenge of Bystřice is depopulation due to the proximity of the City of Benešov and mainly Prague. Most people leave the town for larger part of the day so they do not produce added value in the place where they live. There is lack of opportunities for local businessmen to found and develop their companies which strengthens the sentiment to leave and work elsewhere. Through the RurAll pilot actions we aim to utilize deserted dwellings to create co-working space, support centres and technical capacities that would appeal to local and also newly incoming entrepreneurs.

The main stakeholder groups are the followings:



In the city of Bystřice, the main challenges in developing a **shared vision and strategy** stem from several factors. First, there is often a conflict of goals and interests among the various

stakeholders, making it difficult to align on a unified approach. Additionally, different stakeholders may have distinct communication styles or languages, which can lead to misunderstandings and hinder effective collaboration. Another significant issue is the low interest in participation from some stakeholders, who feel disconnected from the project, believing it does not concern them or that they will not benefit from its outcomes.

To address these challenges, several solutions can be implemented. First, it is crucial to identify common points and shared values among stakeholders, ensuring a common ground upon which to build a collective vision. This process involves clear and transparent communication, where the common vision is explained in such a way that each stakeholder understands how they will benefit from the project. Defining clear roles and responsibilities within the project is also essential, as it helps stakeholders understand their contributions and the impact of their involvement. Lastly, organizing workshops and meetings with professional facilitators can help stakeholders align their visions and goals, ensuring that misunderstandings are minimized and the project moves forward with a shared sense of purpose. By implementing these solutions, Bystrice can overcome the challenges of differing goals and lack of engagement, fostering a more collaborative and successful project development process.

The main challenges concerning the **participatory approach** in the community revolve around a few key issues. First, there is often low interest in participation due to a lack of information or insufficient education on the benefits of involvement. Additionally, some stakeholders may struggle to clearly define their needs and goals, making it difficult for them to engage meaningfully in the process. Another significant challenge is the lingering impact of previous bad experiences with similar projects, which can lead to distrust and reluctance to participate in future initiatives.

To address these challenges, several solutions can be put in place. First, motivating stakeholders to participate is crucial. This can be achieved by demonstrating that their involvement is valued and that their contributions will be recognized. Engaging stakeholders from the very beginning of the project, and keeping them involved throughout the entire process, is key to fostering a sense of ownership and responsibility. Regular communication is also important; stakeholders should be regularly informed about the project's progress and any updates to maintain transparency and build trust. In addition, showing successful examples of similar projects can be an effective way to inspire confidence and demonstrate

the potential impact of their participation. Inviting guest speakers or experts who have successfully implemented similar projects can provide valuable insights and further motivate stakeholders. Involving trusted influencers from within the community—individuals whose opinions others respect—can also help encourage wider participation. To help stakeholders define their needs and goals more clearly, organizing surveys or face-to-face meetings where they can openly share their concerns and ideas is essential. Providing education on how to effectively communicate their needs, and offering solutions to address them, will empower stakeholders to become more engaged. Finally, supporting local communities and non-profit organizations throughout the process can strengthen the overall participatory approach, ensuring it is inclusive and sustainable. By addressing these challenges with targeted solutions, the participatory approach can become more effective, engaging more stakeholders and ensuring that their needs and goals are better understood and met.

The main challenges concerning **financial resources** in the project stem from a limited budget and the fact that some stakeholders may prioritize other activities over the presented project. These financial constraints can significantly hinder the project's progress and success.

To address these challenges, several solutions can be implemented. First, finding multiple financial sources is crucial. This can include exploring diverse funding options such as grants, crowdfunding, or partnerships with private companies. Engaging the private sector more actively in the project is also essential. Private investors can provide both financial support and expertise, helping to bridge the gap in funding and ensure the project's sustainability. Another key solution is to create a secure and stable environment for attracting other funds and external investors. This can be achieved by clearly demonstrating the project's potential benefits, outlining a solid financial plan, and ensuring transparency in the use of funds. Building a track record of success, coupled with strong community support and stakeholder engagement, can also increase investor confidence and attract additional financial backing. By diversifying funding sources and creating an attractive investment climate, the project can overcome financial challenges and secure the necessary resources to succeed.

The main challenges regarding the **commitment of policymakers** in a project are often rooted in conflicting interests and the complexity of existing policies. One significant issue is when policy is in direct conflict with stakeholders' needs and benefits. Policymakers may prioritize regulations or strategies that do not align with the desires or expectations of the community, leading to resistance and a lack of support for the initiative. Additionally, unclear and

complicated policies can create confusion among stakeholders and decision-makers alike, making it difficult to move forward with the project.

One of the most effective ways to address these challenges is to prioritize understanding the needs and interests of the stakeholders before developing or implementing policies. By gathering input through consultations, surveys, and direct engagement, policymakers can create policies that align with the actual needs of the community. This approach ensures that policies are more likely to gain support and be seen as beneficial by stakeholders, thus reducing conflict. Policymakers should focus on creating a stable, predictable environment by establishing clear, transparent, and straightforward policies. When policies are simple to understand and implement, stakeholders are more likely to feel confident in their engagement with the process. Clear policies also reduce the likelihood of misunderstandings and conflicts, providing a foundation for more productive collaboration between policymakers and stakeholders. Involving policymakers early in the planning and development stages of a project ensures that they have a strong understanding of the stakeholders' needs and the project's goals. Early involvement also allows policymakers to contribute to the development of the policy framework, aligning it with both the project's objectives and the legal and regulatory environment. This involvement helps build ownership and commitment from policymakers, making them more likely to support the project throughout its lifecycle.

## Jelšava, Slovakia

The municipality of Jelšava is facing several serious challenges, which are directly affecting the quality of life in the town and the dynamics in which changes are made there. Here is the list of the most important ones:

- The municipality of Jelšava is facing significant depopulation. There is a lack of sufficient employment opportunities in the town, which results in the departure of skilled workers to other towns and regions of Slovakia or abroad.
- Affordable housing in the municipality has resulted in people from lower social groups and/or excluded communities (specifically Roma minority) moving to the town, and in speculations in the real estate in the town. This results in increase the percentage of the population that has lower or no qualifications.
- A significant challenge for the town is the polluted environment, specifically the air quality, which has also contributed significantly to the depopulation of the city. There was a building closure in the town between 1977-1999, which has also contributed to the depopulation trend and prevented development of the town during those years.
- The town owns a relatively large number of buildings, including those in the historic town centre, but suffers from a lack of funds to renovate the buildings it owns.
- Another challenge in the town is the low involvement of residents in public affairs in the town. The town lacks active citizens who would participate in the creation of initiatives to improve the situation in the city, creating cultural, civic or activist associations. The events organised by the town, which aim to spark public debate and inform about the activities and projects taking place in the town, are little or not attended by the residents. However, town leadership is very active and participates in variety of projects, organises cultural and social events and shows significant effort to improve the quality of life of the citizens in the town.
- Residents have little sense of their regional/local identity, which may be one of the factors contributing to their low activity in public affairs

The stakeholders are the followings:

# ADEL



In Jelšava, the main challenges related to developing **a shared vision and strategy** include environmental pollution, particularly air pollution, employability, and a lack of private investments within the region. These issues present significant barriers to the region's sustainable growth and the development of a unified strategy.

The Municipality of Jelšava has developed a strategic document for the years 2024-2030, which includes a SWOT analysis and specific steps to address the challenges the municipality is facing. With this tool already in place, it is crucial for the municipality to adhere to the established strategy and allocate effort, financial resources, and focus toward the efficient achievement of its goals. The municipality's influence is at the local level; it is beyond its responsibilities to address the deficiencies in complex governmental strategies. Feasible approach within this environment is to seek alternative financial support directly from EU

programs. However, this is not a sufficient replacement for a comprehensive governmental strategy addressing the issues listed above.

In Jelšava, the main challenges of the **participatory approach** stem from several key issues: motivating citizens to participate in public discussions, engaging broader segments of society, especially minority groups and people from diverse social backgrounds, and creating respectful and trustful spaces for sharing opinions. These challenges are partially rooted in the lack of tradition for public participation, which is common in post-communist countries, particularly in rural areas. In Jelšava, this lack of civic engagement is further compounded by socio-economic factors that limit the participation of certain groups, such as lower-income citizens, marginalized communities, or individuals with less formal education.

As a solution the Municipality of Jelšava recognizes that socio-economic factors contribute significantly to the limited engagement of certain segments of the population. Addressing these challenges requires comprehensive solutions that focus on improving living conditions, income, employability, and education. By prioritizing these foundational needs, we can create conditions conducive to broader participation among lower social strata. Moreover, tangible results and practical solutions are crucial for motivating engagement. Theoretical discussions without immediate impact may not attract diverse participation. Therefore, the approach focused on emphasizing concrete outcomes that directly affect the lives of citizens, have to be taken, aiming to involve a broader spectrum of the community in meaningful ways, allowing citizens to express their opinions in safe and respectful environment.

In Jelšava, the main challenges related to **financing** and project implementation include a lack of sufficient funds, a shortage of personal capacities to follow, write, and prepare project proposals for grants at both the national and European levels, bureaucracy, and the large investments required for the maintenance and renovation of buildings owned by the municipality.

To address these challenges, Jelšava can take several strategic steps. First, it is essential to maintain and continue the active approach to applying for grants at both the national and European levels. This approach would involve staying up-to-date with available funding opportunities and actively seeking financial support offered by various ministries. It is important to have a systematic approach in place to identify and apply for relevant grants that align with the municipality's development goals. Additionally, Jelšava can explore cooperation and

partnerships with other local municipalities, organizations, or private sector partners to share resources, expertise, and financial support for projects. These collaborations could open up new avenues for obtaining financial grants and reduce the burden on the municipality to shoulder the entire financial responsibility alone. Finally, investing available resources in the renovation and maintenance of historical buildings should be a priority. Given the cultural and historical value of these structures, allocating resources to their upkeep not only helps preserve heritage but can also attract additional funding and grants dedicated to the restoration and preservation of historical properties. A well-maintained building can serve as a community hub, creating both social and economic benefits for the municipality. By pursuing these solutions—actively applying for grants, seeking partnerships, and prioritizing building renovation—Jelšava can overcome its financial challenges and ensure the sustainable development of its infrastructure and cultural assets.

The main challenges regarding the **commitment of policymakers** in Jelšava revolve around the lack of broader governmental support for rural regions, the endangered funding, and the challenge of ensuring continued support for the project at the local level throughout its entire lifespan.

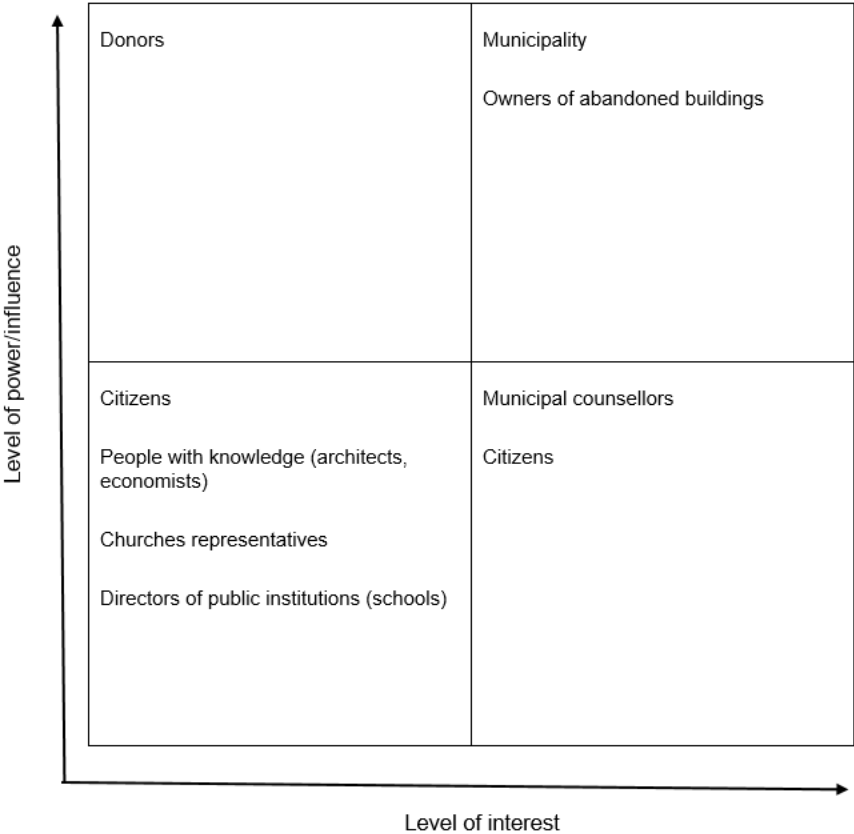
To address these challenges, several strategies can be implemented. Establishing direct communication channels with local policymakers is crucial for building trust and fostering motivation for continued participation. Transparency is key—ensuring that local leaders are well-informed about the project's goals, benefits, and long-term vision will help maintain their commitment. Regular meetings, updates, and clear communication about how the project aligns with local development priorities can strengthen their involvement. To ensure sustained support and interest in the project, it is essential to actively involve a diverse group of stakeholders, including local businesses, community organizations, and residents. Engaging them directly with the project's goals and offering opportunities for active participation will not only increase their sense of ownership but also help sustain the momentum throughout the project's life cycle. When stakeholders feel their input is valued and that they are part of the decision-making process, they are more likely to advocate for continued support. Lobbying for broader governmental recognition and support for rural areas can also help ensure that funding and resources are allocated more equitably. Highlighting the potential long-term benefits of projects for rural development, job creation, and community well-being could persuade policymakers to prioritize these initiatives.

By focusing on transparent communication, active stakeholder engagement, and advocacy for rural development, Jelšava can strengthen local policymakers' commitment, ensuring the continued success and longevity of its projects.

# Hodod, Romania

The main challenge identified is: depopulation of Hodod commune due to lack of economic activities and work places. The population of the commune is continuously decreasing because of the location (situated at the periphery of the Satu Mare County, at the intersection with two other counties) and because of lack of economic activities that could determine people to remain in the commune. There are many locals working outside of the country that have either gradually settled in the countries where they work, or left their families in the commune and invested in improving their living conditions. Hodod has a huge potential in terms of tourism because of its cultural heritage (two castles, an old church, traditions) and very beautiful landscape.

The main stakeholders are the followings:



In Hodod, the main challenges regarding the **shared vision and strategy** revolve around the revitalization of the rural pilot area, which is significantly impacted by depopulation, the need for supporting rural youth, and the valorization of cultural and natural heritage.

To address the issue of depopulation, one of the key solutions is to focus on developing local infrastructure. Improving public services, transportation, healthcare, and creating more attractive living conditions will help retain the current population and attract new residents to the area. By offering modern amenities and accessible services, the region can become a more desirable place to live, work, and raise families. Another essential aspect is the civic engagement of young people. Encouraging youth participation in local community activities and decision-making processes is crucial for creating a sustainable future. Investing in quality education is equally important to provide young people with the skills and opportunities needed for future success. By focusing on education and offering youth programs that foster civic responsibility, Hodod can empower the younger generation to actively contribute to the community's growth and development. The rehabilitation of cultural patrimony and the revitalization of local traditions are also vital in the strategy to rejuvenate Hodod. Restoring and preserving historical buildings, monuments, and cultural practices can not only strengthen the local identity but also attract tourism and generate economic opportunities. By highlighting and promoting local traditions through festivals, workshops, and cultural events, the area can enhance its appeal, fostering both community pride and economic growth.

The main challenge of the **participatory approach** in Hodod is ensuring the involvement and participation of all groups, particularly those with specific interests and needs. This includes engaging stakeholders who may not immediately see the benefits of their participation or those who have limited access to traditional forms of communication. Additionally, motivating stakeholders to remain actively engaged throughout the project is a crucial aspect of maintaining momentum.

To address these challenges, diverse engagement tools can be used to involve a wide range of stakeholders. This could include face-to-face meetings where citizens can voice their concerns and ideas directly, online communication platforms to reach a broader audience, and local events that provide an opportunity for informal discussions and community-building. By offering multiple channels for engagement, stakeholders can choose the platform they are most comfortable with, making participation more accessible. Another important solution is to maintain open communication with all stakeholders throughout the entire project lifetime. Regular updates, transparent information, and ongoing dialogue can help to build trust and keep participants informed about the project's progress. Ensuring that stakeholders feel heard and involved in decision-making will keep them motivated to contribute and actively participate in the project's success. By using a combination of communication methods and maintaining

consistent, transparent engagement, Hodod can overcome the challenges of involving diverse groups and keep stakeholders motivated and invested in the project's outcomes.

The main challenges in **financing** in Hodod are the insufficient local finances to address the community's key issues and the need to combine EU, national, and local funds effectively to tackle these challenges. The limited local budget makes it difficult to implement large-scale projects or invest in long-term solutions that could revitalize the area and support its development.

One potential solution is to apply for EU funds, which can provide significant financial support for rural development projects. By exploring various EU funding programs, Hodod can access resources for infrastructure development, cultural heritage preservation, and other key initiatives. Similarly, attracting sponsorships from private companies, NGOs, and international organizations can provide additional funding and resources for specific projects, such as youth programs or cultural initiatives. Furthermore, elaborating a comprehensive development strategy can help align the various funding sources and ensure they are used efficiently. A clear, well-documented strategy can demonstrate the long-term vision for the region, making it more attractive to potential investors and funders. By combining EU, national, and local resources in a strategic way, Hodod can create a sustainable financial model that addresses its most pressing challenges.

The main challenges regarding the **commitment of policymakers** in Hodod are the lack of time to focus on all the community's challenges and the constant changes in national legislation, which can disrupt policies and ongoing projects. Policymakers are often stretched thin with numerous priorities, and the dynamic nature of national policies can create uncertainty, making it difficult to maintain consistent focus on local development goals.

One possible solution is to develop a comprehensive strategy that clearly defines short-term, medium-term, and long-term objectives. This would provide a structured roadmap for policymakers, enabling them to prioritize actions and allocate resources effectively. By breaking down the community's challenges into manageable goals, the strategy can help policymakers focus on immediate needs while also planning for the future. Additionally, a clear strategy could provide flexibility, allowing the community to adapt to changes in national legislation by setting up mechanisms to quickly adjust policies or projects when needed. This would not only help ensure continuity in the face of legislative changes but also foster greater

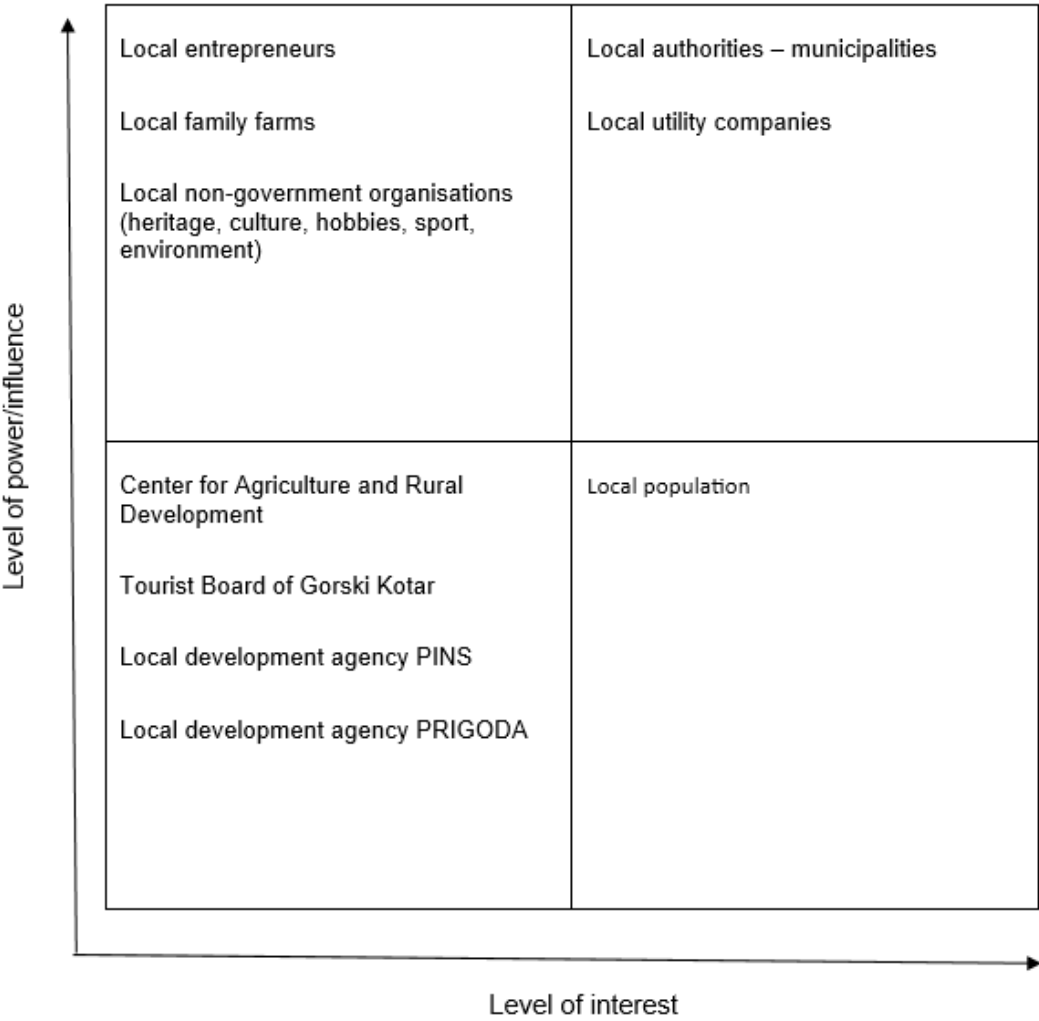
collaboration between local and national stakeholders to align priorities. By creating a well-defined, multi-phase strategy, policymakers can better manage their time and resources, stay focused on community development, and adapt to the evolving national policy landscape.

## Gorski Kotar, Croatia

Sub-region of Gorski kotar lags behind the County average according to all development indicators of the Primorje-Gorski Kotar County. Therefore, Gorski Kotar could be counted as the least developed microregion of the County. The demographic decline of 17% in the last 10 years and the aging of the population, represent the most crucial problems. The above mentioned issues fit into the global trends of rural flight and settlement in urban areas. This is additionally prompted by Croatia's entry into EU. Accordingly, it is important to determine strategic guidelines towards preserving the viability and revitalization of Gorski kotar area. To change these trends, it is necessary to intensify activities of all stakeholders and policy makers from national to local levels. Problems in Gorski Kotar could be listed in more details as follows.

- Insufficient valorization and economic use of natural heritage and geolocation
- Unfavorable demographic and age trends in population structure
- Negative migration balance
- Below average education of the population
- Below average digital literacy of the population
- Average net wages are below the county wages average
- Underdeveloped NGO sector
- Lack of kindergarten capacities in some municipalities
- Lack of lifelong education possibilities
- Uneven availability of health services
- Insufficient capacity of homes for the elderly
- Below average economic development within the County
- Unattractiveness of business zones
- Technological lag (industry at the level of industrial revolutions 2.0 and 3.0)
- Insufficient focus of entrepreneurs on development based on technology and innovation, research and development
- Lack of specific tourist services with more added value
- Underdeveloped water supply network system
- Insufficient telecommunication infrastructure (there is no optical infrastructure)
- Insufficient availability of public transport

The main stakeholder groups are the followings:



In Gorski Kotar, the main challenges related to **shared vision and strategy** stem from a relatively small population and the large geographical area, which lead to limited networking opportunities, fewer development ideas, and a lack of collaboration. These factors negatively impact the standard of living and quality of life in the region. Additionally, civil society organizations in the area face challenges such as low visibility and weak mutual cooperation, which further hinders the community’s ability to address regional development needs effectively. Another significant issue is the insufficient vertical coordination between institutions that are responsible for the development of Gorski Kotar, making it difficult to implement comprehensive and coordinated strategies.

Possible solutions to address these challenges include: Firstly, there is a need to establish a clear development framework that can harmonize the various local and sectoral activities. This would ensure that a shared vision, strategy, and development policy encompass and align all stakeholders' efforts, both current and future. A unified approach will provide a comprehensive roadmap for the region, allowing for better integration of initiatives and maximizing the impact of development efforts. Secondly, it is crucial to encourage all stakeholders—including local governments, businesses, and civil society organizations—to develop a clear, collective vision for the future of Gorski Kotar. This vision should focus on the region's strengths and aspirations, with specific, jointly established goals that the community is committed to achieving. The more unified and clear the vision, the more motivated stakeholders will be to contribute to its realization. Finally, stakeholders need to act together to increase the number of development projects and effectively realize the shared vision. Cooperation and collaboration between various organizations, institutions, and individuals will amplify their collective efforts, leading to the successful implementation of the region's goals. By working in concert, the stakeholders can overcome the challenges posed by limited resources and fragmented initiatives, ensuring that the region moves forward in a coordinated, sustainable manner.

The main challenges regarding the **participatory approach** in Gorski Kotar are tied to both demographic changes and a general sense of disillusionment among the local population. Firstly, there has been a decrease in the number of inhabitants over the previous decade, which has had a direct impact on community engagement and participation. Moreover, the age structure of the population is less favorable than the county average, leading to an imbalance between younger and older generations, potentially hindering innovation and active community involvement. Additionally, many citizens have experienced disappointment and loss of motivation, which further complicates efforts to engage them in development processes. There's also a reluctance to embrace change and lifelong learning, particularly in rural areas where traditional values and routines often persist. Finally, many local residents feel that participatory approaches or the active participation of the community in developing a shared vision will not yield significant benefits, leaving them unconvinced about the value of such efforts.

To address these issues, it's important to ensure that citizens feel heard and valued by employing participatory methods that actively involve and motivate target groups. For instance, community dialogues, workshops, and consultations can create spaces where people can

share their opinions and know that their input is influencing decisions. Ensuring the active involvement of all groups in these discussions, especially marginalized ones, can rebuild trust and boost community engagement. Another solution is to strengthen the capacity of NGOs, as they play a crucial role in the social life of the community. By enhancing the skills and resources of local organizations, they can become more effective in organizing events, supporting social initiatives, and helping to connect citizens to broader development goals. NGOs can act as a backbone in fostering community development and encouraging participation, especially when citizens may be initially reluctant to engage. Additionally, improving access to multimedia equipment and embracing new digital formats can help to reach a broader audience, including younger people who are more likely to engage with digital tools. Organizing interesting and interactive events, such as local festivals, cultural workshops, or digital engagement platforms, can attract more participants and encourage social interaction. By combining traditional forms of communication with digital innovations, Gorski Kotar can create more engaging, accessible, and inclusive participatory processes. Overcoming the challenges of participatory engagement in Gorski Kotar requires methods that make citizens feel seen and heard, empowering local NGOs, and enhancing access to digital formats and interactive events. Through these strategies, the community can be reinvigorated, leading to more active involvement and a renewed sense of ownership over the region's future development.

The main challenges concerning **financial resources** in Gorski Kotar are linked to the region's lower fiscal capacity per inhabitant, which presents a serious issue for local communities. This is compounded by the greater fall in unemployment compared to the growth in employment in recent years, which directly impacts local budgets and their ability to fund development initiatives. Additionally, many local NGOs operate on a voluntary basis with limited financial resources, primarily relying on small funds from public calls within their communities, making it difficult for them to achieve larger-scale projects or sustainability.

To address these financial constraints, one solution is to strengthen the fiscal and administrative capacity of local self-government units. This would ensure that municipalities can better manage their finances and develop sustainable strategies for local development. By building a robust fiscal framework, local governments would be better equipped to handle the financial challenges they face and have a more stable foundation for future growth. Another key solution is to improve the role of fiscal capacity within local self-government units by ensuring that the funds available are aligned with development goals. This could involve making budget allocation processes more efficient and strategically focused, so that available

resources are channeled into initiatives that contribute to the long-term economic and social development of Gorski Kotar. Additionally, encouraging cooperation between local communities is essential to maximize financial resources. By promoting collaboration between municipalities and encouraging them to work together, Gorski Kotar can increase its access to funding and resources. This could involve pooling resources for joint projects or sharing best practices for applying for funds at the European, state, and county levels. Encouraging local communities to use public institutions' support when applying for grants or submitting projects can also enhance the chances of successful funding applications. Finally, it is essential to provide administrative, organizational, and technical assistance to local NGOs, helping them organize competitions, events, and manifestations in the region. By supporting NGOs in these areas, they will be better positioned to manage and implement community initiatives, access funding, and contribute more effectively to local development. Additionally, training and capacity-building for NGOs will ensure that they can sustain and grow their impact in the region. In summary, the financial challenges faced by Gorski Kotar can be addressed by strengthening local fiscal capacity, improving collaboration between communities, and supporting NGOs with the necessary resources and assistance. These steps will help create a more sustainable financial environment for the region's development and improve the overall quality of life for its inhabitants.

The main challenges regarding the **commitment of policymakers** in Gorski Kotar are rooted in reduced horizontal communication and coordination among the mayors of local self-government units, which impedes the efficient sharing of ideas and strategies for regional development. Additionally, there is insufficient vertical coordination between institutions responsible for the region's development, making it difficult to align efforts at various levels of governance. Finally, some policymakers hold the perception that developing a vision and strategy will not generate tangible benefits for their municipalities, resulting in a lack of motivation to engage with these planning processes.

One important solution is to encourage better administrative and technical cooperation between local self-government units and other relevant institutions. By fostering stronger communication and collaboration between municipalities, mayors can align their efforts, share resources, and tackle common regional challenges more effectively. This could involve setting up regular forums or workshops where local leaders can meet to discuss strategic goals, share best practices, and coordinate actions that benefit the entire region. Another key solution is to encourage greater participation from local communities in the planning and implementation of

development projects, particularly those focused on creating "smart villages" in the region. By involving citizens in the decision-making process, policymakers can ensure that strategies reflect local needs and priorities, which will increase buy-in and commitment to the development efforts. Additionally, this participatory approach can help demonstrate the value of vision and strategy development by showing how these efforts can lead to tangible improvements in the lives of residents. In conclusion, improving communication and coordination among local self-government units, fostering stronger collaboration between institutions, and involving local communities in development processes are essential to overcoming the challenges of policymaker commitment in Gorski Kotar. These solutions will help ensure that policymakers are more engaged, motivated, and focused on creating a shared vision for the region's future.

## Prijedor, Bosnia and Herzegovina

The multi-stakeholder governance model involves several significant challenges which could be categorized into two basic social and economic issues. Such are:

### Social challenges:

- Diverse interests and priorities: Different stakeholders (local farmers/ rural population, local businesses, government agencies, NGOs, etc.) often have varying interests and priorities, making consensus difficult.
- Cultural differences: Rural areas often have strong cultural traditions that may clash with new innovative models or local decision makers approaches.
- State of mind: Differences in opinions and interests of the dwelling owner in the rural areas. Lack of motivation among the rural population.
- Lack of skills and knowledge: Stakeholders, especially local rural communities, may lack the necessary skills and knowledge to engage effectively.
- Geographic and technological barriers: Rural areas often face challenges related to geographic isolation and limited access to technology and infrastructure.

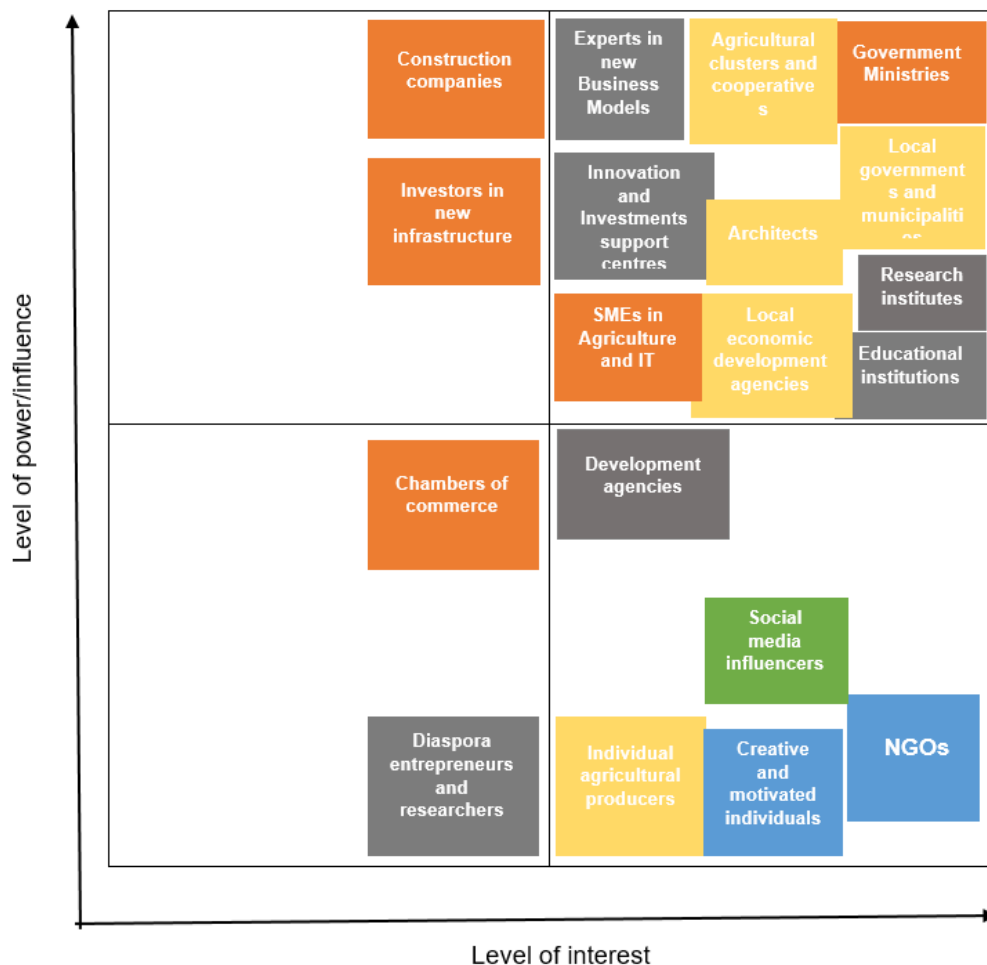
### Economic challenges:

- Limited financial resources: Rural areas typically have fewer financial resources, which can limit the capacity to implement and sustain different initiatives or lack of appropriate financial resources for ambitious planning.
- Economic disparities: There are often significant economic disparities between rural and urban communities, which can lead to unequal participation and influence among stakeholders.
- Sustainable Solutions: Developing initiatives that are sustainable and create opportunities for economic development, rise of life quality , and social services.

### Main challenges in the City of Prijedor:

- Identifying and engaging stakeholders and creation of balancing representation from various sectors, interests, and regions, and addressing potential power imbalances. PREDA has already identified the relevant stakeholders and categorized their importance.
- Ensuring inclusivity and diversity, that all relevant voices are heard, particularly marginalized rural population.
- To ensure effective communication and coordination among stakeholders with different backgrounds, languages, and priorities. Ensuring clear, transparent, and consistent communication channels is essential for building trust and collaboration.
- Balancing interests and conflicts since stakeholders often have differing, sometimes conflicting, interests and priorities. Balancing these interests and managing conflicts to reach consensus can be challenging and time-consuming.
- Establishing fair, transparent, and efficient decision-making processes that accommodate diverse views and ensure accountability is crucial. This includes defining roles, responsibilities, and mechanisms.
- Maintaining stakeholder engagement over time, especially in long-term projects, requires ongoing effort and commitment. This includes keeping stakeholders motivated, informed, and involved throughout the process.

The main stakeholder groups are the followings:



In Prijedor, the main challenges concerning **shared vision and strategy** are largely driven by depopulation and aging, which have been persistent issues in recent years, causing rural areas to become increasingly isolated and marginalized. This demographic trend is leading to a decline in the population, particularly in rural communities, which in turn hampers the ability to maintain vibrant local economies and social structures. Another significant challenge is the identification of initiatives that will effectively attract and engage a critical mass of the local population, encouraging proactive support and involvement in development efforts.

One potential solution is to provide support during the strategic management and planning phases at the level of rural communities. This support could involve the development and implementation of specific methodologies tailored to the unique needs of these communities, ensuring that strategies are both relevant and actionable. By engaging with rural communities early in the process, local stakeholders can be involved in identifying priorities, setting goals,

and formulating strategies that are tailored to their particular context. Additionally, it's important to focus on targeted initiatives that address the specific concerns of rural populations, such as improving access to services, creating job opportunities, and enhancing local infrastructure. Initiatives that are directly linked to the well-being and future of these communities are more likely to inspire engagement and generate a sense of ownership and responsibility. By fostering more inclusive, locally driven planning processes and providing targeted support for rural communities, Prijedor can begin to tackle the challenges posed by depopulation and aging, while simultaneously creating opportunities for a more vibrant and sustainable future.

In Prijedor, the main challenges in the **participatory approach** stem from several complex factors. First, infrastructure problems are recognized as a primary issue, as these deficiencies form the foundation for any successful initiative. Without adequate infrastructure, it's difficult to create sustainable projects or attract external support. Additionally, introducing societal, economic, and cultural changes in the context of rural living adds another layer of complexity. Rural communities often face resistance to change, and shifting mindsets is challenging when people are accustomed to traditional ways of life. Furthermore, diverse interests and priorities among stakeholders, such as local farmers, businesses, government agencies, and NGOs, create conflicts and make it hard to build consensus. Each group has its own set of goals and concerns, which can obstruct the development of a unified approach.

A crucial step in addressing these issues is to identify the key stakeholders and interests within the selected communities during the strategic planning process. Understanding the specific needs of different groups is essential to designing an inclusive strategy that encourages active participation from all relevant parties. The strategy should aim to not only include local households but also create models that reach out to the broader population, including those who may have left the community but still maintain ties. This broader focus ensures that even people who are no longer directly living in the area remain engaged and invested in its development. Another important aspect is to balance long-term development goals with short-term initiatives that address the immediate interests of stakeholders. For example, focusing on topics directly related to the competitiveness of local businesses, such as improvements in agricultural practices, can help garner the support of key players like farmers and entrepreneurs. These tangible, short-term improvements can serve as entry points for engaging stakeholders, fostering trust and motivation to work toward more complex, long-term development strategies. By identifying the most crucial stakeholders, addressing both long-term and short-term interests, and ensuring that everyone has a clear role in the participatory

process, Prijedor can overcome these challenges and create a more inclusive and effective development strategy.

In Prijedor, one of the main challenges in **financing** is the limited financial resources available to rural areas. These communities often face financial constraints that hinder their ability to implement and sustain various initiatives, especially when it comes to ambitious planning for development. The lack of sufficient funding can stifle progress and make it difficult to support long-term goals, from improving infrastructure to boosting local economic development.

To address the financial limitations, it is important to secure basic funding from local budgets and other domestic sources. By ensuring that there is a stable financial foundation, local authorities can fund essential projects and begin laying the groundwork for more expansive initiatives in the future. This can include prioritizing key development areas such as infrastructure improvement, community services, and small-scale local projects that benefit the population. Another critical solution is to identify and leverage funding opportunities from external sources, such as the IPA (Instrument for Pre-Accession Assistance) and other EU or bilateral programs. These funds can help support larger, more ambitious projects that local budgets alone may not be able to cover. Additionally, exploring international programs could open doors to new financial opportunities for projects in sectors like sustainable agriculture, tourism, and cultural heritage preservation, which are of particular importance in rural areas like Prijedor. By combining local funding efforts with external sources, Prijedor can strengthen its financial capacity to implement necessary development projects, ensuring that initiatives are sustainable and have long-term impact.

In Prijedor, one of the main challenges in the **commitment of policymakers** is the large number of rural communities under the city's administrative framework. This makes the selection and planning process more complex, as each rural community has its own unique characteristics and demands, requiring individual approaches to address their specific needs. The sheer diversity of these communities can make it difficult to develop and implement a cohesive strategy that caters to all areas equally. Another significant challenge is the lack of equal access to public and other services for rural households. Many rural areas suffer from limited infrastructure, healthcare, education, and other essential services, creating disparities between urban and rural populations and further exacerbating the challenges faced by rural communities.

To address these issues, raising awareness among policymakers and civil society is crucial. Policymakers need to be informed about the specific problems faced by rural communities, so they can take these into consideration when designing policies and allocating resources. Awareness campaigns and data collection about rural needs can help policymakers better understand the situation and commit to making improvements. Another possible solution is to group rural communities based on geographical and/or thematic factors. This approach would allow for more efficient planning and resource allocation, as similar communities can be treated together for certain development initiatives. For instance, rural areas with similar economic activities or environmental challenges could benefit from joint strategies, reducing the complexity of decision-making and allowing for better-targeted interventions. By raising awareness and optimizing efforts through better coordination, policymakers can help ensure more equitable access to services for rural communities and improve the overall development prospects for the region.

## Despotovac, Serbia

The rural economy is dominant in the municipality of Despotovac, so in the future it will depend mostly on the demographic potential of rural settlements, which has significantly weakened over the past decades. The number of inhabitants has decreased in a relatively short time since 2011 by almost 25%.

Negative demographic trends have led to many abandoned buildings in private ownership. Many existing buildings are still inhabited, however, by the elderly, because the people who left to Western Europe and other countries are mainly youth. This means that in the coming years there will be an increase in the number of empty or unused buildings in private ownership. Considering that in almost every village there are public facilities that have the function of gathering of the local population for economic, social and cultural activities, there is a danger that these facilities will also lose their function due to negative demographic trends.

Common problems of Despotovac municipality and the region of Sumadija and Pomoravlje are:

- Depopulation of rural settlements and aging population, as consequence of 1) people leaving to the large cities or abroad, especially young people and 2) natural decrease (mortality higher than birth rate)
- Agriculture, as the dominant economic activity in rural areas, is also decreasing due to negative demographic trends. There is a need for economic diversification.
- Cultural life decreasing in rural areas; culture and community centers out of use and deteriorating
- Inadequate/ insufficient availability of public services in rural areas

Other challenges, specific for the municipality of Despotovac are:

- Disunity of the territory (large area and many villages at large distance from each other)
- Bad traffic connections with the urban center (public transport)
- There is no large enterprise/ company in the municipality, as an employer. Apart from agriculture, the economy is based on small enterprises and entrepreneurs

- There is a brown coal mine in the municipality, thus air is polluted in some settlements. Coal is still used for heating in some areas. Because Serbia is one of the signatories of the Sofia Declaration related to the Green Agenda for the Western Balkans, this will soon be another challenge
- Sewerage system is in bad condition
- Lack of hiking trails in the countryside
- There is no dormitory for students

Other problems in the field of valorization of abandoned and unused buildings are also:

- Lack of design and technical documentation for the reconstruction, adaptation and equipping of public facilities in rural areas
- Lack of initiative by the owners of private buildings for repurposing the use of abandoned buildings
- Lack of models and owners' ideas for putting abandoned buildings into operation

Lack of professional and consulting support to private owners to support the implementation of the initiative.

The main stakeholder groups are the followings:

↑ Level of power/influence	<p>Public institutions in the sectors of culture, cultural heritage protection, tourism, environmental protection, local economic development (Cultural center Despotovac, Institute for protection of the monuments of culture, Kragujevac, Tourist organisation / PU Resavska pećina, )</p> <p>SME, Agricultural producers and old crafts producers.</p> <p>Schools and kindergartens.</p> <p>Young families, Families with small children.</p> <p>Women's associations</p> <p>Disadvantaged – vulnerable groups (youth, unemployed women 45+, the elderly, people with disabilities,</p> <p>Users of social welfare services</p> <p>Ethnic groups, communities and minorities</p> <p>Rural population employed and unemployed.</p> <p>Diaspora individuals, communities and organisations</p>	<p>Public utility companies</p> <p>Public institutions: culture, education, tourism</p> <p>Investors and potential investors</p> <p>SME and agricultural producers Association of agricultural producers, Agricultural Cooperative.</p> <p>CSO and associations in ecology, culture, education, artists</p> <p>SCO in domain of sports and recreation, entertainment, speleology club and mountaineering/ hiking club</p> <p>Institute for protection of monuments of culture</p>
	<p>Associations of agricultural producers</p> <p>Rural households and categorised rural tourism households</p> <p>Tourist agencies, tour operators - incoming</p> <p>FILUM – The faculty of philology and arts, Kragujevac</p> <p>The Faculty of Economy – Circular economy center</p> <p>Vocational schools</p> <p>Investors, SME and large companies</p> <p>Public health institute</p> <p>Neighbouring municipalities – communities</p> <p>Investors</p> <p>Spatial planners</p> <p>Designers, Artists</p> <p>Media influencers – bloggers</p>	<p><b>The owners of the buildings/houses/dwellings</b></p> <p>(Potential) Investors</p> <p>National agencies and ministries in domain of culture, tourism, agriculture, industry</p> <p>Ministry for rural care</p> <p>National and local media</p> <p>Diaspora organisations</p> <p>Public institutions: Culture centers, schools</p> <p>FILUM and the University (Faculty of Economics, F. of Engineering)</p> <p>Schools, kindergartens</p> <p>SME</p> <p>Environmental protection agencies</p> <p>Serbian association of RDAs (SARRA)</p>
	→ Level of interest	

In Despotovac, the main challenges regarding **shared vision and strategy** primarily stem from the lack of a unified approach to tackling depopulation, as well as related issues such as an aging population and low participation of young people in community decision-making. The community faces challenges in terms of insufficient cross-sector communication and

cooperation between local government departments, institutions, and the private sector, leading to fragmented efforts. Additionally, there is a lack of involvement from small and medium-sized enterprises (SMEs) and larger businesses in contributing to the shared vision of the area. The absence of a systemic approach to addressing depopulation on both a national and local level further complicates the situation, as does the lack of joint action from relevant ministries and local governments.

Possible solutions to these challenges include:

- Incorporating interventions into the municipality’s strategic documents: The development of a shared vision should be embedded within the official strategies and planning documents of Despotovac. This could include policies that specifically address depopulation, youth retention, and economic development.
- Community participation in strategic planning: It is crucial to involve the local community in the creation of strategic documents. This can be done by inviting representatives from various groups (such as youth, elderly, local businesses, and civic organizations) to participate in workshops and discussions that focus on developing vision, priorities, goals, and actionable plans. Additionally, tools like Google polls or questionnaires can be used to gather feedback from a broader range of stakeholders, ensuring that different perspectives are heard and considered.
- Attracting and retaining young talent: A strategy to engage young people and encourage them to stay in or move to Despotovac should be integrated into a variety of strategic documents. This can include the development of a Youth Action Plan, Local Employment Plan, and cultural, sports, and social welfare strategies that provide tangible benefits for young people and meet their needs. Clear goals and measures can be set to attract young talent and offer opportunities for education, employment, and social engagement.
- Encouraging cross-sector cooperation: Strategic planning should promote greater collaboration between the public, private, and civic sectors. This could be achieved through regular meetings and partnerships to ensure that the various sectors are working together toward shared goals, such as revitalizing the local economy, improving infrastructure, and addressing social challenges like depopulation.
- Establishing a two-way flow of information: Communication between central and local levels of government needs to be improved. A system for the two-directional flow of

information will help ensure that local needs and challenges are communicated effectively to central government bodies, while also ensuring that local communities are informed about policies and resources available to them at the national level.

By addressing these challenges through a combination of strategic planning, community involvement, and cross-sector collaboration, Despotovac can begin to form a cohesive and sustainable vision for tackling depopulation and creating a thriving community for all residents.

In Despotovac, main challenges regarding the **participatory approach** stem from a combination of low citizen motivation, the prevalence of top-down decision-making processes, and insufficient involvement of key stakeholders in community development planning. Citizens are generally not motivated to participate in decision-making, largely because there is no long tradition of participatory approaches. Decision-makers often do not prioritize or believe in the value of public participation, further hindering the implementation of a participatory model. Additionally, there is a lack of initiatives to include local partners, particularly from the business sector, in territorial development management, and local human resources are not adequately engaged in planning processes.

To overcome the lack of motivation, it is essential to raise awareness about the importance of participatory processes. Citizens need to understand that their involvement in decision-making directly impacts the future of their community and can lead to tangible improvements. Awareness campaigns should emphasize the benefits of active participation and how it can lead to real change. A shift toward a more inclusive decision-making process is crucial. Stakeholder involvement should be integrated into all phases of decision-making, not just at the initial stages. Regularly collecting ideas and feedback from citizens ensures that their needs and perspectives are always considered and valued, creating a more responsive and accountable governance structure. Decision-makers should be made aware of the importance of public participation, with the support of civil society organizations and regional development agencies. These organizations play a vital role in fostering community engagement and advocating for inclusive decision-making. They can help bridge the gap between the government and the local population by providing platforms for dialogue and collaboration. To empower local citizens and ensure meaningful participation, it is necessary to build their capacity for participatory learning and acting. This can be achieved through workshops, training programs, and skill-building initiatives that help community members understand how to actively engage in the development process, voice their concerns, and work together toward

common goals. Establishing local public-private partnerships, such as Local Action Groups (LAGs), can help integrate the business sector into the planning and management of rural development. LAGs can serve as a platform for collaboration between public institutions, local businesses, and civil society organizations, helping to create sustainable development strategies that meet the needs of all sectors. The private sector can contribute significantly to rural development through knowledge exchange and collaboration with local communities. By facilitating opportunities for private sector actors to share their expertise and learn from one another, Despotovac can encourage a more integrated approach to community development that combines the strengths of both public and private entities. To ensure that participatory processes are not just a one-off event, it is essential to involve the local community throughout the entire planning process, not just during the drafting phase of development strategies. Continuous engagement and feedback loops will ensure that the development plans are responsive to the evolving needs of the community and that citizens remain actively involved in the long-term success of the projects.

By addressing these challenges through a combination of awareness raising, stakeholder involvement, capacity building, and strong partnerships, Despotovac can cultivate a culture of participatory governance that empowers citizens and fosters sustainable development for the future.

In Despotovac, main challenges related to **finance** revolve around the uncertainty of funding sources, insufficient domestic funds, low motivation due to financial limitations, and a lack of awareness regarding the available funding opportunities. Additionally, there are significant barriers related to human resources, with limited capacity to develop projects and absorb available funds. A lack of integrated mechanisms to inform stakeholders about funding opportunities, particularly through national and international programs, further exacerbates these challenges. Communication between local and national level institutions is often ineffective, and there is a reduced inflow of funds from the national level, especially for agriculture, which is the primary economic activity for rural populations. Incentives from the national level primarily focus on subsidizing primary agricultural production, neglecting the diversification of economic activities in rural areas.

To address these challenges the municipality should explore alternative sources of funding, such as private investments, or implement development projects in small steps, using its own resources when possible. This approach would allow for gradual improvements and less

dependence on uncertain EU funds. Regional development agencies can play a crucial role in enhancing local capacity for project writing and fund absorption. These agencies can provide training and support to local governments, helping them become more proactive in securing funds from both national and international sources. Additionally, they can motivate local authorities to think creatively and develop new strategies for attracting financial support. One of the key issues is the lack of awareness of available funding opportunities. To address this, it is essential to create dedicated informational platforms that outline the potentials of national, international, and EU funds, as well as relevant calls for proposals. These platforms should be easily accessible to all stakeholders, including local businesses, civil society organizations, and government institutions. Encouraging collaboration among local stakeholders is another effective solution. Creating collaborative platforms where local governments, NGOs, businesses, and other relevant actors can jointly design projects and advocate for funding will increase the likelihood of success. These platforms can also be used to pool resources and expertise for large-scale initiatives. Strengthening communication and cooperation between local and national level institutions is crucial for the successful implementation of development projects. Regional development agencies can facilitate this by acting as intermediaries, ensuring that local governments are informed about available funding opportunities and helping them navigate the application process. Local governments should work to improve investment opportunities for businesses in rural areas by providing financial incentives, infrastructure improvements, and administrative support. This will attract both local and external investments, diversifying the local economy and creating job opportunities. Motivating local self-governments to strengthen international partnerships can also increase the flow of funds. Developing local international cooperation programs in areas such as culture, sports, entrepreneurship, and education can help attract additional funding and foster broader regional development. For countries like Serbia, strengthening institutional capacities to use pre-accession funds, such as IPARD (Instrument for Pre-Accession Assistance in Rural Development), is vital. These funds can be used to support agricultural modernization, rural infrastructure, and diversification of economic activities in rural areas. Finally, presenting and advocating for the EU's Common Agricultural Policy (CAP) at the national and local levels will help align local development strategies with EU funding opportunities. This can open up new avenues for rural development, especially in the agricultural sector. By implementing these solutions, Despotovac can overcome its financial challenges, build capacity for sustainable development, and improve its ability to attract and utilize funding for long-term rural development projects.

In Despotovac, main challenges regarding the **commitment of policymakers** involve a lack of belief in the effectiveness of planning based on public participation, as well as insufficient emphasis by national-level policymakers on the importance of community involvement, engagement of various stakeholders, and collaboration with businesses. Additionally, decision-makers often hesitate to implement significant interventions that could impact rural development, primarily due to concerns about political risks and the potential impact on their electoral support. Another issue is the lack of communication between local and national institutions, which hinders coordinated actions and the sharing of critical information. Finally, the lack of financial resources for long-term projects is a significant demotivator for local decision-makers, further weakening their commitment to strategic rural development.

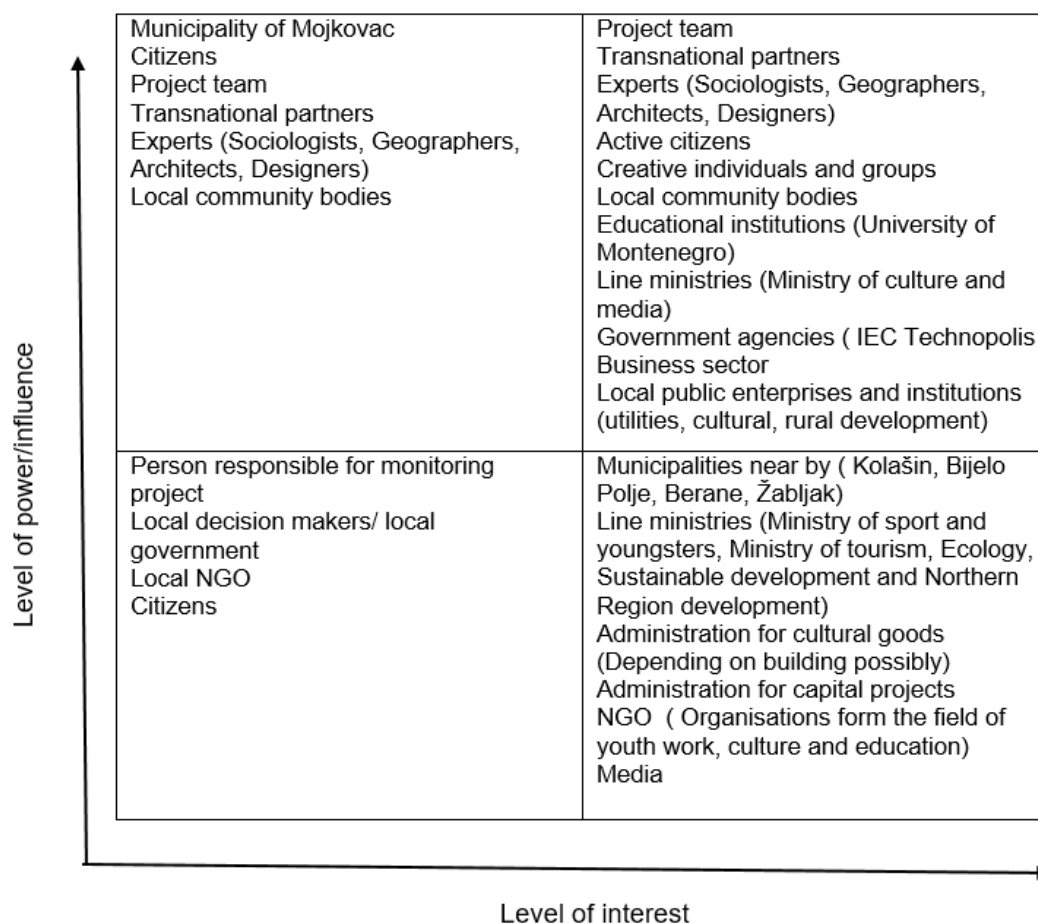
To address these challenges one of the primary solutions is to actively engage decision-makers in the process of participatory planning, showcasing its importance and potential success through specific projects. By involving them in practical examples, decision-makers can gain confidence in the value of community-driven development and feel more invested in the process. Regional development agencies can play a crucial role in promoting the principles of public participation, particularly in line with EU directives and best practices. These agencies can help educate local and national policymakers on the importance of involving communities in decision-making and ensure that participatory processes are embedded in long-term development strategies. Encouraging the establishment of public-private partnerships (PPPs) is another solution. By involving the private sector in rural development projects, policymakers can share the financial burden and create more sustainable, mutually beneficial solutions. These partnerships can bring both financial and technical expertise to the table, making it easier to implement large-scale initiatives. A set of suggested changes that can be implemented in the short or medium term should be developed, targeting key interventions that can support rural development without requiring large-scale immediate financial investments. This approach can show policymakers that rural development doesn't have to be an overwhelming challenge but can be tackled incrementally through targeted efforts. Creating effective communication channels between local and national governments is essential to fostering collaboration and ensuring that local concerns are addressed in national policies. Establishing clear pathways for local government representatives to engage with national programs, funding opportunities, and strategy development will ensure that local communities are included in broader national planning processes. By focusing on these solutions, Despotovac can work toward overcoming the challenges faced by policymakers, enhancing

their commitment to rural development, and ensuring that participatory planning becomes an integral part of the region's development strategy.

## Mojkovac, Montenegro

The main challenges faced by the Municipality of Mojkovac as a local administration include the lack of skilled personnel capable of implementing European projects, followed by the issue of an insufficient budget to develop these European projects, which in turn would create services and benefits aimed at reducing migration, population aging, and depopulation. This is also caused by an underdeveloped economy and the overall economic situation in the country, as well as unequal regional development at the national level, which drives migration. To succeed in this, it is necessary to develop services tailored to different groups, which will simultaneously focus on the growth and development of individuals and groups, as well as the diversification of the existing tourist offer and economic development.

The main stakeholders are the followings:



In Mojkovac, the main challenges regarding **shared vision and strategy** include a lack of a unified approach to solving the depopulation issue, with many young people leaving rural areas in search of better opportunities in urban centers. This outflow is compounded by an aging population, which further weakens the local workforce and reduces the region's economic vitality. The local and national development plans are not well-aligned, creating gaps in coordination and hindering effective action. There is also difficulty engaging stakeholders with diverse interests, from traditional farmers to young entrepreneurs, which slows the development of a cohesive strategy. Moreover, the area faces limited employment opportunities, which exacerbates depopulation, and traditional agricultural practices that are no longer as productive or profitable as they once were.

Possible solutions to address these challenges include: The municipality needs to integrate specific interventions into their strategic documents, ensuring that the solutions are part of a comprehensive, long-term development plan. This will help establish clear objectives and actions for the future. A focused strategy is needed to attract young people to Mojkovac, including creating incentives for young professionals to stay or return to the area. This can involve providing opportunities for career growth, improving local infrastructure, and developing a vibrant community life that appeals to the younger generation. Setting specific and measurable goals aligned with the shared vision of the community will ensure that progress is tracked and that the efforts remain focused on achieving tangible outcomes, whether it be in terms of employment, economic growth, or depopulation reduction. Establishing incubators or hubs for young entrepreneurs will encourage the development of startups and innovative ideas. This support can come in the form of funding, mentorship, or access to resources that help new businesses thrive. Offering courses and workshops on modern agricultural techniques and digital skills will equip young people with the tools they need to innovate in the agricultural sector, improving productivity and profitability while preparing them for the future of work. By promoting synergies between agriculture and tourism, Mojkovac can create new economic opportunities. For example, rural households could diversify by offering farm tours or starting agritourism ventures, providing both income and local employment. Supporting the marketing of traditional crafts and small-scale producers through tourism fairs and other initiatives will help boost local businesses and preserve cultural heritage. This can also serve as an additional revenue stream for rural households. Encouraging the adoption of new technologies, such as smart agriculture or vertical farming, can modernize the local farming sector. This would improve efficiency, reduce costs, and

increase yields, making agriculture more profitable and appealing to younger generations. By forming agricultural cooperatives, farmers can pool resources for the joint purchase of equipment, as well as collectively market and distribute their products. This collaborative approach can reduce individual costs and improve the bargaining power of local producers. Forming a dedicated task force that includes key stakeholders from the local community, government, businesses, and other sectors will help in the creation and implementation of a shared strategic vision for the future of Mojkovac. This group can ensure that all voices are heard, and that the final strategy is comprehensive and actionable. By addressing these challenges and implementing these solutions, Mojkovac can work toward revitalizing the local economy, improving living conditions, and creating a more sustainable future for its residents.

In Mojkovac, the main challenges related to the **participatory approach** include a general lack of motivation among citizens to engage in decision-making processes. This is partly due to the dominance of a top-down approach in governance, which has historically limited the practice of public participation. Many decision-makers also do not believe in the effectiveness of participatory processes, and citizens often fail to see direct benefits from their involvement. Furthermore, there is skepticism about the long-term impact of participatory approaches, and marginalized groups frequently lack access to platforms where they can voice their opinions. Additionally, communication channels between government and citizens are insufficient, preventing effective dialogue and feedback.

Possible solutions to address these challenges include: It is essential to engage citizens by raising awareness about the importance of their participation in shaping the future of their community. Highlighting the positive impact that their involvement can have on local development will help to motivate active participation. Decision-making processes should prioritize citizen engagement. Ensuring that ideas and feedback from the community are continuously collected and considered will foster a sense of ownership and trust in the governance process. Both groups need to be informed about the benefits of participatory processes. For decision-makers, this includes emphasizing how public engagement leads to better-informed decisions that benefit the entire community. For citizens, this involves educating them on how their input can influence local policies and development. Introducing practices where citizens have the opportunity to directly decide on a portion of the local budget for specific projects can empower them. This participatory budgeting approach ensures that the community feels more invested in the outcomes of local decisions. Organizing regular public forums and discussions where citizens can share their proposals and opinions will

increase transparency and foster greater trust in the decision-making process. These meetings can be used to discuss critical issues affecting the community and brainstorm solutions collectively. Implementing online platforms and digital tools will make it easier for a broader range of citizens to participate, particularly for those who cannot attend in-person meetings. These platforms can be used for surveys, voting, and discussions, allowing citizens to engage in real-time. Establishing regular town hall meetings will provide citizens with a direct line of communication to local officials. These meetings can be followed up with feedback loops where decisions made are communicated back to the community, ensuring transparency. Regularly conducting surveys and polls is an effective way to gauge public opinion on various issues. These tools can provide decision-makers with valuable insights into what the community values and wants to prioritize. Organizing focus groups with diverse members of the community will allow for more in-depth discussions on specific topics. These groups can provide valuable feedback on particular issues that might not be captured in broader public consultations. Developing a clear and consistent communication strategy will help to keep all stakeholders informed and engaged throughout the process. This can include regular updates on decisions, progress reports, and upcoming opportunities for involvement. By addressing these challenges and implementing the solutions outlined above, Mojkovac can strengthen its participatory approach, increase citizen involvement, and foster greater transparency and cooperation between the local government and the community.

In Mojkovac, the main problems related to **financing** include the uncertainty of European Union (EU) funds, insufficient domestic funds, and challenges in accessing both EU and local financial resources. These issues are compounded by a low level of motivation within the community due to limited financial support, which leads to a sense of hopelessness among citizens and entrepreneurs. Additionally, bureaucratic hurdles in accessing funds and inefficient allocation and use of available resources further exacerbate the situation, making it difficult to effectively implement development projects.

Possible solutions to address these financing challenges include: The municipality should actively seek alternative sources of financing, considering small, manageable steps that can be implemented using local resources. This approach will allow for gradual development without over-relying on external funding. A dedicated budget should be allocated to motivate citizens, entrepreneurs, and local stakeholders to participate in financing initiatives, ensuring that everyone feels encouraged to contribute to the development process. Actively seeking and applying for available EU funds and grants will be critical in securing financial resources

for local projects. Local authorities should focus on understanding the specific criteria for accessing EU funding and ensure that proposals are aligned with EU priorities. Establishing partnerships between local authorities and private companies will help to finance infrastructure and development projects. These collaborations can provide additional financial resources, reduce the burden on public budgets, and involve the private sector in regional growth. Introducing microcredit programs can help support small businesses and farmers, providing them with the necessary capital to grow and develop their activities. These programs should be tailored to meet the specific needs of the local population. Providing subsidies for innovative agricultural and tourism projects can encourage new ventures and help modernize key sectors, making them more competitive and sustainable. Creating a financial strategy that includes diverse funding sources, such as public-private partnerships, EU funds, and local contributions, will provide a sustainable framework for financing development projects. This strategy should be designed to balance short-term and long-term financial goals. Building the capacity of local government officials through training on financial management and grant writing is essential for improving the efficiency of resource allocation and ensuring that funds are used effectively. Well-trained officials will be better equipped to navigate the complexities of grant applications and funding opportunities. Exploring community crowdfunding platforms for small-scale projects can help engage local citizens and businesses in financing initiatives. Crowdfunding provides a way to raise funds for specific community projects, and it can increase community ownership and participation in local development. Establishing access to centralized databases that list available grants and funding opportunities is crucial. These resources should be easily accessible to local businesses, NGOs, and citizens to help them identify and apply for relevant funding programs. By addressing these financing challenges and implementing the proposed solutions, Mojkovac can diversify its sources of funding, increase financial sustainability, and support local development initiatives. This approach will help build a more resilient and motivated community, enabling effective project implementation and long-term growth.

In Mojkovac, the main problems in the **commitment of policymakers** include skepticism regarding the importance and success of public participation in planning processes. Decision-makers are often reluctant to take significant steps that could disrupt the status quo or affect rural development, and there is a prevailing resistance to change from entrenched interests. Furthermore, the short-term nature of political cycles often impedes long-term planning and the implementation of strategic initiatives.

Possible solutions to overcome these challenges include: Increasing the commitment of policymakers to participatory planning by incorporating it into project frameworks. This can be achieved by showing how public involvement can lead to more effective and sustainable solutions that benefit both the community and the decision-makers themselves. Proposing a clear set of changes that can demonstrate the importance of planning and interventions that contribute to long-term rural development. This could involve aligning rural development strategies with national priorities and showing their alignment with future growth and prosperity. Establishing a non-partisan advisory board that can oversee long-term projects and ensure continuity regardless of political cycles. This body would work to provide consistent guidance on development plans and ensure that the community's needs are prioritized. Showcasing successful examples from other regions that have implemented participatory approaches can help alleviate doubts and fears among policymakers. Demonstrating the tangible benefits of such projects (e.g., economic growth, improved quality of life) can encourage decision-makers to adopt similar strategies. Conducting advocacy campaigns that highlight the benefits of participatory planning to both policymakers and the public. These campaigns could involve community outreach, media campaigns, and educational programs designed to shift attitudes and increase support for inclusive planning processes. Organizing regular policy dialogues between decision-makers and citizens can create an ongoing dialogue that helps build trust and understanding between policymakers and the public. These meetings can serve as platforms for exchanging ideas and addressing concerns, ensuring that decision-making is transparent and reflects the needs of the community. Developing recognition programs for policymakers who actively support and implement participatory planning approaches. By rewarding those who champion these practices, the municipality can encourage other leaders to adopt similar strategies and create a culture of collaboration. By addressing these issues and implementing the proposed solutions, Mojkovac can overcome resistance from policymakers, foster greater political commitment to participatory planning, and ensure long-term development that aligns with the needs and aspirations of the local community.

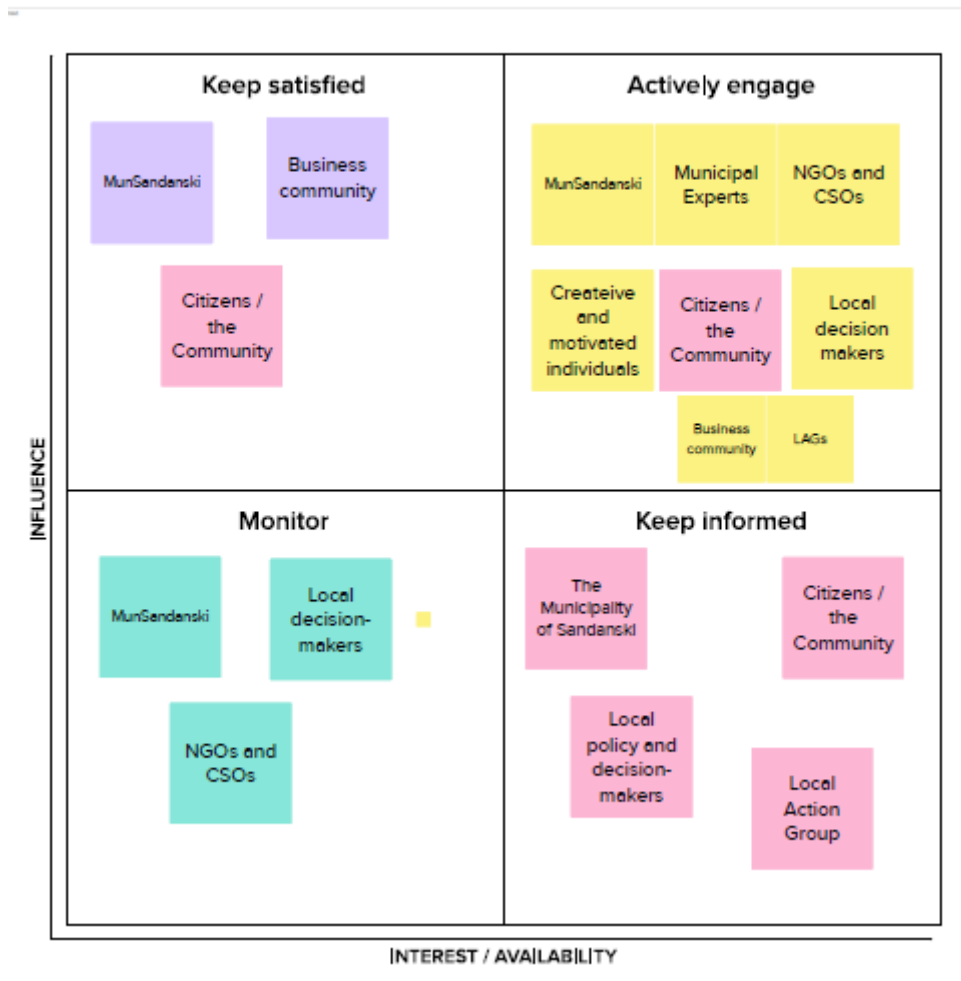
## Sandanski, Bulgaria

Through the implementation of the RurALL project, we aim to tackle the following key challenges in the Municipality of Sandanski:

- There is a significant lack of motivation and interest among stakeholders and the general public in participating in the decision-making processes. This disengagement affects both short-term and long-term developmental decisions for the Municipality of Sandanski.
- Community members do not feel a sense of ownership towards key infrastructure and development projects within the municipality. This detachment hinders the successful implementation and sustainability of these projects.
- Smaller settlements within the Municipality of Sandanski are facing depopulation issues, coupled with a lack of development prospects. This challenge threatens the vitality and future growth of these areas.

The main stakeholders are the followings:

# BICC-Sandanski



In Sandanski, the main problems concerning the **participatory approach** and the **commitment of decision-makers** are primarily due to a significant lack of motivation and interest among stakeholders and the general public to engage in the decision-making processes. This disengagement is detrimental to both short-term and long-term development decisions for the Municipality of Sandanski. The following sub-challenges contribute to this issue: There is a gap in communicating decisions and their potential impacts to the public. The municipality has not yet developed effective ways to inform and engage citizens about the decisions being made and their possible consequences. The existing decision-making processes are perceived as complicated, opaque, and not inclusive of diverse viewpoints, making it difficult for stakeholders to get involved or understand how their input matters. A lack of trust exists between citizens and local authorities, primarily due to past experiences of

unfulfilled promises, non-transparent practices, and a lack of accountability. Stakeholders feel that their involvement in the decision-making process does not lead to meaningful change. This perception of futility discourages them from participating in future consultations or initiatives.

To tackle these challenges the municipality should create a communication plan that uses diverse channels to inform and educate the public about the decision-making processes. This strategy should include tools like social media, town hall meetings, and local newsletters, ensuring that all citizens have access to the information they need to participate meaningfully. It is crucial to make the processes more accessible and user-friendly for all stakeholders. This could involve removing unnecessary bureaucratic hurdles, ensuring that participation is open to marginalized groups, and making it easier for everyone to understand how decisions are made and how they can contribute. Building trust requires transparency. The municipality should ensure that it actively seeks and values community input at every stage of the decision-making process. This can be done by clearly showing how public input is integrated into the decision-making and by making the entire process more transparent. Given that not all citizens can attend in-person meetings, it is essential to offer flexible options for participation, such as online surveys, mobile apps, and virtual meetings. This flexibility will ensure that more people can participate, regardless of their schedules or geographic constraints. To rebuild confidence in the process, the municipality could initiate small participatory projects that yield tangible, visible results. These projects will demonstrate to the community that their involvement leads to real change, restoring faith in the participatory approach and encouraging greater engagement in future initiatives. By addressing these issues, Sandanski can create a more inclusive, transparent, and effective participatory decision-making environment. Over time, this can help to rebuild trust, increase community engagement, and ensure that development decisions align with the needs and desires of the local population.

The **lack of community ownership** over key infrastructure and development projects within the Municipality of Sandanski presents a significant challenge to the successful implementation and sustainability of these initiatives. This detachment from community-driven efforts can lead to a lack of long-term commitment and contribute to the failure of projects after their completion. Often, community members are not included in the early stages of infrastructure and development projects, resulting in a lack of understanding, ownership, and connection to the projects. When people are not involved in designing or planning, they are less likely to feel invested in the final outcome. There is insufficient communication about the benefits, potential

drawbacks, and overall impact of these projects. Without a clear understanding of how the community will benefit or how the projects align with their needs, people may feel disconnected from them. The municipality does not actively encourage or facilitate community involvement in the execution and ongoing maintenance of these projects. This absence of involvement contributes to the projects' vulnerability over time, as communities are less likely to take responsibility for their upkeep. Certain groups within the community may face barriers—cultural, social, or even economic—that prevent them from engaging with municipal projects. These groups may feel excluded or disinterested due to perceived irrelevance or a lack of accessibility in the decision-making and implementation processes.

Possible solutions can be: Engage the community early in the project development process by hosting workshops, focus groups, or surveys to gather their feedback, ideas, and concerns. This inclusive approach allows residents to contribute to the vision and design of the projects, which helps build a sense of ownership from the outset. Make a concerted effort to inform and educate the public about the goals and expected impacts of infrastructure and development projects. This could involve community meetings, informational brochures, social media campaigns, and other communication tools to explain how the projects will benefit the community, addressing any concerns and highlighting the potential positive impacts. To maintain community involvement throughout the project lifecycle, implement feedback loops where residents can continue to share their opinions during the execution and even after the project is completed. This could include public consultations, advisory committees, and online platforms where people can provide input and see how their feedback is incorporated into the project's implementation and maintenance phases. Communication should not stop after the initial planning phase. Regular updates about the progress, challenges, and achievements of the projects will keep the community informed, engaged, and invested in their success. Utilize multiple communication channels such as social media, local newspapers, town halls, and even project-specific websites to ensure that the information reaches all segments of the population. By addressing these issues, Sandanski can create a more collaborative environment in which the community feels empowered to actively participate in the development, execution, and long-term sustainability of local infrastructure projects. This increased sense of ownership can lead to greater accountability, long-lasting success, and stronger community ties.

The **depopulation and lack of development prospects** facing smaller settlements within the Municipality of Sandanski pose serious threats to their vitality and future growth. This challenge

is multi-dimensional, affecting economic sustainability, infrastructure, and the demographic structure.

- Lack of economic opportunities and job prospects: Smaller settlements often lack diverse economic activities, forcing residents to migrate to larger cities in search of better employment opportunities. Without sufficient local economic prospects, these areas struggle to retain their population.
- Inadequate or deteriorating infrastructure and services: The infrastructure in these settlements, including roads, healthcare, education, and recreational facilities, is often either outdated or insufficient. This reduces the quality of life and makes these areas less attractive to both current and potential residents, as well as investors.
- Lack of targeted development strategies: Many smaller settlements do not have specific, tailored strategies that address their unique needs and potential for growth. The absence of focused planning leads to missed opportunities for development and improvement.
- Migration of younger generations: Young people tend to move to urban centers in search of better educational and professional opportunities. This leaves behind an aging population that struggles with sustaining community life, creating a cycle of decline.

Possible solutions can be: Explore and identify industries that could benefit from the unique characteristics or natural resources of these areas. For example, tourism, agriculture, eco-tourism, or traditional crafts could be developed, depending on the region's strengths. Focus on diversifying the economic base to avoid over-reliance on a single industry. Encourage the growth of new sectors such as renewable energy, organic farming, or digital services, which can be more adaptable to smaller, rural areas. Improve transportation networks, ensure reliable access to healthcare, modernize educational facilities, and enhance public services (such as internet connectivity) to make these settlements more livable and attractive to both residents and investors. Developing community centers and recreational facilities will increase quality of life and create attractive spaces for people of all ages to gather, socialize, and engage in community activities. Each settlement within the municipality will have its unique strengths, challenges, and resources. Tailored development plans should address these specific needs, whether it's focused on improving infrastructure, diversifying the economy, or enhancing community life. Engage the local population in the creation and implementation of

these development plans, ensuring that the strategies align with their needs, aspirations, and potential.

These could provide young people and entrepreneurs with the tools, resources, and mentorship needed to start businesses in these smaller settlements. These hubs could focus on sectors such as technology, green energy, agriculture, and tourism. Offer financial incentives, grants, and low-interest loans to encourage entrepreneurship and the creation of new businesses that could provide local jobs and contribute to the community's economic revitalization. Collaborate with higher education institutions to bring knowledge and innovation to these settlements. This could include training programs, workshops, and support for entrepreneurial ventures. Create opportunities for young people, such as training programs, skill development workshops, and internships within local businesses, so they have a reason to stay or return after gaining qualifications. Develop youth-friendly spaces for entertainment, socializing, and collaboration, which can make smaller settlements more attractive places for young people to live and work. Promote the settlements as ideal places for remote work, where young professionals can work online while enjoying a rural, less congested lifestyle. This could be facilitated through improved internet connectivity, co-working spaces, and digital marketing efforts. Engage young people in local governance and decision-making processes. This involvement can empower them to take an active role in shaping the future of their communities. Encourage the development of community-based projects initiated and led by young people, such as environmental or cultural initiatives. These projects can foster a sense of ownership and create pride among youth for their local area. By addressing these challenges with targeted, community-focused strategies, the Municipality of Sandanski can revitalize its smaller settlements. Through economic diversification, improved infrastructure, youth engagement, and tailored development plans, these areas can regain vitality, attract new residents, and create long-term sustainable growth. Importantly, such strategies need to be community-driven, with input and collaboration from all stakeholders, including the youth, to ensure their success and sustainability.

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