

Multilayer dynamics of rural area development

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Extended abstract

Background: Like many other rural regions globally (Ubels et al., 2022), the rural regions in Türkiye are grappling with a growing trend of young, well-educated individuals migrating out, leading to a decline in population and an aging demographic. As a result, urban areas are becoming overcrowded, where residents are stuck between buildings and the little green area they go to in their free time. Urban citizens, unfortunately, cannot always take time out of their everyday lives to travel outside of city centers. However, more recently, when the pandemic restricted people in urban settings for extended periods, their interest in traveling to open spaces and nature was augmented (Vaishar & Šťastná, 2022). Rural areas on the close periphery of city centers hold great potential for offering spaces where urban citizens can reconnect with nature and rural people.

Rural areas host many small-sized enterprises involved in agriculture, husbandry activities, food production, and hospitality services. As such, small-sized enterprises are the backbone of the economy in rural destinations; they offer critical products and services, provide jobs, help preserve culture and heritage, and make a destination unique. Their contribution to rural areas' competitiveness is increasingly recognized in the literature and practice (Kc et al., 2021). They can significantly contribute to social innovation and well-being (Hatipoglu et al., 2022). Nevertheless, entrepreneurs in rural areas face numerous disadvantages because of their small size, distance to core areas, lack of knowledge, and inexperience (Njinyah & Pendati, 2021). When their importance to a destination is considered, small-

sized enterprises' survival and business success interest all local economic actors, including the government.

Government agencies take on varying levels of responsibility in rural area development and transformation, and their support can be both financial and nonfinancial (Hatipoglu, 2024 forthcoming). However, researchers are divided on the government's role in development (Njinyah & Pendati, 2021). Some argue that the government must refrain from intervening in 'what the private sector is able or willing to do' (Jenkins, 2020, p. 204). On the other hand, residents want the government to have a hand in development to support local businesses and control overdevelopment and entry by outsiders (Draper et al., 2011).

Purpose: This study explores the government's involvement in facilitating social innovation in a rural area. It questions whether a co-designed business model with a broad range of stakeholders can be implemented with the government's leadership. In doing so, the study adopts a perspective of business models in which value creation happens *with* and *for* stakeholders (Freudenreich et al., 2020). While considering the contextual issues, the study aims to identify the factors affecting a business model's progress.

Methods of the study: To fulfill the research aims, the authors' engagement with a tourism development program in Istanbul is chosen as the context of the case study (2023-2024). As for the methodology, participatory action research (PAR) is utilized, in which the researchers develop the research tools in partnership with the practitioners (Caniglia et al., 2021). By teaming up with practitioners, the researchers can jointly strive to improve the situation (Kindon et al., 2007). The information collected in PAR can offer insights into the complex process of engaging in development programs in rural areas and shed light on the behaviors of the stakeholders under examination (Hatipoglu et al., 2022).

Context: Like other rapidly growing megacities, Istanbul is overcrowded (16 million people), and agricultural and forest land in and around the city has given its place to urban development. Many families spend their free time in shopping centers with their children, particularly in winter when no alternative activities are nearby. Recognizing citizens' need to spend time outdoors and engage with nature, in 2023, the Istanbul Metropolitan Municipality Tourism Platform (ITP) started to work on a rural area development plan that will reform and make Istanbul's rural areas attractive for the citizens to visit. Besides connecting urban citizens with rural areas, the program also targeted to slow down migration from rural areas by initiating social innovation. As such, farmers and small-sized enterprises are targeted to participate as both the program's beneficiaries and stakeholders.

Phase 1: Initially, the program's broader goals were discussed and set with the help of experts, including the authors of this research. ITP identified five rural districts of Istanbul in the periphery of the city with a less dense population and industry presence. *Phase 2:*

After evaluating several factors, the platform started the program in the Sariyer district (surrounded by the Black Sea in the north and the Bosphorus in the east).

As there are several drivers for the development of the program, there are also many forces against the implementation of it (these will be explored in the study). For example, the program is challenged by balancing rent-seeking exploitation of the urban citizens while continuing to provide value for both rural and urban area citizens. Recognizing that achieving social goals will only be possible with wide-reaching and effective collaborative action and partnerships at all levels, ITP sought the partnership of Sariyer Municipality. After their agreement, the collaborative process moved on to co-developing the program with multiple partners at all levels in the second half of 2023.

Stakeholders in both urban and rural areas should possess the ability to bring about transformative change for increased sustainability, as emphasized by Wolfram (2016). Considering the multiple political and economic challenges a program like this encounters, it is significant to uncover the drivers and enablers to move forward and maximize the accrued benefits to multiple stakeholders, e.g., communities, SMEs, women entrepreneurs, visitors, as well as the government. This study questions how a co-designed social innovation business model with a broad range of stakeholders can be implemented with the government's leadership, thereby contributing to our comprehension of innovative business approaches to rural area development.

Keywords

rural area, small-sized enterprise, tourism, Türkiye, co-creation.

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