



# **Added Value of Networking Case Study**

## **RUR@L INOV: encouraging innovation in rural Portugal**

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## **AVN Case Study: RUR@L INOV – encouraging innovation in rural Portugal**

### **Executive Summary**

It was recognised that innovation and entrepreneurial activity was successfully taking place in rural Portugal yet the conditions and context required to support this creativity was unclear. Identifying and understanding the conditions being utilised by existing innovators would support policy makers to develop these in other areas of rural Portugal. A multi-disciplinary research approach which directly engaged with rural innovators was used to explore innovative processes, supporting organisations and the necessary broader environment.

The research team successfully explored all the rural conditions which impact upon innovation and it is now hoped these findings can be developed into policy recommendations to enable greater innovation in rural Portugal.

### **Methodology**

This case study was developed with the support of the Portuguese National Rural Network and Internet based documentation.

### **Background**

Innovative projects and processes were being successfully delivered in rural Portugal, resulting in improvements in development in the areas this innovative activity was taking place. It was recognised however that there was little understanding of how and why innovation had occurred and whether there were any particular conditions which encouraged this innovative activity. The project was developed in order to better understand innovation in rural Portugal in the hopes this would enable policy to be tailored to support rural innovation.

### **Participants of networking**

The Portuguese NRN Programme provided funding for the activity. The research team was drawn from the University of Trás-os-Montes and Alto Douro (UTAD) and supported by Direção Geral de Agricultura e Desenvolvimento Rural (DGADR) as well as international experts from Ireland, Sweden, Portugal and Spain.

### **Objectives**

The overall aim of the project RUR@L INOV - Innovation in Rural Areas was to learn about innovation and how it was being developed and implemented by different types of organisations in Portuguese rural areas.

The project aimed to identify and describe innovation processes, characterise a profile of the innovative organisations and other stakeholders, as well as the supporting environment. The specific goals of RUR@L INOV project were:

- To contribute to the development of a flexible analytical framework enabling the identification and measurement of broad scope, small-scale and non-technological innovation;
- To characterise innovation processes and the profile of innovators in rural Portugal;
- To identify the key variables which enhance and constrain innovation processes; and
- To develop a system of indicators to assess innovation and its effects, both internal and external, on organisations.

### **The process and main activities**

The methodological approach used combined qualitative and quantitative techniques. It utilised focus groups, learning workshops, interviews by questionnaire and cases studies. The project captured an interdisciplinary approach and encompassed the participation of innovation stakeholders, thus representing their vision and expectations. The project designed and implemented a questionnaire using a sample of 120 organisations identified as innovative, from August 2012 to February 2013.

A multi-disciplinary approach utilising both quantitative and qualitative research techniques ensured that as complete a picture as possible of innovation in rural Portugal could be captured. This enabled the team to explore the elements which support innovation from a range of different yet complimentary sectors.

The main results from the project were:

- Development of tools for the collection of data for an information system on innovation in rural areas;
- Identification and dissemination of Good Practice in innovation in rural areas; and
- Evaluation of the impacts of innovation in rural areas.

The project revealed the hidden and forgotten potential of innovation in Portuguese rural areas, identifying a strong dynamic of creativity and internationalisation among rural enterprises. This is undoubtedly a partial response to the present economic crisis but also the result of an enterprising attitude amongst entrepreneurs and other organizational leaders, who are able to identify opportunities, mobilise knowledge and capitalise on scarce financial resources.

The project also demonstrated the importance of the small-scale and low technological innovation developed by nano, micro and small enterprises and other organisations to support the competitiveness and sustainability of Portuguese rural areas.

It is hoped that the results of the research will help to give visibility and recognition to a large number of innovative organisations, so far invisible and sometimes marginalized by political agendas, and who do not have access to research, particularly technological, or to systems which incentivise innovation.

One of the key factors of the 'innovative attitude' of these organisations is that they are led by people with higher education and professional experience and in whom the following qualities can be identified: capable of recognising opportunities, mobilising and integrate different kinds of knowledge (scientific, local and traditional) and value the latent resources in the rural area in which they work, both cultural, environmental and heritage.

This innovative attitude creates a diversity of innovation types – organizational, products and services offered, economies of scale. Rural innovators also tend to have a huge export capacity, especially given the small size and scarce capital available to them.

The knowledge acquired by the project highlights the need to invest in the promotion of creative systems focusing on innovative, in particular those who businesses which are currently "invisible", aimed at sharing knowledge and information and cooperation to achieve the critical mass required by markets.

Other innovation actors, such as public Research and Development Centres and public sector organisations, need to review and change their traditional approach, supporting the innovators in two basic ways:

1. Organise themselves to meet the demands of innovative in a time and fashion that is compatible with their needs.
2. Integrate the multiple types of knowledge used in innovation, as well as mobilization methods.

This new approach should also include a collaborative attitude, where public sector organisations share their traditional space with an increasing number and variety of partners in and for innovation, which include suppliers, customers, consumers, business, territorial and sectorial associations, municipalities, and even the media.

The results show that the potential for innovation in rural Portugal is huge and allows predictions to be made that if appropriate policy measures and tools were employed, these organisations and others that take advantage of the lessons learned through the project, could see their contribution to the competitiveness and sustainability of rural areas significantly expanded. The results of this project can contribute to the design of future policy measures and support tools so that they are more suited to the needs and realities of rural organisations and innovative projects.

## Resources

This research project cost approximately €160 000.

### **The 'added value' of networking**

A strong partnership of academics, government officials and the networking expertise of the NRN enabled this project to be delivered effectively, exploring all elements of the rural context which can support innovation.

### **What supports networking?**

In the short term the organisations involved benefited from having an increased understanding of the development of innovation and the conditions required to enable it to thrive. In the longer term these organisations will be able to use their findings to develop policy which encourages an innovating environment, benefiting potential entrepreneurs and the rural areas in which they develop their activities.

### **Future challenges**

The main challenge is ensuring the insights into innovation developed through this research are then utilised to explore opportunities to develop an overarching context which supports entrepreneurs and innovators in rural Portugal. Applying the results of this research into new policy developments would be an effective means of achieving this and enabling innovation in rural areas to thrive.