

THE ADOPTION OF THE LEADER APPROACH ACROSS EUROPE ENCOURAGING ENTREPRENEURSHIP AND INNOVATION

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Abstract

In our previous paper 'Investing in the future of Rural Areas' presented at International Farm Managers Association (IFMA) 17 Congress in Bloomington, Illinois the overall background to the LEADER European wide bottom-up rural investment programme was outlined.

The purpose of this paper is to encourage the adoption of the LEADER Approach to promote successful rural development. The paper will explore how the success of the programme when adopted at local level. It will also examine the strategies adopted to enable the rural development programme to impact on employment and community development. The paper will propose as a conclusion that the LEADER Approach when adopted in a strategic manner can impact positively on the vibrancy of rural areas and that the LEADER Approach is successful beyond that of any other policy instrument introduced for encouraging rural development

Key Words: Innovation, Rural Development, Bottom-Up, Linkage, LEADER

Sub Theme: Innovation and Leadership

LEADER – A successful rural investment methodology

The LEADER Method is defined in the context of delivering Rural Development supports based on a number of key features or approach's;

- Area based approach to planning and investment
- Delivered by a 'Local Action Group'
- The 'Bottom-Up Approach'
- Innovation
- Integration & Partnership
- Cooperation

LEADER at its initiation in 1991 was funding programme offered by the European Commission to communities across the EU to develop local socio-economic plans and were given the authority to allocate grants towards local projects that were deemed to be most beneficial to the local economy. At that time in Ireland there was an unemployment rate of 19%, rising income tax and high inflation rates. The funding provided by LEADER was instrumental in the development of a new enterprise culture and enabled the development of a sense of 'community spirit'. During this period there were also a number of factors that lead in the growth in the economy; there was political consensus on

economic measures, fiscal controls, structural investment plans and inward investment supports. This overall model was instrumental in taking the economy into rapid growth within a decade.

Throughout the decade that followed LEADER evolved rapidly into a 'method' that developed based on the common features of the approach as outlined above. LEADER became a unique rural development tool, a way of encouraging development that would be as applicable in either a strong or weak economic climate. In 1991 there were seventeen LEADER Companies that shared an investment budget of €44m. In 1994 this expanded to 34 companies sharing an investment of €99m. In 2009 National Coverage was achieved for the LEADER Approach (in rural areas) with 38 companies allocated a budget of €425m. The growth of the LEADER Approach has also been phenomenal across the EU where there are now almost 2,500 groups that collectively are charged with the disbursement of over €15bn through the Rural Development Programme.

From a National Policy perspective the LEADER Approach has proven to provide excellent value for money and the investment of the state is matched by that of the European Commission. The provision of full national coverage has also attracted policy makers to work with LEADER Groups to deliver a range of services (including employment programmes for low income farmers and develop transport links for the most isolated communities). It also allows strategic planning links with national support agencies. The LEADER Approach has gathered momentum beyond that of any other policy instrument introduced to encourage rural development. One of the key reasons for this success is the 'autonomy of decision making' given to the local rural development company. This encourages ownership and participation at all stages of the development of the programme.

From an EU perspective the LEADER Approach has been adopted as the main methodology within the broader Rural Development Programme for the delivery of the 'Diversification of Rural Economy and Improvement of Quality Of Life' Investment Strands.

This has taken LEADER from a small scale 'pilot' approach into the mainstream planning and investment of funds for rural areas for the future. The bringing together of the traditionally production orientated 'Agricultural Policies' with the development orientated LEADER Approach has created challenges. However, all stakeholders involved are committed to ensuring that this unique approach continues to evolve for the betterment of rural Europe.

The Perspective from South & East Cork Area Development (SECAD) in delivering the Rural Development Programme through the LEADER philosophy

Background

South & East Cork Area Development (SECAD) Ltd. is one of the thousands of Local Action Groups across the EU that have been awarded a contract to deliver the current Rural Development Programme using the LEADER Methodology. For a more detailed outline of the company please refer to the Authors paper 'Investing in the future of Rural Areas' as presented at the IFMA 17 Congress in Illinois, USA (downloadable from www.secad.ie)

2009/2010 in Context; Shaping strategies

2009 marked a very important and challenging year for South & East Cork Area Development (SECAD) Ltd... It was the year that saw the official establishment of the new Rural Development Programme (LEADER Approach) which will provide SECAD and our sister Rural Partnerships across Ireland access to €425m from 2009 to 2015. This programme is 55% funded through European Union funds and equates to an increase of nearly 300% over previous funding periods. Another important positive aspect of this funding is that the LEADER Approach has been integrated into the main body of Rural Development Planning as part of the process of reforming the European Common Agricultural Policy (CAP). Ultimately this provides a security of funding for the future and allows all groups delivering the LEADER approach a certainty in terms of our work.

Given the down-turn in the economy, with the rate of unemployment increasing in 2009, the roll-out of this new Rural Development Programme could not have come at a better time. In this context the Staff and Board of SECAD agreed on a strategy that would prioritise local job creation, small enterprise development and the stimulation of local sustainable development. This would be achieved by ensuring that all of our funding programmes were focused on supporting this strategy. Beyond the Rural Development Programme our other main support programme is the Local Development Social Inclusion Programme (LDSIP) which focuses on providing supports to the most economically disadvantaged in the community.

Over the past eighteen months (from February 2009 to September 2010) SECAD provided support to 112 local projects and allocated €2,710,407 to these initiatives through the Rural Development and LDSIP Programmes. In doing so we targeted the small business sector, particularly food and tourism to stimulate new business creation. We also provided supports to existing enterprises to enable their survival at this difficult time. Our staff, with the direction and support of our board of management, organised and delivered on a range of business support initiatives to help entrepreneurs and business owners to plan or re-plan and to develop key enterprise skills. A key element of our work is to link business-to-business where synergies could be formed to overcome issues and create new opportunities. We also support entrepreneurs to prepare applications for grants, venture capital or loans. SECAD has also focused supporting a number of farmers markets and joint marketing initiatives aimed at stimulating events that would be beneficial to our tourism, food and craft enterprises across the South & East Cork area. This is part of the SECAD strategy to plan and support the creation of 'new' marketplaces for our small businesses.

In parallel to this support to the enterprise sector SECAD continued to evolve and develop our direct support to people who are unemployed. Unfortunately due to the impact of the recession the funding streams to support this work began to stagnate or decrease in 2009. Concurrently we had a major increase in the demand for these services. As a result SECAD introduced a number of new initiatives, particularly the development of Employment Support Open-Days and Workshops across the area. These were shaped and planned by SECAD and supported by staff from a range of agencies including FAS (National Training Bodies), Department of Social & Family Affairs (now the Department of Social Protection), the VEC (National Education Body), MABS (Money Advice Bureau) and a range of local family support and community based services. These have proven to be very successful,

enabling SECAD to provide direct supports to over 400 unemployed people in 2009. They are to be increased dramatically in 2010 such is the popularity of this collaborative approach.

As well as supporting employment and enterprise development, SECAD has continued to invest in our communities in the delivery and development of key services and projects. Examples include the Rural Social Scheme and the Rural Transport Programme. These provide essential services to the most isolated and excluded groups and communities and are central to the successful delivery of our overall strategy.

The following table outlines the types of projects supported by South & East Cork Area Development (SECAD) Ltd. between February 2009 and September 2010.

Rural Development Programme (since 2009)		
Measure	Number of Projects Committed	Amount Committed
Diversification into Non-Agricultural Activities	5	€133,025
Business Creation & Development	12	€434,472
Encouragement of Tourism Activities	17	€525,786
Basic Services for the Economy and Rural Population	21	€836,867
Village Renewal & Development	6	€72,856
Conservation & Upgrading of the Rural Heritage	6	€103,901
Training & Information	22	€236,338
Implementing Co-operation Projects	2	€10,100
TOTAL	91	€2,353,345

Interpreting these outcomes

Over €2.3m was allocated from the Rural Development Programme thus far by SECAD. The table is presented in a manner which relates to the project type (Measure), the number of projects per 'Measure' and the amount of grants allocated per 'Measure'. It should be noted that the average grant rates are between 50% and 75% of the total costs of the projects with the project promoters (either entrepreneurs or community bodies) making up the remainder. Therefore the investment of circa €2.3m by SECAD relates to actual investment of approximately €4m over the period.

As stated earlier SECAD set out a strategy to focus on the creation of enterprise and employment opportunities in our rural communities. In doing so it was also acknowledged that this would be a major challenge at a time of recession. In effect, if SECAD did not apply a LEADER Type Approach, focusing on the positive and proactive development of the sector in a broader sense, then such a strategy could not have succeeded. If the approach was one of providing a basic advice and grant giving then the outcome would be predominated by the 'safer' community type projects. Therefore

our first investment was to allocate the majority of our staff time in designing training programmes, advisory seminars and mentoring supports targeted at entrepreneurs and rural enterprise creation. This resulted in allocating over 75% of our 'Training Measure' and 'Cooperation Measure' projects to support business planning and development programmes (19 of the 24 actions supported were targeted at business creation and development – the remainder were community development related).

The Board of SECAD agreed to allocate grants of between €5,000 and €150,000 towards enterprise related projects (average of circa €33,000 per project). These are distributed across the first three 'Measures' of the Programme - 'Diversification into non-agricultural activities', 'Business creation and development' and 'Encouragement of tourism activities'. Examples of projects supported included a small scale poultry processing unit (Alternative Agri), farmers markets display units (Business creation) and marina development (Tourism). A key element of the support to enterprise is the development of new 'market place opportunities' for the enterprises supported by the programme. To this end a major emphasis was put on the creating links between activities such as farmers markets and local festivals in a manner which created additional opportunities for small food and craft businesses to promote and sell their produce. This was also linked to increasing the profile of the area as a tourism destination.

In terms of 'community development' type of investments an average of €30,000 was allocated by the SECAD Board with an emphasis on developing local 'Services'. In particular, investment into the local amenities and community centres were prioritised. This provided contracts to local construction companies and increased opportunities for social enterprise and social economy projects.

Based on current evaluation it appears that SECAD will have allocated its full Rural Development Budget of €10.6m well before the programme end in 2015.

Conclusions

The mainstreaming of the 'bottom-up' LEADER approach in a Rural Development Programme is both innovative and successful. This success is based on community buy-in which stimulates individuals and communities through its 'bottom-up' approach.

It allows the transfer of funds to local areas for rural development. It recognises regional differences, resources and capacities. It encourages cooperation between rural development groups and the services of the state and others. It provides a mechanism to roll-out National and EU Programmes. It allows full national coverage with strong local engagement and enhanced legitimacy. It enables a unique joint linkage with social inclusion programmes.

Finally, it is at times like this that the LEADER Approach must demonstrate its true value. It must mobilise the commitment, stimulate creativity and demand a future for rural communities. Measurement and proof is an ever present issue. Impact evaluation demonstrating value for money to policy makers is a fundamental prerequisite to the LEADER Programme going forward.

**A LASTING LEGACY:
A RIGHTRISK™ COURSE FOR END OF LIFE PLANNING**

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What is a legacy? A legacy is the summation of a lifetime of achievement and the context in which that lifetime will be remembered. A legacy is not just money but a reputation, what was accomplished, and the difference a person makes in the world as they pass through, their mark on the universe. More importantly, a legacy is something that is passed along years after a person leaves the world as we know it.

A Lasting Legacy presents an alternative approach to end of life planning: a road map for the future embracing the meaning of a life. In historical terms, a legacy is something that is handed down from one generation to the next.

Why worry about a legacy? A study on people's beliefs and attitudes about legacy was recently completed by the Allianz Life Insurance Company of North America, in conjunction with Dr. Ken Dychtwald, president of AgeWave. The study found that there are significant gaps in what baby boomers and their parents expect from and define as inheritance. Non-financial items that parents leave behind – like ethics, morals, faith and religious beliefs – are 10 times more important to both boomers and their parents than the financial aspects of inheritance.

Planning a legacy should include talking about all four components of a true legacy: values and life lessons, personal possessions of emotional value, fulfilling final wishes and instructions, and financial assets and real estate. If the discussions between generations do not cover all four components of a true legacy, the legacy transfer is not complete.

The online and CD-based course *A Lasting Legacy* is designed to create an easy-to-use process to help families pass on a true legacy to succeeding generations following a hands-on approach. *A Lasting Legacy* captures all facets of an individual's life. Course 1 guides interested participants through 1) Methods and tools for improving intergenerational relationships; 2) Sharing Values and Life Lessons; and 3) Passing on Personal Possessions of Emotional Value. Course 2 addresses key legacy components: Preparing Instructions and Wishes to be Fulfilled and Distributing Financial Assets and Real Estate.

Whether a person plans to or not, they will leave a legacy of one sort or another. By talking with family and friends about life and final wishes, one can help to ensure they are remembered in the best possible light. *A Lasting Legacy* courses were developed by members of the RightRisk Team, a group of risk-management educators from eight western universities, specializing in interactive risk-management education products for agricultural producers. Upcoming presentations and more information about RightRisk courses are available at RightRisk.org. Requests for additional information may be emailed to Information@RightRisk.org.

Keywords: risk management, rural families, farm management