Chapter 1

Introduction: LEADER as an Experiment in Grass-Roots Democracy

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The Aim of the Book

The subject matter of this volume is the European rural development programme LEADER. The aim is to highlight this unique policy approach and to publish up-to-date research results on its achievements and limits, in order to discuss its merits and problems. LEADER is an initiative within the European Union’s political repertoire which has been running for over 20 years. What makes it important is not only that it has a major role in rural development efforts, but also, that it has a pioneering role in the new type of governance that has been debated by policy-makers and political scientist over the last two to three decades.

Various questions connected to LEADER are taken up in the chapters of this volume, based on the experiences from different countries. At the local level, LEADER represents a new view on democracy, participatory democracy, compared with traditional representative democracy. Partnership sounds like an ideal way of working. However, many questions arise, not least the issue of power balance between unequal partners and the moral commitments they are willing to make, as remarked by Bernadett Csurgó and Imre Kovách (Chapter 4) in this volume. Even if LEADER has a large evaluation system and it has already been an object of some applied policy research (e.g. by the OECD), it is mostly monitored and studied in national circles and only in some cases in international comparison. An exception was a special issue of the journal Sociologia Ruralis, published in 2000 (Ray 2000).

Our aim is to take a look at the local level in the European Union and to study the way LEADER has responded to the challenges it was designed to address. This is not a mainstream evaluation report; our focus is not on analysing the monetary output of LEADER projects, or to calculate how the system has been used in different countries from the point of view of economic stimulation. Nor is our aim to evaluate the effects LEADER programmes and projects has on employment. Instead we are asking whether the LEADER approach strengthens local democracy or not, and how it affects the power balance among stakeholders, between national and local actors and between genders. Furthermore, we ask whether LEADER projects are indeed grass-root level activities, reflecting local needs and ideals, or if they are something else. We also consider how well the approach brings local
know-how back to the development agenda, through innovations and development activities. Additionally, we examine if LEADER facilitates integrated local development and if its projects are connected to long-term beneficial development tracks or not. Finally we ask; how successfully is knowledge disseminated to other regions?

The Background of LEADER

LEADER is an acronym for the French: Liaisons Entre Action de Développement de l’Economie Rurale (links between actions for the development of the rural economy) (European Commission 2006). The reason for the new rural policy tool was the concern in the European Union over the negative development of the countryside and the powerlessness and loss of perspective on agricultural policy in its attempts to solve the cumulating development problems in European rural areas. Agriculture had been a priority branch for the European Communities (later European Union) since its establishment. The lack of food after World War II, the strong political position of farmers and increasing prosperity made it possible to increase agricultural subsidies from decade to decade. The common agricultural market became the main political objective for this state union, not least when measured in the proportion of its budgets. The Common Agricultural Policy (CAP) was the policy implemented to reach this objective. The construction was shaken, however, by agricultural modernisation. Overproduction, increasing subsidies, outmigration from the countryside, as well as pressures from the changing global context, made changes in spatial policy unavoidable. In this situation, the LEADER approach was initiated in 1991.

Another development supporting the LEADER type of approach took place in the political sphere. Local action groups (LAGs) are the crucial agents in LEADER. They can be seen as local expressions of the shift from government to governance in European rural development policy, which is in-line with changes in many other policy areas with the objective of enhancing efficient and inclusive policy delivery at a local level. As Annette Aagard Thuesen and Petra Derkzen (Chapter 8) argue in this volume, governance theorists have described the shift from government to governance as a change aimed to move decision-making increasingly onto multi-stakeholder platforms, and to decentralise central level decision-making to levels and arenas where knowledge and implementation resources are actually located. In contrast to ‘government’, the ‘new governance’ therefore indicates a pluricentric rather than a unicentric approach to governing, which also moves scientific analysis away from a state-centric approach (Rhodes 1996; Hefflin et al. 2000). It is argued that governance implies an increased importance of networks as the principal means for social coordination (Sorensen and Torfing 2003), in which ‘hierarchy or monocratic leadership is less important’ (van Kersbergen and van Waarden 2004, 152). Moreover, the governance literature has put emphasis on processes that highlight the negotiation, accommodation,
cooperation and formation of alliances that, after all, are the blood and bone of societal steering. All in all, many observers have evaluated the perceived shift towards decentralisation and broader participation in positive terms. Governance networks and ‘partnerships’ are seen as being capable of helping governments to deal more effectively with increased complexity and interdependency in society (Klijn et al. 1995; Rhodes 1996; Goodwin 1998; Bang 2003; Murdoch 2006). The new structures are said to improve the inclusiveness of decision-making by also integrating previously excluded groups (Shortall 2004, 113).

The structure of LEADER in the EU has changed from being a Community Initiative during LEADER I (1991–1993), LEADER II (1994–1999) and LEADER+ (2000–2006) to becoming a so-called mainstreamed element in the rural development programme (RDP) and fisheries programme (FP) of 2007–2013 (European Commission 2006). In the new member countries, some programmes similar to LEADER were applied before the EU accessions, for example the intermunicipal cooperation of the Regional Development Programme PHARE and the Special Accession Programme for Agriculture and Rural Development (SAPARD) in Hungary (Csurgó and Kovách, Chapter 4 in this volume).

EU support can be viewed as an expression of the need to introduce new players into the rural development scene. States cannot secure rural development alone, and the initiative has been transferred to other players, including actors from the private and the voluntary sectors. The most important actors in the LEADER programmes through the years have been the board members in Local action groups (LAGs). Accordingly, the core of the LEADER method is the establishment of the LAG partnership, consisting of representatives from the public, the private and the voluntary sector. These new players are important for the proper implementation of the decisions made by central authorities. They function as governance networks based on the idea that political power should grow out of empowerment that enable people to really participate, contrary to the limited participation that takes place through scheduled events such as formal elections (Bang 2005). According to the EU’s basic guide publication, ‘it was with the aim of improving the development potential of rural areas by drawing on local initiative and skills, promoting the acquisition of know-how on local integrated development, and disseminating this know-how to other rural areas’ that LEADER was founded (European Commission 2006, 6). Taking the ideals built into LEADER as a given, it is time to ask whether these ideals have been realised and what sort of consequences this has had on the ground. Given the background and architecture of LEADER, organising, steering, democracy and power should in our view stand at the forefront of an examination of the programme. The ultimate objective of LEADER is rural development but rural development is insolvably intertwined with the issues above, which the EU, according to its statements, has been aware of. In the following we will present a more detailed theoretical and policy related framework for the examination of LEADER. We will begin with the concept of partnership, and then continue with local democracy and later on move to power structures. Following these, we will discuss the concept of projects, a central device and method in LEADER work,
and finally we will take up the question of knowledge, one of the central concrete outcomes envisaged from LEADER work.

**Partnerships**

Partnerships between stakeholders are a most crucial part of the LEADER ideology, which is institutionalised in the structure of LAG groups. In contrast to traditional models of rural development, in which governments promoted their preferred developmental agenda through hierarchical bureaucracy or through market mechanisms, LEADER is aiming at building capacity among the local population with the goal of furthering common interests through common, coordinated efforts. The aim is ‘to create public goods that will help to overcome the instances of market failure which characterise rural economies’ (Kearney et al. 1994, 22).

Such a strategy is supported by many rural researchers, among others by Marsden (2008), who argues that the strength of networks within communities is intertwined with the potential of communities to grow. When communities are split along social, symbolic and cultural ruptures, they meet hindrances for growth and in getting out of the periphery. This is a topic developed by Denés Kiss and Enikő Veress in Chapter 10 on the difficulties of forming a LAG in Romania and by Ildikó Asztalos Morell in Chapter 11 on LEADER projects in the ethnically split Hungarian countryside.

When studying partnerships, it is worth analysing both the similarities and differences of interests, which local actors have.

In his classical work, Karl Polányi (1976) classified local actors into four types, which are the firm, the local state, civic society and the household, each of them having different basic interests. As Asztalos Morell (Chapter 11) notes, Söderbaum (2011, 49–50) contributes to the analysis of local collaboration by differentiating between competition-oriented and collaborative models. The first type is based on self-interest, with a focus on profit, and the survival of the unit often presupposes growth. The latter type is based on the principle of care for others and its aim is to achieve benefits for all the members within the network. Whereas the welfare states work along the constituency of a broad citizenship, civil society actions are not necessarily formed around universal interests. Söderbaum argues that a socially and ecologically sustainable society presupposes that collaborative models and ethical concerns are to be incorporated not only in the strategies of non-profit organisations, but even among profit-oriented companies. Nonetheless, even some idealistic organisation can be driven partly by commercial goals, even if reconciliation of commercial and collaborative interests will always be precarious.

For a successful partnership, the question of consensus or conflict is crucial. This question is much discussed in political theory and has a tight connection to the division made by March and Olsen (1989) into aggregative and integrative theories. As Marko Nousiainen (Chapter 6) argues, in aggregative
theories, democracy means the aggregation or gathering of different views and preferences into a system of collective decision-making. The notion of conflict is emphasised in aggregative theories: democratic decision-making means choosing one of conflicting policies through political competition or bargaining. Integrative theories, on the other hand, emphasise deliberative action. According to the deliberative views of democracy the point is to form – through public discussion – such a collective decision that could be accepted by all. Rather than aggregating different preferences, deliberative democracy is about changing them. Habermasian ideas of communicative ethics and action especially are an important source of inspiration for theorists on deliberative democracy (March and Olsen 1989, 132). Experimenting with deliberative democracy may however turn into idealistic behaviour with quite surprising consequences. Csurgó and Kovách (Chapter 4) report that striving to avoid conflicts have led decision makers to organise meetings to negotiate planning, which as such sounds like good practise. However, to find consensus they have supported as many projects as possible, and in all settlements, to satisfy everybody, which leads to half-financed projects and many practical difficulties. According to Nousiaïnen’s research (Chapter 6), in a Finnish LAG the urge to reach consensus was strong enough to curtail free and open discussion; instead it encouraged uniform thinking and even coercive means to achieve such thinking. In practise, entrance into the LAG was denied for those who did not share the dominating values.

Local Democracy Questioned

In Chapter 9, Giorgio Osti opens up a pivotal question, how to determine the will of the people (volontà popolare) through institutions considered to be models of democracy. This is crucial, because LEADER has often been marketed as a new, democratic way of local development. Results from our case studies are contradictory, indeed. For example Johan Munck af Rosenschöld and Johanna Löyhkö (Chapter 2) find that the LAGs in Finland and the UK are predominantly closed to external participation. They argue that this is problematic from a democratic point of view, as incorporating actors with less experience of project-based activities becomes less likely to succeed. In contrast, Csurgó and Kovách from Hungary as well as Javier Esparcia, Jaime Escribano and Almudena Buciega (Chapter 3) from Spain underline the importance of LEADER as a promoter of local democracy in their countries.

Osti addresses the question of whether the integration/aggregation dichotomy made by March and Olsen (1989) is useful for interpreting the issue, or if a triadic model would be more appropriate. His second question concerns local democracy: is it really broad enough a concept to include the material conditions (income, time, accessibility) of participation in the most important areas of public life? The question concerning breadth of participation relates to the debate on economic
democracy – Italy fits well for researching these topics because of its strong tradition of municipal action.

March and Olsen’s (1989) idea was to illustrate legitimated sets of rules useful for representing people’s petitions. The ‘aggregative pattern’ is an institutional type of governance that resembles a market: numerous independent actors negotiate their different interests and achieve a substantial balance in the entire socio-political system. The political leadership acts as a sort of mediator among contrasting interests. The role of the public sector is therefore quite minor: it is required for control and for the distribution of very selective incentives. The ‘integrative pattern’ is another form of governance that recalls a community. The emphasis is on goods, values and destinies which are deemed to be in common and more important than individual interests. The crucial factor is a common cultural identity (Osti, Chapter 9). Thuesen (Chapter 5) – who analyses the rhetoric around the democratic capabilities of the LEADER system – argues that March and Olsen’s (1989) two approaches can be viewed as an elaboration of the concepts of rational choice institutionalism and normative institutionalism (see also Bogason 2004, 3). March and Olsen themselves take the normative institutionalist stance:

> Political actors are driven by institutional duties and roles as well as, or instead of, by calculated self-interest; politics is organized around the construction and interpretation of meaning as well as, or instead of, the making of choices; routines, rules, and forms evolve through history-dependent processes. (March and Olsen 1989, 159).

The role of institutions and political leaders and the character of democracy differ in these two cases, and similarly the problems connected to each of the models differ. Thuesen opens these concepts further by listing three different types of integration and aggregation (Table 5.1, Chapter 5). Osti (Chapter 9) for his part goes further in order to show the defects in attempts to combine these two models and suggests that there is a need for something more, something he calls a third dimension to solve the dilemma of a well-functioning local democracy.

However, the concepts of aggregative and integrative democracy need not necessarily be viewed as normative models for how the popular will is formed and channelled into political decisions and societal steering; rather they may be used as analytical tools for studying quite universal aspects of democracy, the way Munck af Rosenschöld and Löyhkö do (Chapter 2). They combine the two conceptions of democracy with different aspects of the political process/analytical criteria, largely following the well-known input-output thought scheme: actors, institutional linkage, form of participation, conflict resolution, types of knowledge, outcome and accountability (Table 2.1, Chapter 2). This sort of analysis can be pursued without denying problems that none of the models can grasp, nor solve. The analytical problem is merely that general real-life situations tend to be a mix of aggregative and integrative political behaviour and that the research
questions therefore should be very specific in order to sort out where the respective behaviours hold sway and what their merits and problems are.

**Power Structure**

The dilemma emphasised by Osti leads to a focus on local power structures. The LEADER approach changes the structure of local actors and their mutual power relations. The old dominant network of farmers and their organisations is on the retreat and a new ‘project-class’ of local developers is strengthening its position. As Kovách and Kucerova (2006 and 2009; see Chapter 4 in this volume) have argued, different experts, designers, European and national administrative staff, holders of intellectual capital as well as representatives of civil society occupy new social and class positions.

Being an instrument to foster local democracy, it is evident that LEADER has an initial democratic deficit, not least because a proportion of the LAG members, involved in decision-making bodies, are non-elected. In the same way, networks of governance, such as those derived from LEADER, are sometimes seen as undemocratic, due to the delegation of decision-making power to public, private and civic stakeholders (Thuesen 2010).

The bottom-up approach of LEADER is heavily emphasised in the literature. In its practical implementation, however, LEADER also has an important top-down component because of the strong role of the government in funding, planning and setting the rules for national LEADERs. Many of the practical inconsistencies in the application of LEADER are precisely due to this combination of top-down and bottom-up approaches. However, these inconsistencies may decrease with the increase of the complementarities between the two approaches, as Esparcia, Escribano and Buciega remark in Chapter 3.

Nevertheless, probably the most relevant interpretation of the ‘negative externalities’ of LEADER is connected to an analysis of power as a matter of social production, in the context of new rural governance. From this point of view, LEADER could be interpreted as the scene in which actors and institutions attempt to gain capacity to act, by blending their resources, skills and purposes into a viable and sustainable partnership. Sometimes this intended partnership is enmeshed with a paternalistic tradition which may explain the uneven distribution of stakeholders in LEADER and its decision-making bodies (Goodwin 1998). Frequently, however, new governance mechanisms deliberately seem to be used for the purpose of ensuring the continued hegemony of (some) local elites (Kovách 2000; Kővách and Kucerova 2006). This objective may imply a tendency to involve (especially in the decision-making bodies) only the key actors belonging to or coming from specific elite groups (public, economic or civic, or a combination of these).

In their three case studies Csurgó and Kovách (Chapter 4) analyse who the actors are in the project class of contemporary Hungary. In this endeavour they also
support Esparcia et al.’s (Chapter 3) remark that LEADER is not really following bottom-up principles. In Hungary, the control by the national bureaucracy is tight and the possibility of making a profit out of projects may sometimes tempt professional non-local actors to get involved and devalues the bottom-up character of the approach.

Gender divisions in the LEADER activities in Denmark are studied by Thuesen and Derkzen (Chapter 8). A European database from 2004 shows a clear male domination in the LAGs. In eight countries the majority of the LAGs had less than 25 per cent women on their boards. In six countries, the bulk of the LAGs had 25 to 50 per cent women on their boards. Only two countries had a female majority in most of their LAG boards. There are several possible reasons why fewer women than men are active in the LAG boards. Bock and Derkzen (2008) have outlined four different barriers to women’s participation in rural policy making: (1) women’s position in rural society and their weak socio-economic and political integration, (2) a traditional gender ideology that underlines women’s domestic responsibilities and civil and apolitical involvement in the community, (3) the dominance of agriculture and economy in the rural development discourse and (4) the lack of fundamental structural and cultural changes in new governance arrangements. All these enumerated reasons add to the disadvantaged position of women in the public sphere. And they also give a clue regarding the barriers faced by other disadvantaged groups in getting a foothold on the new local governance system – discussed among others by Asztalos Morell in her review of the ethnic division in Chapter 11.

LEADER promises a shift in the power structure in rural policy from the national context to the local level. Such a move is also much needed in countries outside of EU. Aude-Annabelle Çanese (Chapter 12) describes and discusses the place of the local level in Tunisian development policy. Contradictory practices and weak results demonstrate the need for a basic rethink. Leo Granberg, Jouko Nikula and Inna Kopoteva (Chapter 7) analyse the results from an experiment with LEADER in Russian Karelia 2011–2013. It turned out to be possible to stimulate local action and to construct partnerships at the local level. This result was reinforced during field research in September 2014, in spite of ongoing changes in political situation in Russia. The question remains whether the regional and federal level authorities would be interested in the long run in backing such an activity. The possibilities of LEADER at the local level are underlined by Esparcia et al. (Chapter 3) who maintain that LEADER in Spain meant a real change of mentality in disadvantaged rural areas and managed to be a genuine tool for development. This result is based first on the territorial approach and second on the practical tools which LEADER offers. At the same time the writers are critical regarding the democratic deficits in LEADER, because some LAG members are non-elected, and because the combinations of bottom-up and top-down elements cause practical inconsistencies in the system.
Project LEADER

This new rural policy approach has delegated planning rights and generally the initiative to the local level, and organised the whole activity into a project-based political system, facilitating small local projects, sub-regional development programmes, and partnerships between different types of local stakeholders. Such a ‘project policy’ is one of the main alternatives in the new governance models, along with such organisational forms as ‘public-private hybrid organisations’, ‘networks’, and ‘task forces’. They all fulfil functions that earlier were confined to classical public organisations or their counterparts in the corporate or civic sectors (Andersson and Kovách 2010, 7).

In this volume, several authors continue the research stream on projects, which started around 2003 in Helsinki in the Swedish School of Social Science at the University of Helsinki and continued in the SUSTAIN network (Sjöblom et al. 2006; Rantala and Sulkunen 2006; Kovách and Kučerová 2006). Earlier, project-based activity was used more in research than development and more in developing countries than in European countries. State funding especially did not take the form of projects with the exception of funding research projects. It seems, however, that the European Union had to find a new way to channel its activities and funding, and at the same time to avoid the transfer of its funding directly to member states’ budgets, as well as to avoid competing directly with the funding streams from national budgets. Projects gave an opportunity to solve these two issues and to differentiate between European funding and national funding. The funding of rural projects all over the Europe became quite a massive operation, indicating a ‘step of evolution’ from welfare state Europe towards project state Europe.

In the context of European rural policy, a project is a short-term organisation, which aims to achieve long-term effects. This paradoxical setting may, in the coming years, give birth to new institutions, with an aim of complementing short-term projects with more stable backup structures and organisations. The dilemma is that such organisations may jeopardise the original idea of LEADER, that is, of moving the initiative in development matters down to the local level, in accordance with, for example, the subsidiarity principle. However, today, national state administrations, private consultant companies, and regional networks are competing with Local action groups for the last word in rural development.

Knowledge

One of the basic aims of LEADER is to sustain local know-how and implementations of tacit knowledge. In the aggregative setting the form of knowledge in an organisation is mostly formal and based upon expertise. When integrative elements are stronger, various types of knowledge co-exist. And as Munck af Rosenschöld and Löyhkö (Chapter 3) note, in such settings there are also attempts to integrate expert and lay knowledge. The practices of rural policy
are constructed along the latter line. In this respect, rural policy is also learning from the experiences of action research, which supported combinations of research and practice, where researchers participate and take active roles on the one hand studying, and on the other teaching practical workers how to study their own work and environment (see more in Chapter 7). Such a line of action aims to change the state of affairs in social settings, in a similar way as LEADER is trying to change local circumstances in order to favour the type of development which local actors find favourable. According to this thinking, an increase of knowledge about the circumstances may lead to an increase of social capital as well as the creation of empowerment processes. If this succeeds, then not only would knowledge be produced, but also new abilities to create knowledge.

The Hungarian projects studied by Asztalos Morell (Chapter 11) reveal how many-sided a concept know-how is in practise. The preparation of a project application presupposes know-how about the application process, as well as know-how about the specific field of application. For example, the realisation of a bioenergy project presupposes technological know-how on renewable energy, know-how on entrepreneurial activities and know-how on the working of community development. Successful cooperation between different actors at the local and regional level is really needed in order to be able to solve such a set of questions and to realise a capacity-building process.

**Is LEADER Enough?**

The idealised picture of local development is often not so bright when the processes are studied on the ground. Pooling internal and external resources; constructing networks; starting a project, learning and interacting in order to increase social capital and to facilitate empowerment of local actors; – all this will not always be enough to induce successful and sustainable activities that push local development forward. However, the situation is far from discouraging overall. Several results give evidence of positive local development and far more results confirm positive reception of LEADER’s basic ideas among local actors. In the following the authors present results from experiences in Denmark, Finland, Great Britain, Hungary, Italy, Russia, Spain and Tunisia. We conclude the volume with a summary of the results from three angles: the importance of the history of democracy and the democratic traditions in the countries where LEADER has been implemented, the likelihood that LEADER will improve democracy in former, and current, authoritative societies and third whether the benefits of the programme are reasonably equally distributed, especially in countries marked by inequality. Finally, we hope this volume will give the reader a more comprehensive picture of this many-sided policy approach.
References


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