

## **LEADER - good practice in territorial rural development**

Synthesis of case studies

### **Introduction**

The LEADER programme, started in 1991, is the EU Community Initiative designed for the development of rural areas. LEADER is financed by EU structural funds and designed to help rural actors improve the long-term potential of their local region. Its approach looks for innovative strategies for development of rural areas. The core elements of the programme are the preference towards integrated regional development strategies against sector specific measures, the requirement to focus on the participation of local population and the intensive cooperation and networking in rural development activities.

The LEADER programme is now in its third generation. LEADER I marked the beginning of a new approach in 1991 to rural development policy, which is territorially based, integrated and participative. In many aspects LEADER I was a pilot scheme which led to a “reconsideration of traditional delivery systems for rural development support” (Dethier et al. 1999, p. 179) at national and regional levels. In LEADER II (1994 – 1999) this approach experienced a considerable expansion with an emphasis on the innovative aspects of projects. In that period the number of LAGs has risen substantially and implementation affected a number of areas almost five times greater than in the first period. LEADER+ (2000 – 2006) continues its role as a laboratory for the emergence and testing of new methods of integrated and sustainable development combining an endogenous approach with an approach of cooperation, networking and mobilisation. It has a strong focus on partnership and networks of exchange of experience.

A number of cases has been analysed in this project in more depth to highlight the impacts and linkages to CAP. This will be particularly important with advancing with mainstreaming of the initiative.

### **LEADER method – an innovative approach**

LEADER is based on seven major components which are briefly outlined below. The combined application of these LEADER features are referred to as the “*LEADER method*”, a method which concentrates on local, trans-local and vertical features. Differences to “mainstream” Structural Funds programmes are conceptualized as follows (ÖIR 2003):

- *Area based approach:* The development is focused on a specific territory. The better use of endogenous resources, the horizontal integration of local activities, the strengthening of common identities and a shared vision for the area are key issues of an area based approach.
- *Bottom-up approach:* Within the bottom-up approach the active participation of all interested people and organisations in planning, decision making and implementation of social and economic development is encouraged. More clearly identified local problems and needs, a better organisation and a greater acceptance of local decisions at various levels are the main advantages of this approach.

- *Partnership approach:* Engine of the local development are the Local Action Groups (LAG) within which rural stakeholders (individual persons or collective bodies - based on a contract binding all partners under the same conditions and for the same purpose) design rural development measures at local level, that best suit their requirements. develop and implement common strategies and innovative measures.
- *Innovation:* The main aim is to give new answers to existing problems of rural development, which provide added value and increased territorial competitiveness.
- *Multi-sectoral integration:* The multi-sectoral integration approach contains both, the combination of activities of different economic sectors and public and private activities in one project, and the strategic coherence between different projects in respect to a common vision.
- *Networking and trans-national cooperation:* The capacity and readiness for collective action, to work for a common purpose within LEADER groups and other independent actors and cross border co-operation between LEADER groups located in different Member States, is viewed as important source for a common understanding and development of rural Europe.
- *Decentralised management and financing:* Apart from Operational Programmes, the Member States were free to choose the intervention mode called “global grant”, which is characterised by the transfer of the budget for the local action plan to the local partnership. The local group is entitled to allocate the funds to project promoters according to rules set by the national or regional programme administration.

## **Impact of LEADER+**

Primary aim of the LEADER approach is to develop a more competitive position for the rural region(s) concerned. This aim is pursued in a more dimensional manner and although competitiveness is in the centre the ways to gain better economic performance are variable and can be comprised within the different aims of the regional development plans. In general, the following four aspects are central for the regional development strategy: strengthening regional identity, shaping the regional image, enhancing participation and cooperation in the widest sense (between local and regional actors, between different sectors, etc.) along with the development of sustainable use of natural and cultural assets of the region. The awareness of considerable assets in the cultural sphere and natural resources and the wish to build on these regional strengths for the economic development and provide a base for the next generations offer a good chance for a more favourable social, economic and environmental development of the region.

- The wide application of the LEADER approach had an impact on many rural regions of EU-15. Other countries, including new Member States have adopted the programme philosophy and created similar initiatives adapted to their specific contexts (see OECD discussion, spread to Latin American countries etc.). The horizontal application of LEADER since the second programming period led to a race of regions to be included in this scheme.
- One of the prime effects was the impact on the quality of the regional development process. The approach turned the attention to enhance local partnerships and focus on the endogenous local/regional development. With on-going experiences there

have been adaptations to the strict orientation on small-scale issues, enlarging the regional development considerations to issues of trans-regional cooperation and integration of economic development into the larger spatial economic tendencies.

- The effectiveness of the initiatives is largely dependent on the institutional framework of the region, and its understanding of its role and development potential. This has been described as the “institutional thickness”. Local/regional partners and institutions mostly have to undergo a long-term process to achieve substantial effect which are greatly reliant on the level and type of cooperation, and many items summarised as social capital available in the regions.
- LEADER has achieved to raise awareness on these intangible factors of rural development, and provided a forum to prepare and enhance rural development strategies and initiatives.
- The actual impacts are very context specific which has to be expected as the outcome from a highly localised programme, being applied as a type of pilot scheme seeking for innovative processes and combinations of activities for rural development.
- In most cases participation could be raised substantially within the regions. This has also been communicated as one of the particular positive outcomes to other regions and people from outside. The detailed issues and commitment of regions is affected by national influences and the support being provided by the network structures for the LEADER initiative.
- The overall effect therefore lies particularly in strengthening the development of regional identities and strategies which is the prerequisite for oriented development action of a region. The positive effect on regional economic performance for different types of rural regions can only be estimated through calculations, like number of jobs created, impact on tourism development, or on specific product development and marketing. The high numbers of jobs created revealed in the evaluation studies at EU level indicate the effectiveness of the overall scheme, harnessing the potential of the areas. Linkage to diversification measures of CAP is very diverse and has to be still developed further.
- With regard to the geographical distribution of projects within LAGs there is evidence drawn from the Irish LEADER II evaluation that the geographical distribution in most LEADER regions is uneven. There are tendencies towards local clustering in quite a few regions which points to the pivotal role that towns and villages have in the implementation of local area-based approaches to rural development. In other regions more dispersed patterns are evident but it would seem that this has only been achieved in those areas where a deliberate strategy of spatial targeting was adopted (p. 80).
- The development of LAGs in Austria shows that in the LEADER II period the LAGs were situated within or adjacent to the mountain areas with a population density far below the Austrian average. Comparing LEADER+ with LEADER II projects reveals a considerable extension of LAGs across Austria (from 31 to 56 LAGs). The LAGs which are still located in the more peripheral regions have grown in number and extent towards the main towns. This development may lead to the situation that the influence of and concentration towards cities will grow but at the same time provide a chance to build up and strengthen the relationship between urban and rural areas.

- LEADER activities contributed to the sustainability of development processes at the local level. In Austria many LAGs already constituted under LEADER II are again part of LEADER+ and also products and instruments acquired and developed under LEADER II are still available (e.g. Cheese Route Bregenzerwald). In other cases where partnerships have ceased their activities within the programme the importance of local partnership is still tangible and many new partnerships, local development agencies and cooperation structures have sprung up and contributed to the diversification and dynamism of rural territories. LEADER thus has provided a particularly important phase of institution building for the regions (Koutsouris 2003).

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## Good practice

- The LEADER Community Initiative is one of the four remaining EU CI for the period 2000-2006, but has a very limited budget (2,020 mio.), compared to overall Structural Funds and CAP. Nevertheless it is the programme which is particularly related to the concept of integrated rural development, and provides a multitude of good/bad examples of rural development under different contexts. Moreover this has a crucial impact on the political discourse and effects also on the discussion of regional development of peripheral areas. As such regions are very content to dispose of an instrument with a highly experimental character where innovative approaches could be started, too.
- Beyond the economic sphere the programme is important for other spheres of rural life and policy, as the regional strategy development touches upon a much wider field of sectors than just the prime sectors usually addressed by it.
- The development of a regional strategy is an important aim and achievement in itself. This can be used by the regions for further activities and spreads out to other sectors activities (see for example case study Spain).
- It provides a flexible programme structure which has to be adapted to the context of the rural regions, and has achieved interesting results for small scale regional development. Numerous case study descriptions (beyond those carried out under the ESPON programme) elaborate on the starting period, the difficulties and outcome of initiatives. Some of them also underline the requirements for the successful application and institutional prerequisites, including the following characteristics of action-centred networks: flat, flexible organisational structures involving teamwork and partnership; equality of relationships among relevant stakeholders; vision and value-driven leadership, and emphasis on participation and organisational learning.
- The core of the programme is the emphasis on the multi-sector approach which requires a high commitment by participants to overcome institutional and deeply-entrenched personal difficulties with regard to cooperative activities and new ways of organisation at the local level. This discussion has turned out to become very important for the discussion of “regional governances”.
- During the LEADER period – as it is analysed in the Case of Northern Ireland – there is evidence of a increasing level of rural development know-how and an improved capacity of partnerships to deliver programmes for rural development.

LAGs no longer see themselves mainly as provider of local funding on a project-to-project basis, which often resulted in a ‘scatter-gun’ approach to development. This change to a programme driven approach allowed LAGs to manage and target resources in a more effective manner rather than simply react to various project ideas (Scott 2004).

- The inclusion of social, cultural and environmental concerns is regarded nowadays as part of good practice in regional policy; part of it can be attributed to LEADER experiences and the concern for harnessing natural and cultural assets in rural areas as a prime development potential for many rural areas.
- Participation is not everywhere satisfying. In particular, different groups of society are underrepresented and strategies are the expression of the discussion process and power relations of decisive stakeholders in the areas. An enlargement of the groups addressed and integrated in the process is one of the actual objectives of the current period (e.g. stronger participation of women, young people etc.) and would also increase the effectiveness of the approach.

## CONCLUSIONS

The evaluation studies (of LEADER II mid term evaluation of LEADER+) suggest that the initiative has a considerable impact on the development of the regions though *budget* is rather restricted compared to mainstream programme instruments.

Ex-post evaluation of LEADER II summarizes the programme both as efficient and effective. It proved to be *adaptable* to the different socio-economic and governance *contexts* and applicable to the small scaled area based activities of rural areas. It could therefore also reach lagging regions and vulnerable rural territories. LEADER activities induced and conveyed responsibility to local partnership linking public and private institutions as well as different interests of various local actors to a common strategy. A profound change from a passive to an active attitude could be achieved among many local actors. In countries with a long standing tradition of pluriactivity agricultural diversification served as a basic pattern for multi-sectorial strategies, often in combination with rural tourism. A good example for the multi-sectorial approach based on agricultural products and rural tourism is analysed in the Austrian LEADER case-study.

In a series of Member States like in Germany many of the LEADER projects focused mainly on environmental measures trying to protect and further develop existing natural capital. The building up of partnerships and common regional activities like “Nature Park Uckermärkische Seen” or projects ranging from regional marketing, renewable energy or agricultural pilot projects were bound to maintain or develop the sustainable, and environmental friendly use and exploitation of the natural capital. Moreover these activities have been supplemented in some countries (e.g. Germany, Spain) by national programmes which underlines the need for regional programmes of this type within rural regions.

LEADER and its approach has some specific features summarised in the term “LEADER method” which may lead despite of a limited budget to specific outcomes and regional effects. Measures financed by LEADER projects are of a smaller scale and of a more experimental character than other Structural Funds instruments, and they provide a broader range of beneficiaries, especially from the non-profit sector, and female entrepreneurs.

Direct positive effects on employment cannot be easily quantified. An estimation (of the evaluation study) suggests up to 100.000 permanent full time jobs that have been created or safeguarded in the course of LEADER II. More income have been generated by new employment, more visitors and more value added form local products.

LEADER is not an instrument to change local economic structures or revalue local economy in an extensive way (BMLFUW 2003). LEADER is rather an instrument to stimulate processes in the local economy than to promote investments. Many core projects do preliminary work in activating rural actors which is the background for further economic activities. The potential of LEADER lies especially in the improvement of intangible factors, in raising awareness, in strengthening strategy and cooperation within the region. This often builds the basis for the provision of better services and more competitive products.

The future integration of LEADER+ into the rural development programming (*mainstreaming*) as outlined in the Third Cohesion Report might have again severe implications on the administration and contents of the LEADER activities. The specific features of the Community initiative should be maintained (and elaborated) in order to use the potential. LEADER II was very effective in creating new links between local actors and stakeholders (re)building trust across contemporary social divides and sectoral points of view. However, the cooperating and the development of a common strategic planning needs time and LEADER issues like multi-sectoral integration, networking and trans-national co-operation between rural areas were often too ambitiously for the LAGs (trans-nation cooperation) or were achieved only by the more advanced groups. E.g. the successful impelmentation of multi-sectoral integration was rather an effect of certain preconditions and external influences than of LEADER activities, like a favourable administrative context; a thriving and diversified local economy; a viable, dynamic, representative mixed partnership and a strong strategic orientation in the local action plan (ÖIR 2003, p. 26).

Within the mainstream programming there should be an opportunity for (newly) defined regions to get together, recall their endogenous potentials and explore new ways of development according to the respective situation in the rural area. Especially possibly new founded LAGs in the New Member States will need a space and time for experimenting authentic ways of development.

On the other hand, also more experienced LAGs should be supported to maintain and improve their development structures. The focus could be to support their efforts in the direction of multi-sectoral integration, networking and trans-national co-operation between rural areas, all features which need already existing and functioning internal networks.

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