

SEA4NEB



Background paper on unlocking the growth potential of rural spaces through New European Bauhaus and social economy

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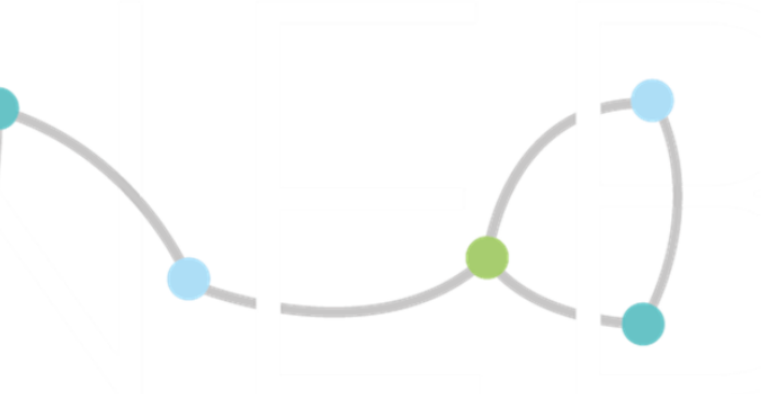
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The aim of this background paper is to develop a basis for the comparison of cases, to present and assess their main characteristics, and to set the framework for discussions about their utility and transferability (by raising key points and issues for discussion).

Thematic axis:¹ Regaining a sense of belonging

¹ The NEB focuses on 4 thematic axes of change: i) Reconnecting with nature; ii) Regaining a sense of belonging; iii) Prioritising the places and people that need it the most; iv) Shaping a circular industrial ecosystem and supporting life cycle thinking. For more details please consult https://prizes.new-european-bauhaus.eu/themes/custom/custom_ulkit/pdf/applicants-guide/NEB%20Prizes%202023_EN.pdf

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INTRODUCTION CONTEXTUALISING THE DIFFERENT CASES OF GOOD PRACTICE

Revitalising rural spaces: harnessing the power of social economy and New European Bauhaus ambitions

Low employment, high unemployment, low incomes, and a high proportion of people of 65 and older are among the main reasons for the higher poverty and social exclusion in rural areas (Bencheva et al., 2017).² All these challenges activate a vicious circle where, owing to the low population density and the age profile of rural regions, economic activity is low. Accordingly, rural areas suffer from the lack or inaccessibility of goods and services. Moreover, a lack of employment prospects causes younger people to move to other areas, worsening the demographic profile and bringing the area into a downward spiral (Van Twuijver et al., 2020).³

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

How can social economy organisations (SEOs) contribute to unlocking the potential of rural regions in Europe?

The proximity and social economy ecosystem and its role in the regeneration of rural spaces has attracted significant attention in recent years, especially for its role in involving local communities in the governance of their territories through an inclusive and bottom-up approach.

A noteworthy approach that can be considered is the social network approach. Research by Richter (2019)⁴ demonstrated that SEOs possess innovative power by strategically connecting rural communities with supra-regional networks. This involvement in various groups and networks enables them to acquire new ideas, adapt acquired knowledge to their specific context, and mobilise resources. The network-based approach offers a novel model for understanding the initiation and diffusion of SEOs in rural areas. By using network links to share information and gain resources, SEOs become embedded within rural communities and establish connections between these communities and social enterprise networks (Ahrari et

² Bencheva, N., Terziev, V., Tepavicharova, M., Stoeva, T. & Arabska, E. The role of social entrepreneurship for rural development. *Agricultural Sciences* Volume 9, Issue 21, 2017 DOI:10.22620/agricsci.2017.21.014

³ Van Twuijver, M., Olmedo, L., O'Shaughnessy, M. & Hennessy, T. (2020). Rural social enterprises in Europe: A systematic literature review. *Local Economy: The Journal of the Local Economy Policy Unit*. 35. 026909422090702. 10.1177/0269094220907024.

⁴ Richter, R. Rural social enterprises as embedded intermediaries: The innovative power of connecting rural communities with supra-regional networks, *Journal of Rural Studies*, Volume 70, 2019 <https://doi.org/10.1016/j.jrurstud.2017.12.005>

al., 2018).⁵ Moreover, rural social enterprises are deeply rooted in rural regions, which provides them with a unique opportunity to identify social needs, develop innovative solutions, and garner local support for their implementation. As a result, SEOs serve as a role model for embedded intermediaries in rural areas, bridging the gap between rural and supra-regional networks (Ritcher, 2019).⁶

Recognising the potential of SEOs, the European Commission has shown considerable interest in supporting these initiatives, especially in recent years.

The long-term vision for the EU's rural areas⁷ identifies the key challenges faced by rural areas and emphasises the available opportunities. This vision seeks to address these challenges by capitalising on the socially sustainable green and digital transitions and the lessons learned from the COVID-19 pandemic. It aims to enhance rural quality of life, promote balanced territorial development, and stimulate economic growth.

In the [Rural Action Plan](#) which is part of the long-term vision for EU's rural areas, the European Commission has made a commitment to implementing a dedicated flagship initiative that promotes social economy and social business to support prosperity in rural areas. This recognition at the European level highlights the importance of social entrepreneurship in rural development. This initiative has been shaped through extensive consultations and foresight exercises involving citizens and stakeholders in rural areas.

Its primary objective is to enhance rural regions' resilience, connectivity and prosperity. The vision recognises the potential of a renovation wave aligned with the objectives of the New European Bauhaus (NEB) initiative, which seeks to promote sustainable and aesthetically appealing architecture, design and cultural heritage, integrating them into the everyday lives of European citizens.

On 15 September 2021 the European Commission adopted a communication introducing the concept of the NEB. The NEB aims to integrate a cultural and creative dimension into the European Green Deal, enhancing sustainable innovation, technology and the economy. It focuses on the spaces we inhabit and our aspirations for living together in a manner that respects the planet and preserves nature. The NEB is guided by three core values: sustainability, aesthetics and inclusion.

To effectively address people's needs while achieving efficiency gains and lower overall costs, the NEB promotes the simultaneous application of these core values. It adopts a multilevel

⁵ Ahrari, S., Krauss, S. E., Ariffin, Z., & Meng, L. K. A Network-Based Approach for Emerging Rural Social Entrepreneurship. *International Journal of Academic Research in Business and Social Sciences*, 8(9), 493–513, 2018
<http://dx.doi.org/10.6007/IJARBS/v8-i9/4608>

⁶ See note 4.

⁷ In June 2021, the European Commission released "a long-term vision for the EU's rural areas up to 2040". In its communication, the Commission proposed a Rural Pact to mobilise public authorities and stakeholders to act on the needs and aspirations of rural residents. This pact is accompanied by a Rural Action Plan, articulated around flagship initiatives. More info at https://rural-vision.europa.eu/index_en; https://eur-lex.europa.eu/resource.html?uri=cellar:6c924246-da52-11eb-895a-01aa75ed71a1.0003.02/DOC_1&format=PDF

approach to transformation, acknowledging the global challenges of the green transition while emphasising tangible actions at the local level in neighbourhoods, cities and villages.

The NEB emphasises a participatory approach that involves diverse groups, including underrepresented actors such as women, young people, and disadvantaged groups. It aims to demonstrate examples and concepts that embody its core values and facilitate the dissemination of good practices. Stakeholder engagement is crucial for identifying where policies, funding and other tools can make a meaningful difference. The NEB highlights the importance of inclusiveness in ensuring that collective innovation leads to creative solutions and that no one is left behind.

The NEB requires a transdisciplinary approach, bridging various viewpoints and professions. It recognises the interconnectedness of culture, technology, innovation, design, engineering, the arts, social sciences, climate and biodiversity in shaping a better future.

The NEB initiative holds significant relevance for rural areas due to its transversal and transdisciplinary nature. By integrating sustainability with social inclusion, aesthetics and quality of experience, the initiative recognises the interconnectedness of these factors in addressing complex challenges. In the context of rural areas, the multilevel, multisectoral and multistakeholder approach of the social economy aligns well with the goal of regenerating spaces.

Proximity and social economy actors empower local communities and enhance governance by promoting participatory decision-making and prioritising social and environmental goals over financial returns. They can contribute to the socio-economic development of rural areas in various ways. Firstly, they ensure access to essential services such as social services, education and healthcare for all residents. Secondly, they promote the more balanced and sustainable use of local resources. Additionally, SEOs encourage inclusive governance models that empower local communities to make strategic decisions. Lastly, they play a vital role in fostering the inclusion of marginalised and vulnerable groups in the labour market, providing them with opportunities to generate income (Bencheva et al., 2017).⁸

Emerging trends indicate the potential of creative cultural industries and their linkages with the social economy in rural regeneration. Creative activities have a strong territorial dimension, generating positive impacts and promoting aggregation and cluster effects. Nurturing creative cultural activities in rural communities can serve as a catalyst for regeneration and attract a new generation to embrace the concept of a “new rurality”.

Additionally, the green transition plays a crucial role in revitalising rural areas by preserving natural resources, promoting circular and bio-based economies, and adopting renewable energy solutions. Social entrepreneurs who intertwine social and environmental issues can act as change-makers in rural communities, creating new job opportunities, particularly for young people. Establishing various services, such as food hubs, rural cinemas and creative

⁸ See note 2.

and cultural hubs, creates interconnections between rural and urban areas, providing opportunities for the urban population, especially youth, to rediscover the potential of living in a rural setting.

Furthermore, the European Commission's [Social Economy Action Plan](#), launched in 2021, seeks to expand the scope of support available for social entrepreneurship, ensuring continued development and progress in this sector.

While financial sustainability remains an issue for SEOs, particularly in rural domains, digitalisation presents an opportunity to meet this challenge and ensure long-term sustainability. Case studies have shown the importance of e-shop services to expand market reach and achieve self-sufficiency for rural social enterprises.

In conclusion, the New European Bauhaus initiative and the social economy have significant potential for unlocking the growth of rural spaces. By integrating sustainability, social inclusion and aesthetics, and by adopting a multilevel, multisectoral and multistakeholder approach, these initiatives can foster regeneration, enhance governance, promote cultural identity, and create new economic opportunities in rural areas.

The case studies: regenerative projects based on cultural and natural heritage preservation and rural regeneration.

The two cases analysed in this peer review refer to the “Regaining a sense of belonging” axis of the NEB. In both cases, the notion of “belonging” plays a central role in their strategies for the regeneration of rural areas and their communities.

In the realm of rural community regeneration, two captivating case studies shed light on the significance and allure of such endeavours.

The Mihai Eminescu Trust (MET) exemplifies the strategic thinking required to address the challenges faced by rural communities in Romania's Transylvania region. The “Whole Village” is an integrated concept for rural development through heritage, which aims to revitalise local communities and help them become self-sufficient. Since 2008, the Mihai Eminescu Trust has been working in close collaboration with 10 selected Transylvanian communities, following the belief that projects must be planned and developed *in, together with and for the community*. MET's mission revolves around the preservation and restoration of cultural and natural heritage, emphasising the interconnection between heritage conservation, sustainable development and community resilience. MET recognises the unique landscape and cultural heritage of Transylvania, particularly the villages with fortified churches built by the Saxons. However, the emigration of the Saxon population and subsequent demographic changes have posed significant challenges to these communities and their heritage. MET's strategic considerations revolve around fostering dialogue and coexistence among diverse ethnic groups, creating common ground for different cultural values, and encouraging collaboration. By integrating tangible and intangible cultural heritage with natural heritage, MET seeks to revitalise rural areas, promote cultural tourism, and improve the quality of life of local families. MET employs a multifaceted approach,

focusing on capacity building through community meetings, training programmes and educational activities. By involving different generations and facilitating intergenerational knowledge transfer, MET empowers individuals and strengthens the sense of place and belonging within communities. Sustainability is a priority across social, environmental and economic dimensions, with MET promoting social sustainability through community empowerment, environmental sustainability through traditional practices, and economic sustainability through responsible cultural tourism. By fostering a *sense of belonging* and inspiring locals to take pride in their heritage, MET encourages active participation in heritage conservation and development.

On the other hand, the case of Lūznava Manor in Latvia exemplifies the potential for rural regeneration through the preservation and revitalisation of cultural heritage sites. The manor, like other ensembles in Latvia, represents a significant cultural landscape with historical and architectural value. Many of these sites have been neglected and are in a state of gradual deterioration, resulting in abandoned and depressed environments. Lūznava Manor, built in 1911, endured significant damage during World War I, World War II, and Soviet rule. It was recognised as an architectural monument of national importance in 1977. After Latvia regained its independence, the manor went through various transformations, serving as an administration centre, primary school and municipal library. In 2011-2014, a major renovation project funded by the Rēzekne municipality and the European Agricultural Fund for Rural Development marked the beginning of Lūznava Manor's revival. The manor is currently owned by the municipality, with administrative and operational costs covered by them. Additional funding from national and European funds is sought to implement strategic goals. The restoration efforts at Lūznava Manor have focused on renovating and reconstructing various buildings and units within the manor ensemble. The transformation of the former firewood shed into a culture shed for events and rentals, ongoing renovation of the forge, development of a children's playground, and the creation of a tourist walking path in the park are among the notable endeavours. Lūznava Manor's development strategy aims to achieve socio-economic impact by preserving and recognising its unique cultural and historical value. It aligns with national and regional planning documents, emphasising the sense of belonging to Latvia's cultural space, building a creative society, expanding the digital cultural space, and promoting public participation in cultural processes. Moreover, the case of Lūznava Manor underscores the role of social entrepreneurship in rural regeneration. The manor serves as an inclusive cultural hub that promotes community engagement, social entrepreneurship and tourism development. Collaborating with the Latvian Social Entrepreneurship Association, it acts as an ambassador for social entrepreneurship in the region.

The two cases, the Whole Village in Romania and the Lūznava Manor in Latvia, share several common aspects:

- **Cultural heritage preservation:** Both cases prioritise the preservation and restoration of cultural heritage sites. They recognise the historical and architectural value of these sites and aim to safeguard them for future generations;
- **Rural regeneration:** Both cases focus on the regeneration of rural areas. By revitalising cultural heritage sites, they contribute to the overall development and improvement of rural communities, addressing the challenges they face;
- **Sustainable development:** Both cases demonstrate a commitment to sustainable development principles. They integrate social, environmental and economic dimensions to ensure long-term viability and positive impacts on the communities and the surrounding environment;
- **Community engagement:** Both cases emphasise the active involvement of the local community. They strive to foster dialogue, raise awareness, and empower community members to participate in the preservation and development of their cultural heritage;
- **Socio-economic impact:** Both cases recognise the socio-economic benefits that can be derived from cultural heritage preservation and regeneration. They aim to generate income, improve the quality of life of local residents, and promote sustainable economic activities such as cultural tourism and social entrepreneurship;
- **Strategic planning:** Both cases demonstrate a strategic approach to addressing the challenges and leveraging the potential of cultural heritage sites. They align their activities with national and regional planning documents and engage in partnerships and collaborations to achieve their strategic goals;
- **Funding and partnerships:** Both cases rely on a mix of funding sources and partnerships to implement their initiatives. They leverage public and private funding, seek support from national and European funds, and collaborate with various stakeholders, including local authorities, cultural associations, and social entrepreneurship organisations;
- **Sense of belonging and identity:** Both cases aim to strengthen the sense of belonging and cultural identity within the communities. They recognise the value of heritage in fostering pride and connection among community members, ultimately contributing to social cohesion.

The case studies of the Whole Village and Lūznava Manor showcase the strong links between rural communities' development and creative cultural activities. Creative and cultural activities have a strong territorial dimension, often making positive impacts in the areas where they are located, because their openness and interaction with other activities give rise to agglomeration and cluster effects. They tend to generate a high proportion of total value

added locally. The same is true for the SEOs. Due to their very nature, SEOs can adapt flexibly to local development needs. Not committed to maximising financial profit, social economy organisations can take into consideration the values and expectations of actors in the field of local development, and the long-term effects of decisions, as well as define actual development strategies. In very uncertain socioeconomic environments like rural areas, given the fragility of the organisations, their limited financial contributions and weak balance sheets, the development of the members' activity along with their pooling of economic and financial resources can be a decisive issue for their future. The creative and cultural industries and social economy enterprises can foster spatial and sectorial clusters, such as taking an ecological approach to cultural cooperation and territorial development. For an ecological system, learning and adaptation are two crucial abilities any species needs to survive and sustain itself. The goal of rural cluster-building strategies is to promote nodes of specialised, highly integrated, multifunctional and complementary smaller-scale economic activity. This approach thus seeks to generate metropolitan-like dynamics by scaling and scoping up economic activities across regions.



SUMMARY OF MAIN POINTS FROM THE CASES

This section provides a comparison of the main elements of the cases which can be used to discuss transferability and replication. It also summarises and compares strengths and weaknesses that can represent useful learning elements for peer learning.

Policy framework

LŪZNAVA MANOR

The development strategy for Lūznava Manor (2018-2028) involves collaboration with stakeholders to achieve socio-economic impact through preserving the architectural monument. It aligns with national and regional planning documents, emphasising cultural development, sustainability, business promotion and community growth.

The development strategy is rooted in a policy context that aligns with key national and regional planning documents. These include *Latvia's sustainable development strategy until 2030*, *the Latvian National Development Plan*, *cultural policy guidelines*, *Latvian tourism development guidelines*, and *the Latgale region development programme*. The strategy's objectives for the Lūznava Manor align with the priority of "Preservation, interaction, and enrichment of the cultural space" outlined in *Latvia's Sustainable Development Strategy until 2030*. The long-term directions of action within this priority include strengthening the sense of belonging to Latvia's cultural space, cultivating a creative society by leveraging cultural heritage for creative tourism, expanding Latvia's digital cultural space, and promoting public participation in cultural processes.

Furthermore, the strategy of the case study aligns with the vision stated in the *Rēzekne Municipality Sustainable Development Strategy 2033*, which envisages Rēzekne Municipality as the centre of Latgalian cultural identity within Latvia and globally. The vision emphasises modern production, thriving rural traditions, and an active and healthy environment for life and recreation. In fact, the Lūznava Manor development strategy supports the long-term priority measures outlined in *the Rēzekne Municipality Sustainable Development Strategy*, which include the development of villages and urban areas, accessibility to public services, improvement of infrastructure, and enhancement of public spaces and facilities. Finally, Lūznava Manor falls under the "Recreation Space" priority, contributing to tourism, biodiversity preservation, and local development. The manor is recognised as a centre for local development, playing a pivotal role in the region's recreational offerings and opportunities.

THE WHOLE VILLAGE

The lack of a policy framework tailored explicitly to implementing the Whole Village concept presents challenges due to its multidisciplinary nature, which encompasses cultural heritage preservation, sustainable agriculture, regional development and social inclusion. These dimensions cut across different sectors, making it complex to establish comprehensive

regulations. However, MET's engagement with relevant ministries, including Culture, Tourism and Entrepreneurship, Agriculture, Environment, and Regional Development, signifies a positive step. Moreover, the historical influence of the totalitarian communist regime has deeply impacted rural communities, leading to scepticism and resistance towards change and external initiatives.

However, MET has made notable contributions by consistently engaging in ongoing dialogue and collaboration with relevant stakeholders and constantly involving the local community, working towards reversing historical prejudices and promoting increased participation and involvement for the betterment of all. Through involving these stakeholders in policy discussions, MET has successfully raised awareness of the significance of the Whole Village concept and garnered support within the government. These interactions serve as a platform for knowledge sharing, ideas exchange, and advocacy efforts in shaping policies that support holistic community development, social inclusion and the circular economy.

Ultimately, the strategic instruments used by MET for project planning include the Development Strategy of MET, Sustainable Development Plans specific to various villages, General and Zonal Urban Plans, management plans for heritage sites, local surveys, and the outcomes of need identification and prioritisation activities conducted in collaboration with the community. These tools serve as essential components of the policy framework, guiding the planning and implementation of projects to preserve and develop the cultural and natural heritage of the villages.

Governance structure

LŪZNAVA MANOR

Lūznava Manor operates under the Cultural and Tourism Department of Rēzekne municipal council, functioning as a structural unit. This governance structure was established as part of the local municipality reform in March 2023. The manor's staff consists of the director, who leads the operations, and several subordinates, including a project manager, administrator, technical staff, tourism information centre workers, and a tour guide. The director and the manor staff follow the approved development strategy for 2018-2028, endorsed by the municipality, while actively pursuing funding opportunities and implementing projects aligned with the manor's priorities. The director of the manor reports to the head of the Cultural and Tourism Department. The approval process for project applications involves the head of administration of the municipality, and the same authority typically signs project documentation. The municipal administration actively supports the development of new projects and initiatives at Lūznava Manor. The projects cover diverse domains such as culture, environment, regeneration, inclusion, social economy and community development, often spanning interdisciplinary boundaries. Additionally, the manor is required to present annual reports on the results of its operations to the municipality, ensuring transparency and accountability.

THE WHOLE VILLAGE

MET was established in 2000 in Romania by the board of the UK organisation Mihai Eminescu Trust, founded in London in 1986. The Mihai Eminescu Trust UK was initially established to facilitate connections between Romanian philosophers, writers and historians with universities in the Western world, notably Oxford and Cambridge. Then in 1988-1989, MET became aware of Ceausescu's plan to demolish thousands of historic villages in Romania and relocate the residents to apartments. With the support of the Prince of Wales, the scope of the trust expanded, shifting its focus from solely protecting individual buildings to revitalising entire villages and their communities. In 1999, the MET board decided to establish a Romanian non-profit organisation dedicated to preserving the cultural and natural heritage of Transylvania, particularly in the Saxon villages with fortified churches, some of which had been recognised by the UNESCO World Heritage Centre.

Currently, the governance of MET in Romania is in the hands of the board of trustees, composed of one president, two members and five advisers. The team comprises the president of MET with the role of general manager, the deputy manager, the director of project planning and implementation, a communication manager, an architect and a project manager assistant. MET also works with other consultants and collaborators.

MET collaborates closely with proximity and social economy actors at the community level, including formal NGOs or informal initiative groups. Individuals within the communities are not employed by MET but contribute as volunteers or receive compensation for services rendered. The restoration projects rely on key partners such as Mihai Eminescu Trust London and the Horizon Foundation. MET Romania submits annual applications to these organisations to seek support for various restoration initiatives in the ten Transylvanian villages. These partnerships play a crucial role in facilitating the implementation of restoration programmes and preserving the authentic traditional streetscape of the villages.

Financial aspects

Financial aspects are taken into consideration from two different perspectives. On the one hand, it is important to understand how the premises have been regenerated and or reconstructed and which financial resources have been used (e.g. public funding, EU funding, private sponsors, banks, etc.). On the other hand, it is necessary to understand the financial resources mix the place is using to finance its running costs.

LŪZNAVA MANOR

Funding for regeneration at LŪznavă Manor has primarily come from European Union funds, such as the European Agricultural Fund for Rural Development (EAFRD), which co-funded two projects, namely the renovation of the Landlord's House and the revitalisation of the manor's Culture Shed, with matching finance from Rêzekne municipality; the ERDF Interreg Cross-Border Cooperation programme has supported various regeneration projects, including the restoration of the Old Forge and the development of a cross-border tourist route; while the LEADER programme and the Environment Protection Fund of Rêzekne

municipality have also provided grants for park revitalisation and technical project documentation. In total, €2,354,330, or 90% of the external funding received from 2011 to 2023, has been used to regenerate the Lūznava Manor complex.

For the ongoing running activities, the annual budget of Lūznava Manor consists of a municipal subsidy and earned income. The municipal support, which accounts for approximately 70% of the budget, is primarily allocated to salaries and maintenance expenses. The remaining 30% of the funding comes from sources such as renting premises, tourism activities, and ticket sales for cultural events. The manor regularly applies for additional funding from various sources to organise high-quality events, cover expenses related to cultural events, and finance the regeneration of the manor's surroundings.

THE WHOLE VILLAGE

For **restoration projects**, key partners for MET include Mihai Eminescu Trust London and the Horizon Foundation. MET Romania submits annual applications to these organisations for support to various restoration projects across the 10 Transylvanian villages. The grant programmes these partners provide have yearly limits, currently set at a maximum of €100,000 - 150,000. The consistent support from these long-term partners has allowed MET to ensure the continuity of the Whole Village concept. These grants are crucial for implementing the restoration programme, particularly for preserving authentic traditional streetscapes and restoring privately owned historical buildings, as limited funding options are available for such properties. Public funding programmes, such as Culture 2000, EEA Grants, NGO Fund, Swiss-Romanian Cooperation Programme, US Ambassadors Fund for Cultural Preservation, and Active Citizens Fund, are primarily used for restoring historical buildings which are public property or used for public purposes.

In terms of **running expenses**, MET relies on various funding sources. The primary income source is non-reimbursable funding programmes, which vary depending on the duration and nature of the programmes/projects. Other sources of income include donations, sponsorships, the 3.5% income tax redirection from private individuals, and revenue from services rendered.

Role of social economy enterprises

LŪZNAVA MANOR

In the rural context, the role of the proximity and social economy ecosystem and its actors has played a significant part in the restoration of Lūznava Manor.

Promoting social entrepreneurship ideas in the Latgale region began in 2017 when the director of the manor, Iveta Balčūne, became an ambassador for social entrepreneurship. Through collaboration with organisations such as SEAL (Social Entrepreneurship Association of Latvia), the manor has organised seminars, forums and creative workshops to foster cooperation and develop concrete action plans for strengthening social entrepreneurship in the region. These initiatives have helped raise awareness and support social entrepreneurs in

the area. Additionally, the manor has formed partnerships with local enterprises, including artisans, farmers, caterers, event designers and photographers, who align with the principles of social enterprise. By promoting their products and services, the manor has indirectly contributed to the region's economic growth. The regeneration of the manor has attracted visitors, leading to increased demand for accommodation, which has prompted the establishment of guest houses like "Svilpaunieki" through collaborations between the municipality and local enterprises.

THE WHOLE VILLAGE

Proximity and social economy are significant in MET's vision of the Whole Village concept. MET has established two social enterprises, Pro Mihai Eminescu Trust (Pro MET) and Experience Transylvania (ET), which play a crucial role in the project. Pro MET was the first enterprise created by MET and focused on producing certified organic apples while simultaneously creating employment opportunities in the village of Mălâncrav. A portion of the profits is reinvested in community development projects. On the other hand, ET concentrates on developing and managing tourism in Transylvanian villages, specifically emphasising sustainable tourism and preserving the region's cultural and natural heritage. ET is a network of heritage houses available for rent, generating revenue through accommodation fees. The social economy structures developed across the ten rural communities in Transylvania foster community development, social innovation, collaboration and cooperation. These structures contribute to local employment, community development, social impact and economic growth. They empower individuals and marginalised groups, promote sustainability, and enhance the communities' overall well-being and quality of life.

Strengths and weaknesses

	LŪZNAVA MANOR	THE WHOLE VILLAGE
Community engagement	<p>S: Lūznava manor has the status of a cultural and historical object of national significance.</p> <p>The manor is multifunctional, providing a wide range of diverse spaces, which can be adapted to different types of activities and business.</p> <p>Cooperation with other tourism service providers, cooperation with cultural institutions (Rēzekne Applied Arts School, Marko Rothko Art Centre, etc.), embassies, museums, archives, etc.</p>	<p>S: Locals participate and are involved in community life; revived community spirit; increased responsibility</p> <p>Local Partnerships are built</p> <p>Improved quality of life (local jobs, direct income, local infrastructure, etc.)</p>
	<p>W: Lack of enough organised park infrastructure: paths, small architectural forms, sites for activities and recreation;</p> <p>Low-quality parish roads, poor-quality road surface around Rāzna lake (territory of Rāzna National Park);</p> <p>Lack of bike routes in the area around Lūznava Manor;</p>	<p>W: Locals rely on MET activities as main income resource</p> <p>The local population displays little interest and engagement if there is no perceived immediate economic gain; this is related to the poor quality of economic resources</p>
	<p>T: Demographic trends – decrease in population, decrease in visitors, loss of people's initiative/emigration;</p> <p>Potential conflict situations between various interested parties, political disinterest in decision-making, change of municipal priorities, changes in legislation.</p>	<p>T: Dependence on MET</p> <p>Envy among locals</p> <p>High prices of real estates</p> <p>Low interest of owners, they wish for “quick money”</p> <p>Not enough financial contribution from the owner or other co-financing sources</p>
	<p>O: Involvement of the local community in the activities and development of Lūznava Manor will strengthen its role as a community support centre;</p> <p>Use of the park ponds (for fishing, concerts and various events);</p>	<p>O: Additional income for locals</p> <p>Strength of community spirit</p> <p>Beautiful and clean villages</p> <p>Opportunities of locals to make their own contribution to village development</p>

	<p>Offer for “nature watchers” (birds, bats, natural and scenic trails) Playroom for children during the concerts; Active recreation options – nature trails, treetop adventure track, children's playgrounds, open-air stages, treetop walks; Organisation of craft (artisan) fairs and workshops; Organisation of history-based events (carnivals, historical films, ghost stories, etc.) Complementarity with neighbouring competitors, combining and using the resources of neighbouring municipalities in the creation of a tourist route (Rēzekne-Lūznava-Daugavpils, etc.)</p>	<p>More comfort and a better environment Economic development of the region</p>
Heritage Restoration Actions	<p>S: Authentic restoration of the unique architecture of Lūznava Manor is carried out and continues. The manor, its park and buildings are accessible to the public, recognised in the country, and promote history, art, and culture; There is a vision for the development of the manor territory of a high artistic and scenic quality;</p>	<p>S: High impact in cultural and natural heritage conservation Use of traditional methods and materials Complementarity of MET projects to national development and conservation programmes</p>
	<p>W: Significant financial resources are required for renovation of the historical buildings in the manor territory, development of the park infrastructure; Abandoned buildings in the territory of Lūznava Manor;</p>	<p>W: Difficult to implement Constant growing claims Constant input from MET after the implemented projects No long-term partnerships with national and international institutions to financially support heritage restoration projects</p>
	<p>T: Increasing maintenance costs; Encumbrances imposed by National Cultural Heritage Administration and environmental protection authorities;</p>	<p>T: High investments with rather high risks Little or no support of local authorities for project implementation</p>

	<p>Closest competitors – the concert hall’s “Latgale embassy Gors” chamber music offer, which competes in terms of format with Lūznava manor events; other manors (Zosna Manor, Preiļi Palace) if they develop will become competitors;</p>	<p>Political and legislative changes discourage and slow down new grant applications</p>
	<p>O: A high-quality living space will attract creative and innovative people to the parish; Revitalise, clean up the park, identify and strengthen old trees, clean ponds. Attracting EU funding, investors and private capital, art patrons; Development of the spa complex (local resource: sapropelis) in cooperation with Rāzna sanatorium;</p>	<p>O: Partnerships with local authorities Partnerships with local, national and international organisations Efficiency and sustainability of projects</p>
<p>(Social) entrepreneurial potential</p>	<p>S: The strategic location of Lūznava Manor – next to the A13 national highway Rēzekne-Daugavpils (the 2nd-largest city in country), but at the same time in a quiet and scenically closed, attractive landscape; The manor has a recognisable "Muse" brand with potential to be developed; Picturesque natural landscape, park, potential of existing buildings for the development of business and services; Located in the territory of the Rāzna National Park, a unique natural resource for attracting visitors, potential for environment tourism; Well established partnership with SEAL</p>	<p>S: High impact in reviving the social and economic life of communities Traditional crafts and techniques are supported and promoted New use of abandoned civil and religious heritage Double use of heritage, e.g. dwelling and guesthouse Rich cultural and eco-tourism offer Support and promotion of heritage and local products Preserving identity and authenticity Support for business start-ups</p>
	<p>W: Lack of signs and directions, including from the main highways;</p>	<p>W: Locals rely on MET “bringing” clients Low capacity of locals to manage the bureaucracy of the businesses created</p>

	There are not enough public transport routes, it is problematic to get to the manor from different places in Latgale by public transport.	High prices and not always high standards Changing demands of the market No constant income from tourism/agriculture related businesses
	T: Entrepreneurs' potential desire to make money in the short term, inability to invest in the long term, in environmentally friendly and culture-tolerant projects; Exaggerated commercialisation of cultural heritage values and dominance of consumer culture;	T: Increased regulations and taxes Changes in customer buying preferences Dependence on MET Economic development attracts opportunists Danger that locals want only profit Tourism development alters the traditional/authentic way of living of the community
	O: Offering a variety of services and events for different target groups will increase the flow of tourists; Diversification of business services; Bicycle rental, creation of bicycle paths, bicycle tourism; Horse rides; Development of social entrepreneurship centre; Centre for non-formal education, lifelong learning;	O: Development of niche services/products Form partnerships with similar businesses Target new markets, e.g. bigger cities Know-how exchanges with other rural entrepreneurs Good means to promote MET actions Potential for attracting new partners Opportunities for other small businesses/services

S= Strengths

W=Weaknesses

T= Threats

O= Opportunities

ASSESSMENT ACCORDING TO THE NEB COMPASS VALUES AND WORKING PRINCIPLES

The New European Bauhaus Compass⁹ is a guiding framework for decision and project makers wishing to apply the NEB principles and criteria to their activities.

Published in January 2023, the compass sets out the key characteristics for exemplary NEB projects.

The NEB Compass describes the three core values of the initiative and traces the path for a project to become truly “NEB”. The compass also sets out three working principles that apply across the system of values. For each value and for each working principle, the NEB Compass presents three levels of ambition. Each project will have its specific mix of ambitions, depending on context and resources available.

We propose here an assessment of the two practices presented based on the methodology and guiding questions proposed by the NEB Compass.¹⁰

NEB Compass Values

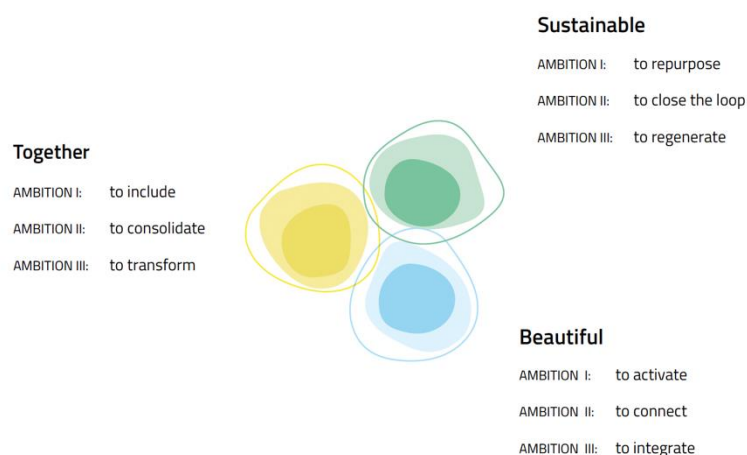


Figure 1. NEB compass Value. Source JRC, European Commission

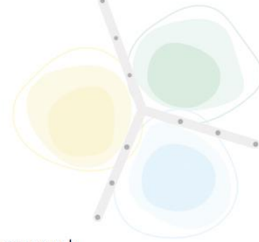
⁹ https://new-european-bauhaus.europa.eu/system/files/2023-01/NEB_Compass_V_4.pdf

¹⁰ https://new-european-bauhaus.europa.eu/document/405245f4-6859-4090-b145-1db88f91596d_en

NEB Compass
Working Principles

Participatory process

- AMBITION I: to consult
- AMBITION II: to co-develop
- AMBITION III: to self-govern



Transdisciplinary approach

- AMBITION I: to be multidisciplinary
- AMBITION II: to be interdisciplinary
- AMBITION III: to be beyond-disciplinary

Multi-level engagement

- AMBITION I: to work locally
- AMBITION II: to work across levels
- AMBITION III: to work globally

Figure 2. NEB compass working principles. Source JRC, European Commission

TABLE: NEB COMPASS ASSESSMENT

	LŪZNAVA MANOR	THE WHOLE VILLAGE
NEB VALUES		
BEAUTIFUL	<p><u>Ambition III to integrate</u></p> <p>Restoring the main building and incorporating modern IT solutions in the exposition offers visitors a chance to engage with authentic cultural heritage. The cultural activities, such as music, dance, and folklore groups, create a sense of belonging and community among the participants, fostering connections and shared experiences.</p> <p>It enables the creation of new dimensions of traditional culture by combining elements of Latgalian pottery exhibitions with ethno-jazz improvisation concerts and organising quadrille balls that capture the atmosphere and aesthetics of the early 20th century. By bringing together different art forms and traditions, the project encourages the restructuring of values, promoting the appreciation and preservation of Latgalian identity and regional culture.</p> <p>Finally, it contributes to a long-lasting movement by establishing Lūznava Manor as a hub for cultural activities and events. The Music and Art Picnic, which has become a traditional summer festival, continues to attract visitors and generate anticipation among the locals. Lūznava Manor’s emphasis on aesthetic value and the involvement of local designers in the park’s decoration creates an enduring impact, leaving a lasting impression on visitors.</p>	<p><u>Ambition II to connect</u></p> <p>The whole village aims to connect different places and people, fostering a sense of belonging and enriching lives through meaningful social interactions and collective experiences. It consolidates the local community by establishing open communication channels, addressing local needs, and emphasising personal contribution to heritage conservation. By integrating cultural and natural heritage, the project develops sustainable cultural tourism, generating income for rural families and improving their quality of life. It promotes dialogue about multiculturalism and the coexistence of communities with the natural environment. Additionally, MET engages present and future generations, strengthening community bonds and striving for sustainable development. Overall, it fosters a sense of belonging, enhances relationships, and contributes to the overall quality of life.</p>
SUSTAINABLE	<u>Ambition III to regenerate</u>	<u>Ambition III to regenerate</u>

	<p>Lūznava Manor focuses on giving back more than it takes, enhancing biodiversity, and considering the project's impact on the ecosystem over time and space. Here are some activities that align with the regenerate ambition. One such activity is the promotion of understanding and respect for natural values. The manor is home to rare bat species, and initiatives have been developed to raise awareness and educate visitors about the park's natural and cultural values. Additionally, a school of bat cognition has been established to further contribute to understanding and conserving bats. Another aspect is the careful attitude and use of natural materials. The manor demonstrates a cautious approach to the environment by employing environmentally friendly farming and upbringing practices.</p> <p>Furthermore, the renovation of the main building incorporates natural materials, aligning with sustainability and regenerative design principles. This approach ensures the project minimises environmental impact and promotes responsible resource use. Incorporating circular economy principles and recycling projects is another essential activity. The manor organises recycling workshops and educational activities related to waste management. By promoting recycling and collaborating with waste management companies, the project encourages sustainable practices and reduces waste.</p>	<p>The Whole Village project is committed to environmental sustainability, biodiversity, and circular economy principles. It emphasises the preservation of cultural landscapes, encourages agricultural heritage alongside tourism, and promotes sustainable practices. The Whole Village concept incorporates sustainable tourism by encouraging the purchase of local products while also focusing on river restoration to protect natural ecosystems. Regarding building restoration, the project prioritises sustainable materials and techniques, promoting using traditional materials and involving skilled artisans. Although the project no longer focuses extensively on biodiversity research, it collaborates with other organisations in the field. The project is also exploring renewable energy in rural areas in terms of photovoltaic tiles and biomass, for example.</p>
<p>TOGETHER</p>	<p>Ambition III to transform</p>	<p>Ambition III to transform</p>

The project at Lūznava Manor actively involves the local community in its development and implementation through training events, workshops, and experience exchange projects. A significant number of the manor's employees are residents, ensuring direct benefits for the community. This inclusive approach fosters togetherness, cooperation and shared social values, contributing to collective growth.

The project also focuses on social inclusion and support, particularly for young people and individuals with disabilities. For instance, the implementation of the "FinlandLatviaWales (FLW) – Follow" Erasmus+ project demonstrates a genuine commitment to social inclusion through movement and dance. By bringing together diverse social groups, including refugees and immigrants, the project promotes understanding, self-discovery, and mutual acceptance through inclusive dance performances. Additionally, the project creates employment opportunities for individuals with disabilities, reinforcing its dedication to social inclusion and positive impact. By actively promoting inclusion, challenging discriminatory practices, and raising awareness of discrimination and injustice, the project has the potential to transform social norms. It sets an exemplary model that inspires new ways of living together and influences positive social behaviours. The project's co-creation approach, support for diverse social groups, and promotion of shared values contribute to overcoming segregation and fostering

The Whole Village concept fosters equitable relations between users and communities and ensures open access to services through formal mechanisms like funding, planning, policies and regulations. Initially focused on building restoration, the project has shifted towards community development, recognising that sustainable impact requires the involvement and empowerment of the local community. The project aims to provide economic empowerment and skill development opportunities, specifically targeting vulnerable groups like those with poor financial backgrounds and Roma communities. By building trust and emotional connections with the heritage, the project instils pride and awareness of the cultural resources' value for future development. The project's efforts have yielded positive transformations, including increased educational levels, improved quality of life, and a shift towards sustainable practices and cultural preservation. Community engagement is actively encouraged, with potential leaders identified to carry the project's message and drive positive change. Ultimately, the project strives to overcome segregation and promote inclusive living by involving all community members, offering them roles and opportunities for personal growth and transformation.

	collective growth and development. Ultimately, the project creates value within the local community and has the potential to inspire broader societal changes.	
NEB WORKING PRINCIPLES		
PARTECIPATORY process	<p><u>Ambition II to co-develop</u></p> <p>E.g. Regeneration of the Wooden School in the manor grounds. The process of definition of the strategy was based on a design thinking seminar which involved social economy stakeholders with the aim of creating a House for Social Entrepreneurship. The participants were: people with disabilities, architects, social economy organisations, local entrepreneurs, representatives of the local community, local business incubators and higher education institutions. The process led one of the students from the university to design the regenerative process as part of her thesis project, in consultation with architects and the stakeholders involved. The project then received national public subsidies for its development and implementation.</p> <p>This example shows how all the endeavours are approached at Lūznava Manor, through a community co-creation process that defines the needs and challenges to shape the activities to be implemented.</p>	<p><u>Ambition II co-develop</u></p> <p>The aim is to achieve the level of empowerment for which the local communities are able to self-govern, however, the project is not there yet. Due to the cultural and historical background, the local communities still conceive the public authorities as responsible for leading the process of decision-making and providing answers and strategies for development. MET engages the local communities through processes of active citizenship and local ownership, raising awareness about the rights of the local communities to be engaged in the decision-making process, promoting the varieties of perspectives and outlooks present within the communities. For this reason, many efforts are focused on including and engaging the younger generations as they are more reactive to this process. Especially after the COVID pandemic, there has been an influx to the villages of young people moving from urban areas with different experiences of active civic engagement, which is bringing new energy to the process as well as requiring the creation of community dialogue opportunities to ensure social inclusion.</p>
MULTI-LEVEL engagement	<p><u>Ambition II to work across levels</u></p> <p>The aim is to achieve a European common cultural heritage, in the framework of European cultural values. Lūznava</p>	<p><u>Ambition II to work across levels</u></p> <p>The level of engagement is focused on the local/regional level, involving the different stakeholders across the regions. E.g. MET</p>

	<p>Manor is part of several European projects (SEA4NEB being one of them) that facilitate the interregional sharing of practices and experiences among different stakeholders and organisations also in other European countries (local and national authorities, national and international cultural heritage sites, national and international social economy organisations). Lůznava Manor also engages with actors at different levels, local, regional but also national such as SEAL, to promote national social enterprise policies at local level.</p>	<p>collaborates with Transylvanian Highlands, an organisation that promotes sustainable tourism at the regional level.</p>
<p>TRANSDISCIPLINARY approach</p>	<p><u>Ambition II to be interdisciplinary</u></p> <p>The sectors of engagement include social economy, digitalisation, environmental sustainability, cultural heritage restoration and preservation, democratic participation and civic engagement, and sustainable tourism. The approach that underlies every project is interdisciplinary, where multiple aspects are combined as they are conceived as intrinsically interconnected e.g. the SEA4NEB project which combines sustainable regeneration, cultural heritage and social economy.</p>	<p><u>Ambition II to be interdisciplinary</u></p> <p>The sectors of engagement include social economy, environmental sustainability (i.e. waste management, biodiversity conservation and sustainable agriculture), cultural heritage restoration and preservation (considerations are made in the selection of the materials chosen for the restoration, respecting the traditional materials and employing a circular economy approach), and socially responsible tourism. Also, awareness raising campaigns are conducted to make the population aware of the importance of selecting sustainable, handcrafted materials. The local craftsmen are also included in the process as much as possible (often this process represents an exchange of practices and expertise with the architects involved), democratic participation and civic engagement, and sustainable tourism.</p>

SPECIFICATION OF ISSUES FOR LEARNING AND DISCUSSION

1. Public funding is necessary to start complex regeneration projects. But once the regeneration is achieved, projects should become self-sustaining and/or raise a mix of financial resources to pay for their running costs and activities.

Funding mechanism:

What different sources of financing can be used?

What could be the role of private investors/sponsors?

What about commercial and income generating activities?

How to manage and match funds coming from different sources (e.g. EU, national, local, private) and for different goals (e.g. infrastructures, cultural and social activities)?

What are the best practices for creating self-sustaining projects that can generate their own financial resources?

2. Naturally, the proximity and social economy ecosystem has an excellent ability to network and create collaborations among the ecosystems. For instance, social economy organisations are often part of wider networks that allow them to interact, collaborate, exchange, learn from each other and act jointly. Although social economy organisations have great collaboration capacity, they need help interacting with non-social economy actors. Partnerships models and governance are essential for regenerating a place for the community. They can bring together diverse expertise and resources to support regeneration efforts. They can help ensure that regeneration efforts are inclusive, sustainable, and accountable to the community, resulting in tangible benefits for all stakeholders.

Partnerships models and governance:

What are the most efficient partnerships models?

Who are the relevant stakeholders to be involved and with which roles? Namely: public sector, local community (organised how?), academia, social economy, private enterprises, etc.

How to ensure a governance model which is at the same time effective, efficient and representative of all the stakeholders' interests?

What are the best practices for effective governance and planning of regeneration projects?

Role of social economy organisations:

What is the role of SEOs involved in the cases?

How do the projects promote the development of SEOs?

What are the main benefits for SEOs?

What are the main difficulties for SEOs?

3. As emerged from the cases analysed, regeneration projects should prioritise community involvement and input to ensure that the project aligns with community priorities and supports local development. Cultural engagement is also crucial in complex regeneration projects to maintain a community's cultural heritage and promote cultural diversity. Lastly, environmental sustainability should be integrated into complex regeneration projects. Incorporating green spaces, such as parks and gardens, can improve air quality and reduce urban heat islands. Promoting sustainable mobility and using energy-efficient building designs and materials can reduce energy consumption and lower costs. By prioritising sustainable environmental actions, regeneration projects can create a more liveable, resilient, and sustainable future for the community.

Local development and community engagement:

How do regeneration projects of this kind impact on local development?

What are the main benefits for territories and local communities?

What are the effects on employment and social inclusion?

How can regeneration projects contribute to the overall economic growth of a region?

Environmental sustainability and cultural perspective:

How can regeneration projects prioritise and incorporate environmental sustainability?

What are the best practices for ensuring that regeneration projects have a positive impact on the environment?

How can regeneration projects ensure that they do not displace or harm local cultural communities?

PROJECT PARTNERS

The SEA4NEB project consortium is composed by:



