

# THE LEADER PROGRAMME AS A VEHICLE IN PROMOTING SOCIAL CAPITAL IN RURAL REGIONS: A REVIEW OF THE LITERATURE AND THE GREEK PARADIGM

Helen Caraveli and Asimina Christoforou  
Athens University of Economics and Business

***RSA WORKSHOP***

***EU Cohesion Policy: Focus on the Territorial Dimension***

(

Lisboa, 05 e 06 de Novembro de 2015

# 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;
- at the heart of this approach lies the process of **social innovation**.

# LEADER and social capital

The LEADER programmes can stimulate social capital in rural regions by contributing to new forms of decentralized government and decision-making based on dynamic networks and partnerships between private and public actors which promote knowledge and 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).

# Aim and methodology of the research

- We engage in a qualitative analysis based on a literature review 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.

# Definition of social capital

The most famous is that by Putnam (1993):  
“features of social organization, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions”.

# The theoretical background

Social capital, in its contemporary meaning as norms and networks of trust, reciprocity and cooperation, became a prominent topic of study in the late 20th century, marked by the work of Bourdieu (1980, 1986), Becker (1974, 1996), Coleman (1988, 1990) and Putnam (1993, 1995, 2000).



# Contextualization of social capital

- **Bonding social capital:** strengthening relations within groups.
- **Bridging social capital:** strengthening relations across groups.
- **Linking social capital:** forging alliances with sympathetic individuals in positions of power and formal institutions beyond the community, such as the state, banks and courts.

# Contextualization of social capital

**Structural social capital:** clearly designated roles, rules and procedures related to the formation of networks.

**Cognitive social capital:** norms, values, attitudes and beliefs.

**Relational social capital:** can belong to cognitive social capital or be identified with trust.

**Interpersonal trust:** among individuals at the micro level.

**Institutional trust:** confidence in public institutions; important at the macro level to sustain social and political stability and cohesion.

## Institutional perspective: social cohesion and economic growth

- Economies that enjoy greater equality in income distribution tend to display faster investment and income growth: the main components of social capital (trust and norms of civic cooperation) are stronger in countries that are less divided and polarized.

# Social capital and innovation

In the neo-endogenous development approach social capital plays a crucial role in fuelling the processes of social innovation through the formulation of groups (of local private and public actors) and networks that will lead to new institutional structures of social organization and governance.

# Measuring social capital

- As social capital is difficult to measure directly the use of proxy indicators is often used for empirical purposes. One such proxy measure is membership in informal and formal associations and networks.
- Many researchers use ‘mixed methods’ which include both quantitative and qualitative measures. Such methods correspond to a ‘process analysis’ which looks at the internal organisational procedures rather than mere external factors emphasised in contextual analysis.

# New Rural Paradigm

- The ‘new rural paradigm’, was incarnated in the Rural Development Policy (RDP) – now officially 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.

# 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 neo-endogenous 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 is considered as linking social capital.

# 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 in post-socialist countries

- Bottom-up processes encountered strong resistance of central institutions and the public sector at the local level, hindering efficient implementation.
- The effective implementation of the LEADER approach is thus threatened by the strong central power and the lack of a culture of cooperation and trust.
- These characteristics are also prevalent in some southern EU countries.

# On LEADER mainstreaming

- LEADER's integration into the RDPs as the 4th axis in period 2007-13 led to increased complexity and a slowing down in its delivery, resulting from increased EU regulation.
- Also the reduced autonomy of LAGs, due to the rise in the level of bureaucracy, constrained their ability to respond to particular local needs, distancing the programme from its 'area-based' content.

# LEADER evaluations

- LEADER's contribution to social capital that supports further the programme's developmental objectives should be appraised in the evaluation processes.
- Evaluations should then stress the 'process' aspect of LEADER as opposed to its pure developmental role and come closer to Bourdieu's perception of social capital.

# 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.

# Case-studies on LEADER II: positive impact

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.

# 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.

# Case-study on LEADER+ and LEADER 2007-13: 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 *bounding social capital* through increased interaction and cooperation among actors.
- New approach: *innovative character*.

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

NSRF Workshop: EU Cohesion Policy: Focus on the Territorial Dimension

- 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 3<sup>rd</sup> LEADER was reported in the 4<sup>th</sup> 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.

# Agri-tourism in Greece

has become a major investment outlet for local authorities and private businessmen being considered as the only way 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

- Place-based strategies, part of the bottom-up procedure promoted by LEADER should help build networks of the bonding, bridging and linking type.
- Important elements of social capital development - critical to the LEADER philosophy - should be given substantial weight in evaluation questionnaires.

# Concluding remarks

- Future research must focus on the ways to deal with these issues from within the LEADER method as one that supports multi-level governance and participative democracy.