

## **SOCIAL INNOVATION AND LOCAL DEVELOPMENT IN A SMALL POST-SOCIALIST INDUSTRIAL TOWN: FIENI, ROMANIA**

DOI: <http://dx.doi.org/10.18509/GBP.2020.102>

**Andreea-Loreta Cercleux<sup>1</sup>**

**Florentina-Cristina Merciu<sup>1</sup>**

**Elena Bogan<sup>2</sup>**

<sup>1</sup> University of Bucharest, Faculty of Geography, Interdisciplinary  
Center of Advanced Research of Territorial Dynamics, Bucharest, **Romania**

<sup>2</sup> University of Bucharest, Faculty of Geography, Bucharest, **Romania**

### **ABSTRACT**

The paper focuses on identifying social innovations in a small Romanian industrial town, Fieni, situated in Dâmbovița County. The industrial development of Fieni started in the third decade of the XX<sup>th</sup> century, being encouraged by the progress in the railway transport. Two emblematic industries, the cement and bulb industries, were strongly developed in the communism times, but underwent partially negative economic changes after 1990. The town's main currently industrial specialisation remains the cement one, accompanied by the lime production.

The aim of the study is to analyse the evolution of social innovation concept in this small community with less than 8,000 inhabitants from temporal, typological and participative point of view. The analysis takes into consideration the historical conditions that explain how the social innovations occurred in time and their nowadays approach in the context of different socio-economic challenges generated by: closure of the light bulbs factory, low offer of jobs in different fields of activity, migration, shrinking, etc.

In the results section it is expected to identify and characterise the most important directions towards which social innovations are oriented to, their impact on the local development, as well as the resources and different categories of participants on which they rely on.

**Keywords:** social innovation, local development, small industrial town, Fieni, Romania

### **INTRODUCTION**

The concept of social innovation is related to the social and solidarity economy, but also to the sustainable development: environmental protection, through recycling and reuse of waste. Although in the last years, in some areas worldwide the definitions of this concept and sector of activity are in continuous development and in other areas it just gets a shape, the use of its meaning is quite old. Thus, the economic theory of innovation has its origins in the work of the economist Joseph Schumpeter and his notion of innovative entrepreneur that relies on the distinction between creative and rational economic action when trying to explain the decline of the entrepreneur and the concurrent transition from capitalism to socialism [1]. Schumpeter identified 5 types of innovation [2]: manufacturing new products; introducing new methods of production; entry into new markets; conquering new materials and sources; development of new forms of business organisation.

The term innovation has evolved from an approach related to the development of industry to meanings associated to awareness of the resources` diminution and need for specialization that not only leads to the increase of production, but also have an important social impact as it allows the creation of new jobs [3,4,5]. Concerns regarding this concept have involved efforts at the institutional and scientific level, completed with the development of tools and implementing models, among which came out good practices, at the level of cities in general [6,7,8], smart cities [9,10] and in rural areas [11,12,13,14]. No matter the types of areas, technologies play an important role [15].

Social innovation is important to be studied in relation to local development [16] because local development implies activities carried out both with the members of the community, as well as by the public authorities in order to increase the quality of life of the entire population [17]. Depending on the community involvement, we can meet four situations of local development [17]: a) the community initiates, implements and evaluates the development; b) the community participates in the initiation, but the resources come from the local public authorities; c) the community participates in the initiation, but the implementation is done with resources from the public authorities and with a constraint; d) the initiation and implementation are carried out by the authorities, with local or extra-local resources, without the participation of the community.

In Romania, social innovation is still at its beginnings, but has a very high potential for capitalizing on the many challenges related to social issues. Moreover, in the new socio-economic context, the needs have become complex and varied. Social innovation occurred and was implemented in the civil society in the early 90s, with the creation of the first NGOs, supported by international organizations. With the preparations for joining the European Union (EU) and the North Atlantic Treaty Organisation (NATO), since 2000, social innovation was extended to private companies, as well. After the accession of Romania to the EU in 2007, on the basis of the financial support provided by the European Social Fund through the Sectoral Operational Program for Human Resources Development, the social economy sector has developed thanks to initiatives aimed at improving the public policy framework, ensuring complex analysis in the field and increasing the number of jobs in the social economy.

During the last years it can be noticed an increase in the interest of public authorities to promote and support social economy initiatives. But, some barriers hinder the development of social innovations in small towns: lack of a developed culture of innovation, in general, in Romania; no great openness for new models and practices in the field of social services; a poor developed ICT in many small towns; financial issues, expressed by few local funds, including external sources, for standing up a social entrepreneurship; deficit of skilled workers.

Fieni is a small town from the south part of Romania, Dâmbovița County (fig. no. 1), with a population in 2017 of 7,614 inhabitants, in continuous decreasing since 1995 when the town registered a little bit less than 8,500 inhabitants. Fieni is confronting with many problems in the post-industrial times: migration, depopulation and demographic aging, deficit of qualified workforce and, in general, of jobs in the area (with a strong impact on the age group 18-55 years) and decline of the living standards [18]. These problems have worsened as a result of the socio-economic decline generated by the de-industrialisation process, but also of the re-technologization of the still existing production that led to the dismissal of employees. The main moments in the evolution of Fieni that evolved until the XIX<sup>th</sup> century as a small rural area relying on commercial activities with Transylvania province (cattle, fruits and merchandises) are [19]: 1) starting with the 1910s the new

railway transport connects the settlement with the capital of Romania, Bucharest, and Târgoviște, the Dâmbovița County seat; 2) in the 1930s, the industrial economic development leads to continuous changes in the economic structure and occupations of the inhabitants, most of them becoming workers in the cement factory (the largest producer of cement in Romania in 1940) and in the light bulbs factory (the largest plant of this type in the country in the 1930s); 3) in 1968, Fieni becomes an urban area and the development of the industry is even more encouraged (in the communist period, the cement factory becomes one of the largest cement plant at national level and the light bulbs factory grows into the biggest producer of lighting objects for Eastern Europe, fabricating different light bulbs for airplanes and tanks, most of the production being exported); 4) in the 1970s and 1980s, the development of road infrastructure, namely of some important bridges, participates to the development of the two industries, especially the cement one; 5) the privatization of the two industries in the middle of the 1990s brings negative changes: diminish of the production, layoffs, impoverishment of the population, migrations and shrinking.



Figure 1. Localisation of Fieni

Nowadays, Fieni has the oldest functioning cement factory in Romania. Regarding the light bulbs factory, the activity reduced significantly, being almost non-existent in comparison to its period of glory. The cement factory, together with the lime factory, represent the only industrial activities in the town that contribute to the local economic life. The impact on the local development is a positive one, thanks to the jobs created, although their number has reduced significantly during the privatization process, or to small projects for the local community, including some with social impact. But the negative effects, related to pollution and damaging impact on the environment, still remain and disturbs the living conditions of the population.

## **METHODS**

The methodology used for assessing the local social innovation is complex and relevant for the research purpose, but also for the current research achievements on the topic. Even if the population of Fieni is not accustomed to being involved in the decision-making process, the application of this methodology has conducted to a positive experience that will generate more favourable outcomes in the community. Two workshops were organised with the local actors from Fieni (population, representatives of administration and different economic activities), one for the history of social innovation and, the second, for identifying practical innovations for the future. Different worksheets were used during the workshops, being considered to be very useful in gathering information from the participants concerning the past and the present situation of social innovations in the town, together with the expectations of the locals regarding the importance in time of social innovations for their community. Each workshop gathered 15 participants, divided in several working groups and coming from the local community: local institutions (administration, school, kindergarten, library, church), entrepreneurs and employees in other fields of activity, but also pensioners.

For a better understanding of the purpose of this research, each workshop relied on a power-point presentation at the beginning of the working process. This type of presentation contributed to a better transmission of the goals, offering a more structured enunciation of the expectations. In general, the power-point presentations included agenda of the day, objectives detailed to the participants in a very clear and explicit way, steps to be followed for completing the tasks and connections from the first to the second workshop.

## **RESULTS**

The first workshop was focused on the history of social innovation in Fieni. The identification of former social innovations was a difficult process because this very small and new town was for some decades under the influence of the communist regime, a period that meant collectivization of agriculture and forced industrialization. In these conditions, which made almost impossible the emergence of a creative capacity, the examples of former social innovations are almost inexistent. However, two relevant activities that were at some moments important for the local economy could be listed as being at the limit of social innovations: exploitation of the vine during the XVII<sup>th</sup> century, an activity that is no longer visible in the local landscape and about which many locals don't know that this had a signification in the past and a milk cooperative, from the beginning of the XX<sup>th</sup> century. These were considered social innovations because of their association to something new that was relying on local products and values and were representative for the economic life [20]. For the present times, two social innovations were identified: taxi sharing services and a family business focused on food products using local resources. The first social innovation occurred as an alternative to the lack of a local public transport. Although there are minibuses crossing the town and connecting Fieni with the County seat, Târgoviște, Bucharest and other areas, the lack of a local road transport was solved by the initiative of a citizen who makes already for some years routes in town and the surrounding areas; the journeys start when all or almost all the places are occupied. This is a good local innovation, taking into account that the rail transport is no longer an easy option because the number of trains has decreased as a result of the de-industrialization of the entire area. The second example can be considered also a social

innovation, given the followings: it is an initiative of young entrepreneurs from the town, it is based on local resources, and it promotes local products and consequently the local identity (including the name of the business that is in relation to the historical beginnings of the settlement).

Other local social innovations were identified by the participants to the workshop: e.g., small businesses in the cloth and footwear industry or catering services. Beside these, some initiatives of the local authorities were appreciated by the participants in the workshop as social innovations: a tourist information centre, an ambulance service, a park in the central area of the town and the re-opening of the library within the Cultural Centre. It is interesting that the recent projects of the town are considered by the participants as social innovations, relying on following considerations: these services are necessary for the socio-cultural activities of the town and contribute to improving the quality of life, but also to Fieni promotion. Another interesting point to be mentioned is that the citizens consider that these social innovations have been successful: the inauguration of the tourist information centre has generated new investments in the town, such as: new touristic structures and a riding centre, both being reflected in the increase of the tourists' number in the area; the opening of an ambulance service meant quick interventions in emergency situations; the new park (the only one in town) has meant an increase of leisure time in Fieni for all age groups and a more visible intergenerational interaction; the local public library re-opening has increased the interest for information, culture and novelty and, consequently, the number of readers has grown in the last years. The projects related to medical, cultural and touristic services were initiated by the local authorities, but sometimes at the demand of citizens (fig. no. 2).

The social innovations mentioned above were necessary, bringing valuable effects in the community: tourism growth; improvement of medical care; development of recreational areas for children and adults; cultural and spiritual benefits for citizens, including children. The local health care system included before only basic medical services represented by a network of family doctors and dentistry, the population being constrained to approach the health care services of neighbouring towns and cities for more complex medical assistance. The opening of catering companies in the town seems utopian upon a first analysis, given that Fieni is losing slowly the industrial importance and, in the end, the human resource because of migration. A more in-depth investigation of the situation brings to light a new reality. In the course of the tertiary activities' development, services of this kind become necessary (e.g. the catering services, given the fact that some canteens in the factories were decommissioned). In addition, some of them have also a palpable social purpose: the catering services come to help the disadvantaged groups, among which elderly people, immobilised or with other health problems.

The goal of the second workshop was the identification of future social innovations in connection with local issues requiring urgent solutions. The participants, divided in four working groups, identified various problems: demographic aging, lack of qualified workforce and, in general, of jobs, in the area; necessity of setting up an association for the local products' commercialisation; promotion of local agricultural producers in the on-line environment; pollution with asbestos.

The qualified workforce deficit in the area and of jobs in different sectors of activity can be solved by increasing the professional schools at the County's level, but also by providing more facilities to potential investors in Fieni. Despite the general situation of the town, Fieni is negatively impacted by the situation of the educational system in Romania which is confronted with diverse structural weaknesses, such as: small budget,

low diversity of the educational offer, including continuous education, but also insufficient auxiliary and nursing staff.

On the other hand, the depopulation phenomenon generates another secondary problem, demographic aging. Following the general demographic trend at national level, Fieni is confronting as well with the increase of the share of the elderly among the town's population, in relation to strong outmigration flows and low birth rate. This category of population faces, more than other categories, to problems as accessing medical and social services (e.g. integration into different associations etc). The Church remains the main institution most concerned with the problems of the elderly. The lack of young people in their families aggravates their situation. In a more positive vision, a closer collaboration between physicians and this category of population would be required for their inclusion in various local activities (cultural and educational ones, handcrafts etc.).

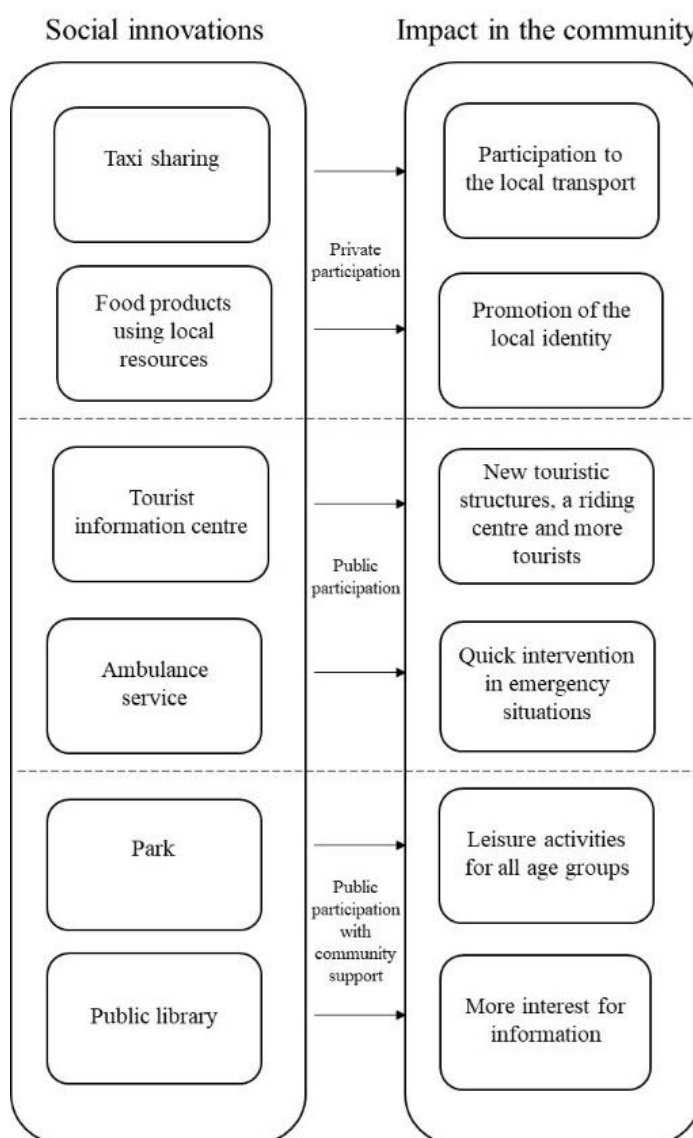


Figure 2. The positive effects of social innovations in the community of Fieni

A major problem identified was in relation to the nowadays situation in agriculture. More precisely, there are several interrelated secondary problems arising from the transition to the capitalist system, period of time in which the importance of the agriculture diminishes

in the economic balance: the lack of an association for selling the local products inside and outside the town, the non-promotion in the online environment and the decrease of the interest in practicing agriculture in the area. The absence of a local product market, taking into account that most of the production is environmentally friendly, brings great losses to local producers (despite the presence of an agri-food market in the central area of Fieni). One of the causes is related to the lack of collaboration at the producers' level. This collaboration is also absent in the online environment. The producers are not visible within an online platform that could promote their cooperation and, in consequence, their productions obtained in associations or individual households.

Three general directions have been identified: a) the development of agriculture and entrepreneurship: livestock breeding in individual households and harvesting through the local breeders' / producers' association and a digital information platform for entrepreneurs; b) a museum of the town; c) the re-organisation of the owners' associations in the residential areas.

In the field of agriculture, with technical support and without too much financial costs, a digital platform could be created. Local producers could register in this platform to promote their products. Animal husbandry would be an important development idea if it were assumed by a larger number of active adults and young people as option to other jobs. The future museum of Fieni would focus on local history and traditional crafts. Today, there is no museum of the town. There is a museum inside the cement factory about the history of cement, but which can be visited only on demand. The opening of a museum in Fieni could generate new jobs and attract investments in Fieni by increasing the town's visibility.

Following the emigration of many residents for work in big cities or outside the country, the existing owners' associations for apartment blocks were dissolved due to a lack of resources and participation. The re-organisation of the owners' associations in the residential areas, adapted to current situation (blocks with unoccupied floors), would be a new start for the revival of some activities in the community (e.g. the participation in the maintenance of green areas around the blocks) that can generate in time involvement in innovations with social goal.

All these projects have been proposed taking into account, in the first place, the local soil resources, the livestock history in the area and the buildings that could accommodate the museum.

## **DISCUSSION**

The workshops organised with different professional categories of members from the local community made possible to point out that the population is ready to engage in actions aimed at improving the socio-economic conditions in the context of a compression of the industrial importance in the local economy. Thereupon, the population is confident that new social innovations can bring positive transformations in Fieni by changing in better the quality of life and in a synergy with other sectors of activity [13].

Even if these social innovations are very good welcome in the community, unfortunately, generate, in over-all, few jobs (an average of less than 10 jobs/innovation).

Identifying solutions from social innovations to different problems of the town does not mean that these are not taken into account at all, but it highlights the need for more efforts that could contribute to their materialization. For example, from the agricultural perspective, Fieni is regionally renowned for annually promoting the traditional activities of the surrounding area and for facilitating the meeting of the urban residents with the

local agricultural producers and craftsmen through organising the Autumn Fair at the end of October and the Crafts Fair at the end of May.

Constraints in the implementation of various projects include lack of openness or reticence for what is new, absence or unconcern for collaboration and support, financial issues and conflict between generations because of the communication barriers. It turned out to be very important to know the people's perception about different aspects of their present and future in town because the former industrial sites are in general relying on a lot of emotions and symbols that become visible in their attitude and feelings about them. If the feelings are more negative it is very hard to build new perspectives for the town. In the case of Fieni, the opinions are quite different, both positive and negative. Reduced financial support and lack of consulting services make some of the projects mentioned above vulnerable and even unfeasible.

Following the organization of these workshops other positive results came to light. These projects, especially those related to the development of plant culture and animal husbandry, lead to the reduction of waste, contributing thus to the principles of sustainable development respect. New components of the local landscape not considered until the workshops to have potential for future ideas and projects relying on social innovations have involved the locals' attention: an example is the industrial architecture, respectively industrial walls and buildings which can be used as means of transmission and support for cultural promotion.

A new museum, with permanent and temporary exhibitions, hosting also different artistic shows and events, can be opened inside the decommissioned industrial buildings, using the technology for promotion. The industrial footprint and the tourist importance of the nearby area can create the premises for the development of social innovations in different types of tourism, non-existent in the area [21], as industrial tourism or adventure tourism (climbing).

The awareness of the need for support and assistance between generations and importance of the circular economy are among the positive elements of the feedback received during the workshops.

These initiatives materialized in future projects from the category of social innovations could encourage further the participation of the population in more actions in various activities aimed to contribute to the local development.

## **CONCLUSIONS**

The social innovations in Fieni have proven to be able to contribute in time to increasing the living standards, reflected in education, medical services or socialization. The analyse of social, cultural and economic life in a still industrial community from Romania, Fieni, revealed to be very challenging in order to establish its transition to a different lifestyle while staying grounded in its specific cultural/traditional characteristics. The results obtained during the two workshops reflect how do people observe the changes in their town and can adapt to these transformations, how social innovation is perceived by the local community and if social innovations may represent a support or specific alternatives to the future socio-economic development. The awareness of strengths and weaknesses of the various facets of the people life in the community has further helped to identify and define the major issues and, in the end, to find possible solutions within social innovations.



## ACKNOWLEDGMENTS

This work was supported by a grant of the Romanian National Authority for Scientific Research and Innovation, CCDI-UEFISCDI, project number 69/2017 COFUND-ENSUF-BRIGHT FUTURE, within PNCDI III and the research project „Urban Restructuring in Small and Medium Sized Industrial Towns from Romania” (UB 3362/2018).

## REFERENCES

- [1] Dahms H.F. From creative action to the social rationalization of the economy: Joseph A. Schumpeter's social theory, *Sociological Theory*, American Sociological Association, USA, vol. 13,1, pp. 1-13, 1995, [https://www.researchgate.net/publication/272544361\\_From\\_Creative\\_Action\\_to\\_the\\_Social\\_Rationalization\\_of\\_the\\_Economy\\_Joseph\\_A\\_Schumpeter's\\_Social\\_Theory](https://www.researchgate.net/publication/272544361_From_Creative_Action_to_the_Social_Rationalization_of_the_Economy_Joseph_A_Schumpeter's_Social_Theory).
- [2] Dekkers R., Talbot S., Thomson, J. & Whittam G. Does Schumpeter still rule? Reflections on the current epoch, *Journal of Innovation Economics & Management*, France, vol. 13, 1, pp. 7-36, 2014, <https://www.cairn.info/revue-journal-of-innovation-economics-2014-1-page-7.htm#>.
- [3] Green Paper on Innovation, European Commission, 59 p., 1995, [https://europa.eu/documents/comm/green\\_papers/pdf/com95\\_688\\_en.pdf](https://europa.eu/documents/comm/green_papers/pdf/com95_688_en.pdf).
- [4] Bonneau M. & Jégou Fr. State of the Art - Social innovation in cities, *URBACT II Capitalisation*, European Union, 63 p. 2014, [https://urbact.eu/sites/default/files/03\\_socialinn-web.pdf](https://urbact.eu/sites/default/files/03_socialinn-web.pdf).
- [5] Erian P. (ed.). SEiSMiC: Enabling social innovation in European cities, *Regional Environmental Center for Central and Eastern Europe (REC)*, Typonova, 100 p., 2016, <https://www.rec.org/publication.php?id=548>.
- [6] Brandsen T., Cattacin S., Evers A. & Zimmer A. (eds.). *Social Innovations in the Urban Context*, *Nonprofit and Civil Society Studies - An International Multidisciplinary Series*, Springer, The Netherlands, 313 p., 2016.
- [7] García M., Eizaguirre S. & Pradel M. Social innovation and creativity in cities: A socially inclusive governance approach in two peripheral spaces of Barcelona, *City, Culture and Society*, vol. 6, 4, pp. 93-100, 2015, <https://www.sciencedirect.com/science/article/pii/S1877916615000430>.
- [8] Drăgan Al. Emergence et structuration de l'économie sociale et solidaire en Roumanie, *Géographie*, Université d'Angers, 302 p., 2017, <https://tel.archives-ouvertes.fr/tel-01482314/document>.
- [9] Husar M. & Ondrejicka V. Social innovations in smart cities - case of Poprad, *Mobile Networks & Applications*, vol. 24, 6, pp. 2043-2049, 2019, [https://www.researchgate.net/publication/330232995\\_Social\\_Innovations\\_in\\_Smart\\_Cities\\_-\\_Case\\_of\\_Poprad](https://www.researchgate.net/publication/330232995_Social_Innovations_in_Smart_Cities_-_Case_of_Poprad).
- [10] Thompson M. Playing with the rules of the game: social innovation for urban transformation, *International Journal of Urban and Regional Research*, vol. 43, 6, pp. 1168-1192, 2019, <https://onlinelibrary.wiley.com/doi/pdf/10.1111/1468-2427.12663>.
- [11] Zivojinovic I., Ludvig A. & Hogl K. Social innovation to sustain rural communities: overcoming institutional challenges in Serbia, *Sustainability*, Switzerland, vol. 11, 24, 27 p., 2019, <https://www.mdpi.com/2071-1050/11/24/7248/htm>.
- [12] Reidolf M. & Graffenberger M. How local resources shape innovation and path development in rural regions. Insights from rural Estonia, *Journal of Entrepreneurship Management and Innovation*, vol. 15, 3, Special Issue: SI, pp. 131-162, 2019, <https://www.jemi.edu.pl/vol-15->

issue-3-2019/how-local-resources-shape-innovation-and-path-development-in-rural-regions-insights-from-rural-estonia.

[13] Navarro F., Labianca M., Cejudo E., De Rubertis S., Salento A., Maroto J.C. & Belliggiano A. Interpretations of Innovation in Rural Development. The Cases of Leader Projects in Lecce (Italy) and Granada (Spain) in 2007-2013 Period, *European Countryside, Czech Republic*, vol. 10, 1, pp. 107-126, 2018, <https://content.sciendo.com/view/journals/euco/10/1/article-p107.xml?lang=en>.

[14] Anthopoulou T., Kaberis N. & Petrou M. Aspects and experiences of crisis in rural Greece. Narratives of rural resilience, *Journal of Rural Studies*, vol. 52, pp. 1-11, 2017, <https://www.sciencedirect.com/science/article/abs/pii/S0743016717302553>.

[15] Garcia-Castilla F.J., De-Juanas Oliva A., Virseda-Sanz E. & Gallego J.P. Educational potential of e-social work: social work training in Spain, *European Journal of Social Work*, vol. 22, 6, pp. 897-907, 2019, [https://www.researchgate.net/publication/325299802\\_Educational\\_potential\\_of\\_e-social\\_work\\_social\\_work\\_training\\_in\\_Spain](https://www.researchgate.net/publication/325299802_Educational_potential_of_e-social_work_social_work_training_in_Spain).

[16] Souza A., Lessa B. & Lázaro da Silva Filho J. Social innovation and the promotion of local economic development, *Innovation & Management Review*, vol. 16, 1, pp. 55-71, 2019, <http://www.revistas.usp.br/rai/article/view/155809/151443>.

[17] Petrescu C. (ed.). *Economia socială în contextul dezvoltării locale*, Polirom Publishing House, Romania, 175 p., 2013.

[18] Cercleux A.L., Merciu F.-C., Bogan E., Florea-Saghin I. & Paraschiv M. Industrial restructuring in small and medium sized towns from Romania – evolution, background and positive perspective with challenges, *Annals of the University of Oradea, Series Geography*, 28, 2, pp. 197-209, 2018, [http://istgeorelint.uoradea.ro/Reviste/Anale/Art/2018-2/6.AUOG\\_786\\_Loreta.pdf](http://istgeorelint.uoradea.ro/Reviste/Anale/Art/2018-2/6.AUOG_786_Loreta.pdf).

[19] Stancu D. *Monografia orașului Fieni 1532-2002*, Primăria orașului Fieni, Romania, 812 p., 2002.

[20] Gordon C. (ed.). *Identifying social innovations in industrial towns: a comparative perspective*, Bright Future D3.4 Synthesis Report, United Kingdom, 42 p., 2019, <https://jpi-urbaneurope.eu/app/uploads/2019/10/Bright-Future-Synthesis-report.pdf>.

[21] Cercleux A.-L. & Bole D. (eds.). *Strategic guide for developing urban policies in industrial towns, project Bright future for black towns: reinventing European industrial towns and challenging dominant post-industrial discourses*, Universitară Publishing House, Romania, 103 p., 2019.