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**THE LEADER PROGRAMME AS A VEHICLE IN PROMOTING
SOCIAL CAPITAL IN RURAL REGIONS: A CRITICAL ASSESSMENT
AND EXAMPLES FROM THE CASE OF GREECE**

by

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Object of the Research

To examine **LEADER's contribution in generating :**

- capacity-building at the local level through the enhancement of social capital elements.
- collective mechanisms which would facilitate the shift from an agricultural-based development to a more integrative, place-based approach in rural regions.

Social capital in Rural Development

Social capital:

- 'key asset' of rural areas;
- part of the **LEADER's** philosophy which is underlined by the **neo-endogenous approach**: rural development depends on endogenous factors also making best use of external assets;
- at the heart of this approach lies the process of **social innovation**.

The case of Greece

We focus on Greece because it is a country of the southern European periphery characterised:

- by a very centralised governance model and a sectoral (vs. an integrated and holistic) approach to rural regions;
- intense regional imbalances, comprising a large proportion of marginal and abandoned territories in the so-called less-favoured areas (LFAs).

The case of Greece

It then appears to be a good case for pointing out the difficulties of applying the LEADER approach but also the challenges that it involves in inducing territorial/regional growth by stimulating social capital elements.

Aim and methodology of the research

- We engage in a qualitative analysis based on findings of a number of case-studies and
- we conclude with lessons learned on the potential role of social capital in inducing territorial growth through building networks of the *bonding*, *bridging* and *linking* type which would allow the participation of a wider segment of local population to means and ends of development.

New Rural Paradigm

- The 'new rural paradigm' was incarnated in the second Pillar of the Common Agricultural Policy (CAP) implemented through Rural Development Programmes (RDPs).
- At the heart of the new philosophy lies the enhancement of capacity-building of local actors through the activation of social capital - a process corresponding to social innovation.

New Rural Paradigm

	Old approach	New approach
Objectives	Equalization, farm income, farm competitiveness	Competitiveness of rural areas, valorization of local assets, exploitation of unused resources
Key target sector	Agriculture, Sector-based policies	Various sectors of rural economies (rural tourism, manufacturing, ICT industry, etc.) Place-based policies
Main tools	Subsidies	Investments
Key actors	National governments, farmers, top-down initiatives	All levels of government Public & private stakeholders Bottom-up initiatives

LEADER and the new rural paradigm

- LEADER among RDPs was set to be the basic vehicle to carry out the new approach in rural areas, which shifted the focus from ‘agricultural sector’ to ‘rural territory’;
- ‘territory’ comprises both tangible and intangible elements, specific to each locality, such as entrepreneurial tradition and regional identity.

LEADER and social innovation

- Its innovative character lies in the novel methods of tackling local development problems, by building new forms of partnerships and synergies (horizontal or vertical) and linking activities across various economic sectors, social groups and levels of governance.

Implementation of LEADER

Through **Local Action Groups (LAGs)**:

public and private partners (local authorities, chambers, non-profit organizations, associations, rural cooperative and private entities), who design a common strategy and innovative actions for RD.

LAGs represent all types of social capital

- *Structural social capital* - socio-economic relationships of a private and public nature.
- *Relational social capital* - relations based on mutual trust inside a network.
- *Bridging social capital* – cooperation between actors of different socioeconomic sectors.
- *Bonding social capital* - The involvement of local population of rural areas in LEADER initiatives.
- *Linking social capital* - the capacity of drawing resources from formal institutions.

LEADER: a new form of intervention

- Where hierarchical relationships (EU, state) have been substituted by a system of network and market relationships (EU, national and local administration).
- The EU through LEADER is redistributing political power to rural/local actors and acting against state bureaucracy.

LEADER's transformations

From a pilot instrument in 1991 LEADER was transformed into a mainstream instrument which would allow the expansion of its effectiveness to larger parts of RDPs beyond LFAs through its integration into the RDPs in the 2007-13 programming period, as the 4th Axis of Pillar 2 of the CAP.

LEADER's transformations

A further extension of the scope of its application through multi-fund Local Development Programmes in the frame of Community Led Local Development (CLLD) to be implemented for the funding period 2014-2020 was a response to negative effects from LEADER's mainstreaming period (2007-13), notably the fact that the programme had not reached sufficiently all potential regions, actors and interest groups.

Community Led Local Development

- The new form of LEADER is hoped to be again focused on its core principles most notably the notion of social innovation through continued networking of all local and regional actors with non-LEADER local action.
- Future LEADER is then believed to enhance opportunities for shaping the perspective of rural regions in a sustainable manner.

LEADER evaluations

- Evaluation reports should use indicators that go beyond the assessment of narrowly-defined economic targets of territorial competitiveness, employment or financial management, resulting from an application of top-down decisions. This is often not the case, as many such reports across the EU lack any clear 'social capital' dimension.

Problems with evaluation criteria

- difficulties in measuring qualitative dimensions of development and intangible inputs/outputs of cooperation and participation;
- disproportionate focus on outputs (competitiveness, growth, employment) compared to processes (social innovation, cooperative networks, participatory and multilevel governance structures);
- weaknesses in institutional dynamics (power structures; marginalized groups).

Evaluation methods

- Mixed-method approaches are proposed in order to assess the social dimensions of development projects;
- these methods combine the qualitative and the quantitative, the individual and the structural, the economic and non-economic means and ends to the development process.

Social capital in Greece

- Greece is poor in social capital and in strength of civil society due to its centralized state structure.
- The country's social capital index, measured by membership in associations is the lowest among EU member-states.
- This reflects the low quality of institutions and a strong perception of corruption, thus a low degree of trust and confidence in public institutions.

Social capital in Greek rural areas

- Social capital elements (trust, culture and joint decision-making) are equally weak in rural areas.
- The old-type 'sectoral' approach continues to dominate agricultural policy.
- Local decisions have traditionally been dominated by the central state: local actors lack the opportunity to participate in RDPs.

Similarities with post-soviet states

The situation in Greece could be paralleled to that of the former socialist countries of CEE where, due to lack of a culture of cooperation and trust along with the prevalence of vested interests, bottom-up processes encountered strong resistance from central institutions and the public sector at local level, inhibiting effective implementation of LEADER.

Case-studies on LEADER II: positive impact

1st study – whole of Greece. 2nd study - Lake Plastiras (a designated 'less favoured area' in central Greece). On the basis of 5 criteria – the territorial dimension, the bottom-up approach, the innovative character, transnational cooperation and networking & financing:

- Substantial progress in rural development processes through changes in mentalities and attitudes, establishing an alternative to the top-down approach to rural development.

**Map 1
Distribution of Local Action Groups in Greece - LEADER 2007-2013**



Source: Data from Ministry of Agriculture. Own construction

Note: The Intervention Areas of the Local Action Groups marked are around their location area.

The positive impact of LEADER II

Contribution to innovation through:

- effective partnership of local actors largely due to the homogeneity of the designated area;
- competent LAGs that mobilized the local population;
- substantial overall 'learning effect'.

LEADER II: obstacles to the bottom-up approach

- Lack of trust by the local population and lack of experience of LAGs in new approaches;
- disincentives for LAGs and potential investors by the state through bureaucratic rules.

3rd case-study on LEADER+ and LEADER 2007-13 - south-eastern Peloponnese: positive impact on social capital

- Activities promoting: (a) local diversification (mainly rural tourism) and (b) bottom-up processes (assessed by the number of demonstrative actions by LAGs) = evidence for *bonding social capital* (strengthening local identity and coherence) through increased interaction and cooperation among actors.
- New approach: *innovative character*.

Case-study on LEADER+ and LEADER 2007-13: not sufficient evidence

- for *bridging social capital* through *networking* and *openness*, measured by the number of businesses and employment positions arising from newly established external relationships of key stakeholders, or
- *linking social capital* which would bring about flows of finance and knowledge.

Case-study on LEADER+ and LEADER 2007-13: negative signs

- No added value from the 3rd LEADER was reported in the 4th period.
- The expansion of intervention from LFAs to all areas was expected to increase the multiplier effects of positive results to the wider area.
- Opposite signs from the deserted villages in area of intervention: no spread effect.
- Absence of a state-supported local strategy.

All case-studies

Concern areas rich in natural resources with good potential for sustainable (alternative) tourism as a major tool for local development strategy.

Agri-tourism in Greece

has become a major investment outlet for local authorities and private businessmen being considered as the only means for reversing the declining socio-economic trends.

Characteristics of agri-tourism in Greece and risks

- Lack of 'local' or 'traditional' character of agro-tourist services;
- lack of activities related to farming or the natural environment and cultural heritage;
- lack of synergies and cooperation with other holdings and of local networking;
- absence of a national or local strategy for agri-tourism which is not an integral part of a local development strategy.

Concluding remarks

- The findings of case-studies and evaluation reports on LEADER's application in designated areas of Greece reveal positive impacts in generating local growth through the promotion of a number of social capital features.
- Establishing a new type of local governance based on bottom-up initiatives is particularly important for a country with low levels of social capital, weak subnational representation and the prevalence of a top-down approach to rural regions.

Concluding remarks

- These characteristics inhibit the successful application of the LEADER approach in most of the presented cases, but pose a challenge for the programmes' managing authorities and social actors at all levels.

Future research must attempt to answer questions such as

- Which types of areas have developed a strategy towards social innovation and a change in governance model in rural development practice?
- Which sectors have contributed to this;
- How groups and networks are involved? (Institutionalisation)
- How the new approach has benefited the areas? Has it created positive social processes (e.g. innovation, learning network development) and led to reversal of outmigration trends?
- What type of traditional mechanisms and dynamics (including governance models) or social actors prevent the adoption of the new approach in rural areas?

Future research

This requires the establishment of the proper mix of analytical methods (quantitative and qualitative) and the construction of appropriate indicators to be applied to the areas most in need for the new approach.