

LEADER - THE BOTTOM-UP APPROACH TO RURAL DEVELOPMENT: AN IRISH PERSPECTIVE

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Abstract

In the late 1980's the European Commission led by President Jacques Delors undertook a review of the performance of the member states of the EU. This was prompted by decreasing levels of economic growth, increasing unemployment rates and social issues. There were indications that rural areas were performing particularly poorly, partly because of the decrease in employment from agriculture. Also regional and national policies had tended to focus on the development of infrastructure and services in urban areas. This was exacerbated in peripheral regions such as Ireland as growth, in a stagnant economy was limited primarily to Dublin. Thus as young people left rural areas, villages, towns and smaller cities there was limited availability of opportunity to remain part of their community. In the early 1990's a range of measures were introduced to promote competitiveness in different ways across the European Union. In 1991 one such measure was introduced to specifically focus on the competitiveness and sustainability of rural areas. This was called the LEADER Programme. The principle behind this programme was to provide finance to locally formed, autonomous groups who were encouraged to invest in initiatives to bolster the local economy based on the group's plans and strategies, formulated from local knowledge. In effect each group could prioritise and invest in sectors that they deemed to be most appropriate for their area rather than taking a more standardised regional or national approach. These Groups, known as Local Action Groups (LAGs) were allowed flexibility in how they operated as long as their investments were not seen as a duplication of what was offered by state supported bodies or other state initiatives. Innovation therefore became a central characteristic of each LAG plan. The overall focus was to use LEADER to seed a 'Bottom-Up' approach towards Rural Development to complement and connect with regional and national 'Top-Down' support measures.

Keywords: rural, economy, local, autonomous

Introduction: What is the LEADER Approach, Where did it Originate and How has it Evolved?

In the late 1980's the European Commission led by President Jacques Delors undertook a review of the performance of the member states of the EU. This was prompted by decreasing levels of economic growth, increasing unemployment rates and social issues. There were indications that rural areas were performing particularly poorly, partly because of the decrease in employment from agriculture. Also regional and national policies had tended to focus on the development of infrastructure and services in urban areas. This was exacerbated in peripheral regions such as Ireland as growth, in a stagnant economy was limited primarily to Dublin. Thus as young people left rural areas, villages, towns and smaller cities there was limited availability of opportunity to remain part of their community. In the early 1990's a range of measures were introduced to promote competitiveness in different ways across the European Union.

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This process was driven by the European Commission from the outset with National and Regional Authorities (and in some cases Local Authorities) somewhat sceptical of the capacity of this type of approach to impact on rural economies. None-the-less the LEADER Programme was launched as a 'pilot or laboratory' project from 1991-1994 operating in 217 areas across Europe. Based on the success of this 'pilot' it was extended into a larger programme, LEADER II, from 1994-2000 expanding to 906 areas. The approach continued to expand over the past six years with many more areas being included across the EU with the introduction of the LEADER + Programme from 2000-2006. In parallel with this a number of National Authorities including the Irish Government also introduced a 'National Rural Development Programme' (NRDP) to complement the funding received under the LEADER + Programme, the result of which has been that all areas and parts of Rural Ireland has access to the LEADER Approach. By the end of the current phase of LEADER anecdotal evidence suggest that LAGs will have supported up to 250,000 full time jobs across Rural Europe. Also, the LEADER approach has provided the platform for investment into community services, amenities and issues that challenge the quality of life of Rural Communities.

The European Commission has had a very high regard for the LEADER Approach. It operates in different ways in different regions but each LAG shares common features (see later). The programme has been formally reviewed throughout its development highlighting the success that it has had in different regions. The LEADER Approach taken in Ireland has consistently been identified by the Commission as one of the most effective examples in the Union.

What are the secrets to the success of LEADER in Ireland?

A Practitioners Perspective

A Tradition of 'Meitheal'

'Meitheal' is a word in the Irish Language (Gaeilge) that describes the process of volunteering, coming together as a community to deal with a common issue, a type of 'self-help' approach. Irish communities have long had a tradition of establishing and operating volunteer groups for a variety of purposes. In the 1960's and 1970's 'Integrated Rural Development' groups began forming across the country to attempt to address the growing economic and social issues impacting upon their areas. The 'drivers' behind these groups were the volunteer and community based bodies in rural communities. Communities were becoming increasingly frustrated with the lack of action being taken locally. The Irish bureaucracy was heavily centralised in and around Dublin. The Local Government Process in Ireland never developed in the same way as it had in other economies and outside of maintaining basic infrastructure such as roads, they were relatively powerless to deal with the broader requirements of the community. Thus, local communities began to organise to identify local needs and opportunities. The limiting factor for these Integrated Rural Development Groups was the lack of resources to implement their plans. When the LEADER Programme started and gathered momentum it provided a spark to ignite the flame of a new form of investment into rural areas.

The ‘Community’ as the Primary Partner

One of the common features of the LAGs implementing LEADER across the EU is that they are formed around the principle of ‘Partnership’. Typically this partnership will consist of four main pillars: Community Representatives, Statutory Body Representatives; Local Government Representatives and Social Partners (local business and trade unions). Irish LAGs differ from many of their sister groups in other parts of the EU in that the primary partner is the ‘Community and Voluntary Sector’. The community and voluntary sector is typically more organised and developed than many of its counterparts in other regions in Europe. Smaller volunteer based groups are also part of community and area based networks which allows for a democratic link to be made from the local volunteer to their representation on the LAG. This provides a platform for the LAG to be closely linked to local circumstances and empowers local communities as they can see real results from the efforts that they put into supporting the LAG to develop. A typical LAG in Ireland will have a Board of Management elected annually with at least 50% of the Board Members representing community interests. They are joined on the Board by State Bodies, Local Government and Social Partners deemed to be most relevant to the focus of their Area Based Plan.

Growing Within ‘Natural Area’s of Development’

The area of operation varies from one LAG to another. Each LAG operates in its own distinctive geographic area with European Commission Guidelines stating that the minimum population should be 10,000 inhabitants and a maximum of 100,000 people within the LAG area (with exceptions allowed if agreed). Typically a LAG area will be made up of a number of rural communities, small villages and towns. In Ireland LAGs were formed around ‘natural areas of development’ – these are areas which are culturally, economically and socially linked. In some cases they correspond with Local Authority or other State Service boundaries, in other cases they don’t. The key principle in all LAG areas is that people within the area understand the link between their LAG and its area of operation. LAGs will therefore operate in areas that have common issues, common opportunities, common agricultural practices, and with communities that are connected to each other at a number of different levels. This has proven beneficial as it allows the LAG to develop a clear focus in terms of the issues it can address and how this will be achieved. It is beneficial for the user of its services as there is an understanding of why and how the LAG operates and it is beneficial for the area as it reinforces the sense of identity and achievement that can be gained by working together.

The Integrated Approach

Another common feature of the LEADER Programme is the principle of supporting the development of the rural economy in an integrated manner. This can be narrowly defined in some regions as an integrated approach towards the development of sectors such as Tourism, Craft, Food and Services which generate new employment opportunities. However in Ireland, with LAGs being driven and owned essentially by the community, the development of integrated plans and strategies has focused on the overall position of the community, its sustainability and an integrated economic, social and environmental approach. This allows for participation and input from the larger community and encourages more of a strategic emphasis in terms of how and where the LAG invests. It also provides a platform for the LAG to operate outside the LEADER Programme (see later).

The Support of Government

The Irish Government quickly identified the LEADER Approach as one which could provide an important and effective tool in supporting rural development. Initially the programme was fostered through the Department of Agriculture & Rural Development who were the overall managing authority

for the programme in Ireland. In 2001 a separate Government Department was formed to deal with Community, Rural and Gaeltacht Affairs under Minister Eamon O' Cuiv. This development has had a profound impact on the positioning of the LEADER Programme nationally. Since forming this Department there has been a greater level of debate around the 'The National Cabinet Table' on rural issues leading to greater levels of investment into rural initiatives and in turn providing opportunities for LAGs to access these funds to invest in their areas. There is very close liaison between LAGs and the Department with monthly review meetings hosted by The Irish LEADER Groups Network (Comhair LEADER na hEireann) and senior officials from the Department of Community, Rural & Gaeltacht Affairs, with the Minister consulting with the Network on a regular basis. There are also events promoting the LEADER Approach jointly hosted by Comhair LEADER na hEireann and the Department such as the 'Food and Craft Villages' that have over one hundred new food and craft producers each year promoting their products at the National Ploughing Championship which attracts over one hundred and fifty thousand visitors. The Department have clearly stated their preference of working with LAGs as their 'platform of choice' for investing into rural communities and actively encourage a similar approach be taken by other Government Departments with provision for community based investment.

Budget Base and Leverage

The combination of having a broad based plan and the support of a Government Department that encourages direct investment through the LAG beyond the LEADER Programme has ensured that the core budgets for each group has increased substantially over the years. The average LEADER/NRDP budget over the past six years per LAG in Ireland was circa €3m. Most LAGs however will have directly invested over €6m into their local areas through a combination of LEADER, other national initiatives and community based programmes and through partnership with other LAGs and Authorities across the EU in accessing European Wide Initiatives. An example of a National Initiative is the Rural Social Scheme which provides an additional income source for low income farm and fishery families based on part-time work made available through the LAG in the community. An example of other National Programmes include the Local Development Social Inclusion Programme which is currently delivered by 30% of LAGs and is targeted at supporting the most disadvantaged in the community through a range of confidence building community, family and employment based actions. In the coming years all LAGs in Ireland will deliver this programme in parallel with the LEADER Initiative. A number of European Initiatives can also be accessed by LAGs to bolster local budgets.

A key principle applied by LAGs is to maximise the levels of matching finance that can be generated through its investments from other public, private or community investors. This is known as the groups 'leverage capacity'. At times the LAG is not the direct financier into projects but can facilitate local and national partners to work together. Where the LAG needs to provide finance it will normally be as a percentage of the overall costs, thus the funding is utilised to 'seed' a partnership approach towards developing the project. This leads to a multiplier effect for the investment made by the LAG – although this has not been measured it is estimated that the 'multiplier' for LAGs is in the order of attracting three euro for every one euro invested by the LAG. This ability is of particular importance in supporting social and community based investments and the capacity of Local Groups to maximise its 'leverage capacity' has been formally recognised by the Irish Government and Social Partners in its current National Development Programme 2007-2013.

Placing Real Value on Volunteering

One of the most valuable elements of the LEADER Approach is that it puts a monetary value on volunteer time for community based projects. This value ranges from €13 to €20 per volunteer hour given to a project. This has been beneficial in an Irish context in two different ways. Firstly, it makes projects more feasible. An example is when the community of Clonmult in East Cork needed to renovate

a disused school in order to develop a community facility for childcare, meeting facilities for active age groups and other community purposes. The cost beyond grant aid would have amounted to hundreds of thousands of Euro, beyond the means of a community with a population of less than two thousand people. With the help of the Local LAG, East Cork Area Development (ECAD) the community were able to negotiate support from FAS (the National Training Body) and Cork County Council resulting in a huge volunteer effort over a three month period which saw local farmers, home-makers, other professionals, young and old, working with local builders, painters, electricians and plumbers who gave of their time freely. These were supported by qualified engineers and apprentices provided by FAS and the County Council. The end result was that the ‘new’ community centre was completed at a cost to the community of less than €30,000 and a facility that is a far bigger part of the community than simple bricks and mortar.

The second important aspect of placing a real value on volunteer time has been to use it as a tool to promote voluntary effort at a time when there is increasing pressure on people’s time. Ireland is rightly proud of its tradition in developing volunteer based services. Volunteering was a fundamental element in the establishment of the Co-operative Movement in the Agri-Food Sector at the turn of the 19th Century and developing the Credit Union Sector which became a model of best practice transferred across the world. However a side-effect of the phenomenal change to the Irish economy and society over the past fifteen years has been a reduction in the increase in volunteering. Many community and volunteer based groups are struggling to maintain their volunteer base at a time when there is increasing levels of need as communities change and grow. The Irish Government recently undertook an ‘Active Citizenship Review’. This process highlighted the need to find new ways of promoting volunteering and recognised the unique capacity of Local Groups in facilitating this process. LAGs are at the forefront in working with communities to redress this issue and the fact that a real value can be placed on the time given by people is central to addressing this matter.

The Irish LEADER Approach – New Challenges

The Pressure Build-Up: Governance

The LEADER Approach has continued to develop and expand over the years in Ireland. The sector is about to go into a new phase in the coming year which will see a substantial increase in the levels of funding allocated through LAGs (see later). With this comes increased responsibility for the Boards of Management collectively and for each Board Member individually.

Each LAG in Ireland was established as an independent legal entity (either Company Limited by Guarantee or Co-operative Structure) which operated autonomously within rules and regulations provided and up-dated by the Department. In effect these are ‘Non Government Organisations’ (NGO’s) complying with company law and administering public funds. In the past five years there has been an increased level of focus on public accountability which started at Government Department Level and has been brought into the Local Development Sector in recent times. Directors of the LAGs must now comply with public body based guidelines including reportage under the ‘Ethics in Public Office’ which requires yearly statements from each Board Member (company director) and from the Company as a whole. There are also suggestions that in the future the Chairperson of the LAG will be Government Appointed and that Local Authorities will have a stronger role both in terms of representation on LAGs and in terms of the selection of the Community and Voluntary Representatives.

A much needed debate is emerging around the fundamental question about how to maintain the core ‘community based strengths’ and the autonomy of LAGs whilst meeting the necessary governance

requirements that are essential in maintaining confidence in the sectors capacity to delivery value for money and accountability on behalf of the state and ultimately the tax payer.

Improving the Link to the Farming Sector

One of the key focuses of the LEADER Approach is to stimulate new and alternative forms of income generation in rural areas. In advance of LEADER being introduced the Department of Agriculture (in Ireland and elsewhere) had begun to look beyond Common Agriculture Policy (CAP) instruments which primarily supported conventional farming. They correctly envisaged the emerging needs of some farmers to develop additional income sources on-farm. A range of initiatives targeted at ‘alternative production and alternative on-farm income generating schemes’ were launched and supported by the Department of Agriculture (DoA). When LEADER was introduced one of the criteria for support was that the LAG could not support a local farmer with LEADER resources if a national initiative was available. Over time this has caused a range of problems. Discussion and debate continues to happen on a case-by-case basis between the LAG and the two Government Departments involved. The LAG will facilitate as best as possible negotiations with the DoA on each case which involves the ‘alternative’ production, processing or other value added projects of agriculture produce but in all cases must first receive agreement with DoA before proceeding. Sometimes this is relatively straight forward and agreement is reached quickly but this is not always the case. In some cases, where there appears good reason locally to support a project, it can be disqualified from support due to ‘national’ rules, guidelines or regulations.

This has created a difficulty for LAGs and more importantly for farm families. Farmers Unions are often critical of the impact of the LEADER Approach based in part on frustrations of its members to access grants for projects. In reality this will become an even bigger issue as the impacts of the dismantling of CAP has a more profound impact on the incomes of the farming community. It will require an overall agreement on the issues involved between the Department of Agriculture and Department of Community, Rural & Gaeltacht Affairs rather than piece-meal discussions on a case-by-case basis.

There is however grounds for being confident that this issue can be tackled effectively by the officials from both Departments. For a number of years the Department of Agriculture had a scheme for ‘Agri-Tourism’ that supported farm based tourism. In 2000-2001 this was dissolved with the LEADER LAGs given responsibility for investment under ‘Rural Tourism’ which has seen a dramatic increase in the direct investment into this sector since the change was implemented. Farmers and farm families are an important element of the rural community and economy. As clients of the rural development programme they deserve to be supported locally and implementing the necessary changes to make this happen should be the priority of the Government and its relevant Departments.

Closing on the Future: The Prospects for LEADER going Forward?

Changing Times

As mentioned in the Governance Section there is currently a dramatic change being introduced to the LEADER Sector, which is being led by the Department of Community, Rural Gaeltacht Affairs and other Government Departments.

On one hand there will be a three fold increase in the LEADER Budget offered to groups from 2007-2013 with €425m being allocated for this period. This will substantially increase the ‘LEADER’ aspect of groups’ budgets. Additionally the Department is merging the delivery of LEADER and the Local Development Social Inclusion Programme in every LEADER Partnership (LAG-Partnership) which will

bring a further €200m funding to be channelled through the groups. Further funding streams are being promised including the continuation of the Rural Social Scheme and a national roll-out of initiatives such as the Rural Transport Programme through the LAG Partnerships. There is also an EU ‘LEADER Style’ Programme being prepared for the Fisheries Communities with LAGs being asked to consider their role in its delivery in the coming years.

Beyond this however is the more fundamental change. LEADER started life as an ‘experiment’, a pilot project that didn’t stop. However it had never been mainstreamed either at National or EU Level. It received excellent reviews. Politicians universally heaped praise on its achievements and its focus. But it never got beyond being a relatively small community initiative that was in real danger of being forgotten by the EU Commission and thereafter by each National Administrator. Most practitioners were of this opinion with national networks hosting conferences on the subject ‘the impact of losing LEADER’ across the EU. However something else was also happening at the same time. The EU Commission were beginning the process of dismantling the long standing farm support system, CAP. In their wisdom, as part of the new support system for the farm community, a new ‘Rural Development Programme’ was devised to be adopted by every member state. This has four ‘axis’ of support that are deemed central to maintaining a sustainable Rural Europe into the future - the fourth of these ‘axis’ is the ‘LEADER Approach’. The ‘Pilot’ had finally reached its end and instead of disappearing into obscurity like so many others before it, this one looks like its going to be part of the process of rural development for a long time to come.

Credit Where Credit is Due

LEADER has been singled out as an approach which has brought the ‘best out of people’ at a local level maximising the impact of volunteering and attracting professionals from the state and private sector with a desire to make a real difference at community level. This can also be said of the officials in the Department of Agriculture and particularly of the Minister and Officials of the Department of Community, Rural & Gaeltacht Affairs. They have brought the complex variety of community based initiatives under one administration with a clear focus of maximising the impact of these investments by integrating their delivery through the LAGs. They and their colleagues across Europe and within the European Commission have brought the LEADER Approach to the centre of Rural Development Planning and Investment for every member state for the future.

Learning from the Real World

The presentation which will be delivered to support this paper will be based on the LEADER Approach as it has impacted on real people in the community from the farmer, craft worker or food producer to the community activists working with young people, the elderly or the unemployed.