

Opportunities for a participative approach in rural development: Findings from LEADER in Mecklenburg-Vorpommern and the requirements for Community Led Local Development

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Abstract

The challenges in rural areas in Mecklenburg-Vorpommern raise the question of how to find appropriate policy interventions specifically in transition countries. One approach to move rural development forward is LEADER. LEADER is a bottom-up participatory approach that uses regional budgets to fund projects. There is a long history of LEADER-implementation. Especially in the current funding period a limited bottom-up participation and a lack of innovation are prevalent. To discuss the question of appropriate policy interventions, experiences in Mecklenburg-Vorpommern and a comparison with LEADER-experiences in western Germany will be examined. Therefore, the findings of the evaluation of Rural Development Programs (RDPS) in seven federal states in Germany are used.

Overall, the results show that the LEADER approach is working in Mecklenburg-Vorpommern. Historical patterns are visible in some areas: for example, in differences in participation structures (fewer working groups, but a higher proportion of female LAG-members than in western Germany). However, the problems for funding innovative projects were common, and the shortcomings are clearly not only a problem in Mecklenburg-Vorpommern. To use the original and intended strengths of the LEADER approach, a more flexible funding structure, which is oriented on the region's own goals, is recommended.

Keywords: LEADER, rural development, participation, Mecklenburg-Vorpommern, Germany

Zusammenfassung

Möglichkeiten eines partizipativen Ansatzes zur ländlichen Entwicklung: Erkenntnisse aus LEADER in Mecklenburg-Vorpommern und Anforderungen an eine „Gemeinschaftsgeführte Lokale Entwicklung“

Die Herausforderungen in den ländlichen Räumen Mecklenburg-Vorpommerns werfen die Frage nach passenden Politikmaßnahmen für die spezifische Situation der Transformationsländer Mittel- und Osteuropas auf. Ein Ansatz der ländlichen Entwicklung ist LEADER. LEADER ist bottom-up orientiert und verfügt über ein eigenes regionales Budget zur Projektförderung. Es gibt eine lange Geschichte von LEADER, wobei Defizite hinsichtlich einer wirklichen bottom-up Beteiligung und Innovation insbesondere in der aktuellen Förderperiode beschrieben werden. Um die Frage nach passenden Politikmaßnahmen zu diskutieren, werden Erfahrungen aus Mecklenburg-Vorpommern und ein Vergleich mit den LEADER-Erfahrungen westlicher Bundesländer einbezogen. Hierfür werden die Ergebnisse der Evaluierung Ländlicher Entwicklungsprogramme genutzt.

Insgesamt wird deutlich, dass der LEADER-Ansatz auch in Mecklenburg-Vorpommern funktioniert. Historisch bedingte Prägungen zeigen sich zum Beispiel als Unterschiede in der Partizipation (weniger Arbeitsgruppen, aber ein höherer Frauenanteil als in westdeutschen Ländern). Einschränkungen, innovative Projekte fördern zu können, sind eindeutig nicht nur in Mecklenburg-Vorpommern ein Problem. Um die ursprünglichen und beabsichtigten Stärken des LEADER-Ansatzes zu nutzen, wären insbesondere flexiblere Fördermöglichkeiten von Projekten für die Lokalen Aktionsgruppen erforderlich (mit einer Orientierung an den eigenen Zielen der LEADER-Regionen).

Schlüsselwörter: LEADER, Ländliche Entwicklung, Partizipation, Mecklenburg-Vorpommern, Deutschland

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1 Introduction

1.1 Challenges in rural areas: the example of Mecklenburg-Vorpommern

Challenges in rural areas differ between countries and regions. Some areas grow while others suffer severe losses of population (Ferry and Vironen, 2011). In rural areas in eastern Germany (parts of the former German Democratic Republic, GDR), there are on-going societal transformations. These are connected to the post-socialist transition and are chiefly demographic changes that pose challenges for the economic development and quality of life in the social, environmental and economic dimensions. Against the background of general structural changes, the diversification of rural employment is a key issue for rural livelihoods in transition (Möllers et al., 2011).

The on-going demographic change is also a key issue for rural development in Eastern Germany. A major challenge, especially in Mecklenburg-Vorpommern, is the population decline and aging population in many rural areas. A further reduction of the population is expected in most regions. For rural counties in Mecklenburg-Vorpommern, this can mean a further loss of between 4 % and 35 % of the population from 2009 to 2030 and in deprived parts of such counties the loss will be even higher (Staatskanzlei Mecklenburg-Vorpommern, 2011). These losses reinforce economic problems and threaten the long-term provision of local services of general interest, which are crucial for the quality of life in rural areas, but are difficult and expensive to maintain in areas with low population density. Mecklenburg-Vorpommern already has the lowest population density of all federal states in Germany. Additionally, the out-migration can devitalize volunteer activity, especially because young and active people are leaving (Wellbrock et al., 2012). Moreover, women are leaving Mecklenburg-Vorpommern in greater numbers than men (Staatskanzlei Mecklenburg-Vorpommern, 2011). Migratory flows and an aging population are producing 'place-based' challenges, which require 'place-based' responses. The challenge is not necessarily the demographic change itself, but rather finding appropriate policy responses to maintain balanced regional development (Ferry and Vironen, 2011: 12). To discuss strategies for the support of rural areas in Mecklenburg-Vorpommern, historical patterns, such as the tradition of top-down provision of services, as well as a top-down tradition of policy-making with few possibilities for political participation before 1989, have to be taken in to account.

1.2 Policy interventions: LEADER and Community-Led Local Development

Long-term strategies are required for adaptations to these present and future challenges. Thus, the commitment and creativity of the local residents are crucial strategic success factors for planning processes (Pollermann, 2007) and play an important role for the development and viability of rural areas. Related policy interventions must be able to address very different problems because the need for support is highly context dependent (Tovey, 2008; Wellbrock et al.,

2012). So finding appropriate policy interventions in transition countries is a major issue. Overall, an integrated approach seems to contribute more to a highly complex tasks, such as influencing rural development, than approaches focused solely on individual sectors (Tomaney, 2010; Terluin, 2003). Rural development policy is related to economic welfare through diversification, the provision of basic services, social infrastructure or the natural and cultural environment (Grieve et al. 2011).

As one axis of the European Agricultural Fund for Rural Development (EAFRD), the LEADER-approach is one possibility to move rural development forward. LEADER is a participatory approach in rural areas. Different stakeholders come together in a Local Action Group (LAG) as a type of a public-private partnership to make decisions about financial support for projects. Those groups collaborate on the basis of an integrated local development strategy. There are 13 LEADER-Regions in Mecklenburg-Vorpommern dealing mainly with tourism, village renewal, basic services and other aspects of quality of life.

One objective of LEADER is to bring public, private and civil organisations together to cooperate. LEADER is also considered from the perspective of assisting the development of regional identities and a common "sense of place" as well as fostering the commitment of local actors (Pollermann et al., 2013). A general assumption of LEADER is that there is added value because of better identification with local needs and solutions and an increased capacity for innovation. Further benefits include the pooling of local resources, networking to allow mutual learning and an integrated approach to address complex economic and social issues (High and Nemes, 2007; for a critical view see ECA, 2010).

In the last few funding periods, there was steady increase in the number of LEADER-regions in Europe, and, at least in Germany, it is evident that this gain will continue. For the 2014 to 2020 funding period there were approximately 300 LAGs expected to form in comparison with only 244 LAGs forming in the last period (Wehmeyer, 2014). In addition, the post-2013 EU Structural Funds setting, including the European Agricultural Fund for Rural Development (EAFRD), introduces a new structure for funding instead of current regulations. The new structure uses a Common Strategic Framework (CSF) to provide EU Funds with a set of basic rules that follow general principles including partnership, multi-level governance, equality and sustainability. Now there are common options for the so-called "Community-Led Local Development" (CLLD). After experience with the LEADER-approach, the Commission believes that the support of integrated local development strategies and local action groups can facilitate the sustainable and synergetic implementation of multi-dimensional and cross-sectoral intervention. Consequently, a coherent set of measures can address all EU areas (rural/urban/coastal, etc.) to foster new opportunities, socio-economic benefits, equality, diversification of activities, networking and innovation (Birolo et al., 2012).

However, there are some aspects that hinder the implementation of a multi-fund CLLD. The most important are that in contrast to EAFRD, there is no obligation in the structural

funds (EFRD and ESF) to offer CLLD in member states programmes, and the implementation rules have not been harmonised between the EAFRD and structural funds. So the CSF might have induced a dialogue that could lead to joint approaches in community based rural development post 2020. In the upcoming funding period, the probability for complete harmonisation is quite low. For example, in Germany, only one of sixteen federal states is using a multi-fund CLLD approach (Spuller, 2014).

1.3 Research question and focus of analysis

The main question for this contribution is: how does a bottom-up funding structure such as LEADER perform in the context of the historical patterns in eastern Germany? Thus, the focus will be on implementation (rather than on the socio-economic impacts of projects) with two key aspects: participation and innovation. The spatial focus is the federal state of Mecklenburg-Vorpommern, which has some typical conditions of transition countries (economic challenges, demographic change).

Crucial aspects for analysing LEADER are program settings and the LAGs own settings. However, focusing solely on the formal rules and regulations of the LAG's neglects the LAG board's actual behaviour and processes. Therefore, in addition to the formal system, an informal system of characteristics related to behaviours and attitudes should also be considered (Volk and Bojnec, 2012). The general conditions of different countries play a role in the way LEADER is implemented, but local influences can also change with time and in the stages of power relationships. In the end, researchers must carefully analyse different formal and informal policy frameworks, regional conditions and political traditions.

Incidentally, research about the performance of LEADER becomes more important because there will be more LEADER-like implementations in the future. Not only could new EU-countries participate in the new funding period (for example Bulgaria, see Nedelcheva (2013)), but the LEADER principles, in theory, are now usable for "Community-Led Local Development" in other structural funds. Therefore, research based solely on a few case studies would not produce enough evidence.

1.4 State of knowledge in LEADER literature

1.4.1 Diverse inspections with some commonalities

As there is a long history of LEADER-implementation (LEADER first was launched in 1991, followed by LEADER II and LEADER+ (2000 to 2006)), there is broad research experience.

To name only a few users of the LEADER approach from western and southern Europe: England (Bosworth et al., 2013), the Netherlands (Oostindie and van Broekhuizen, 2010), Germany (Böcher, 2008; Pollermann et al., 2013), Denmark (Thuesen, 2010), Spain (Esparcia Perez, 2000), Italy (Nardone et al., 2010) and Greece (Papadopoulou et al., 2011).

In addition to the EU enlargements for the current funding period, there are also research results from transition

countries, such as Poland (Fałkowski, 2013), Hungary (Ruszkai and Kovács, 2013; Fekete, 2014; Katona-Kovács et al., 2011), Romania (Marquardt et al., 2012) and Slovenia (Volk and Bojnec, 2012).

There are also some international LEADER-comparisons: between Italy and Finland (Rizzo, 2013), Austria and Ireland (Dax et al., 2013) or Poland, Spain and Scotland (Mose et al., 2014).

In general, there were positive results regarding opportunities for local actors to support approaches tailored to their local areas (Bosworth et al., 2013) or the creation of social capital (Nardone et al., 2010). In earlier funding-periods, such as LEADER+, possibilities for innovation were judged rather positively (Dargan and Shucksmith, 2008).

Altogether, LEADER effects are very different between regions and countries as well as between funding periods. So generalisations are not possible. In addition to positive estimations (see for example Bosworth et al., 2013), the assessments for the funding period 2007 to 2013 show some negative aspects, which are named quite often in different research contexts. The following two aspects are the most common (Pollermann et al. 2014):

- **Lack of bottom-up participation:** In principle, two factors that weaken the possibility for participation can be distinguished: a) local political power coalitions and b) top-down influence from central government institutions (Ruszkai and Kovács, 2013). Another problem could be the loss of interest by civil society actors to participate in decisions about projects because of restricted funding conditions. Thus, participation comes in different forms (in decision-making, in project implementation) and with different groups (stakeholders, local population). A key aspect is the composition of LAG boards (Thuesen, 2010; Oostindie and van Broekhuizen, 2010).
- **Lack of innovation:** the LEADER framework and conditions indicate a mismatch between desirable local opportunities on the one hand and pre-defined measures and dealing with bureaucracy throughout the process on the other hand (Bosworth et al., 2013). In general, reduced options for innovation are observed (Dax et al., 2013; Volk and Bojnec, 2012, 11; Schnaut et al., 2012). Here, innovation is defined as "new approaches" in general, but not solely in the sense of a technical innovation. A "new approach" can also be imported from another region.

Although some of these problems are similar in the distinct countries, in **transition countries**, typical top-down problems seem to have a stronger impact. For example, Fekete (2014) indicates that the LEADER principles in Hungary have been disobeyed in many respects "excessive central governance, political party influence, excessive bureaucracy, the lack of funds financing operation, low level of innovation and scarce local social capital hinder operation predicated on an area-based approach, decentralisation and subsidiarity, partnership, innovation, integrated measures and networking (jointly: the LEADER principles). Communities play a less-important-than-expected role in the shaping of such spaces" (Fekete, 2014, 86).

However, in some regions in southern European countries, a weak history of collective action is reported, which also causes problems for the participative approach. For example, in Calabria “most actors still work atomistically rather than collectively because of their lack of trust in collective action” (Dargan and Shucksmith, 2008, 287). An observation in Spain was that LEADER was promoting a new ‘project class’ of technicians who were able to formulate new innovative projects for developing marginal areas, which challenged pre-existing clientalistic power relations and the local political class. During LEADER II, the LAG-staff had considerable freedom to pursue this new approach, and imported a new vision of the territorial approach to rural development. However, as the regional government realised the importance of LEADER, it re-exerted control with the transition to LEADER+. (Dargan and Shucksmith, 2008, 287).

Problems in enabling participation in a bottom-up approach also exist in **western European countries**: a LAG in the Netherlands was seen to be strongly dominated by representatives of professional rural stakeholder organisations, such as municipalities, nature organisations, water boards, farmers’ organisations, and tourism organisations (Oostindie and van Broekhuizen, 2010). A dominance of the agricultural sector, also regarding the type of selected projects, was examined in Austria (Dax et al., 2013). For LEADER in Denmark, examinations show that although there is no domination of representatives of public authorities on the boards, the LAG composition is characterised by a biased representation in relation to gender, age, education, main occupation and native country. The inclusion of only individuals with very similar socioeconomic characteristics can provide effective steering. However, this does not support the creation of new solution strategies, for which heterogeneity would be advantageous. (Thuesen, 2010).

Finally, both areas (lack of participation, lack of innovation) seem to be very relevant for LEADER in transition countries so we will discuss related results from Mecklenburg-Vorpommern. In addition to literature review, we will also suggest that it is useful to look at whether such problems are also relevant in Western Europe.

2 Data and Methods

To examine the performance of the LEADER-approach, the findings of the evaluation of six Rural Development Programs (RDPs) in seven federal states in Germany (Hamburg, Hesse, Mecklenburg-Vorpommern, Lower Saxony together with Bremen, North Rhine-Westphalia and Schleswig-Holstein) were used. The evaluation began in 2007 and accompanied programme implementation during the whole funding period (final report will be in 2016). The seven Länder incorporate 98 LEADER areas (see Map 1).

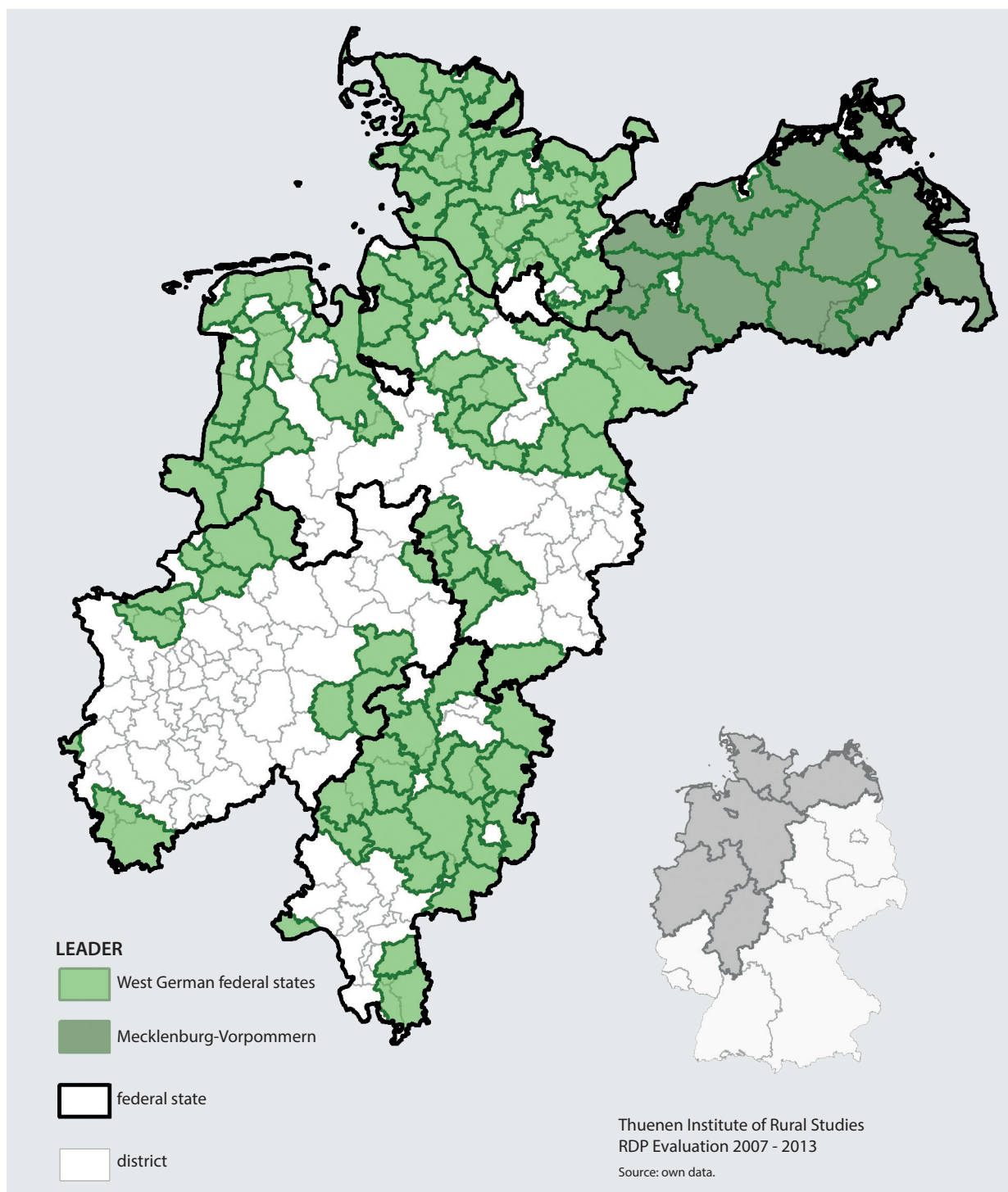
A mixture of qualitative and quantitative methods was used with the following main instruments (see also Pollermann et al., 2013):

1. More than 100 face-to-face qualitative interviews with project initiators, LAG managers, LAG members, government employees at different levels (using interview guidelines);
2. Four surveys using written questionnaires:
 - ♦ (a) + (b) two for members of the LAG’s decision-making bodies in all examined Länder in 2009 (a: N = 2310, n = 1430, response rate: 62 per cent) and 2013 (b: N = 2337, n = 1518 response rate: 65 per cent). In the questionnaires the respondents were asked about decision-making processes and the impacts of their work. Usually, a six point Likert scale was used to classify personal estimations of the LAG members (in some cases, when a middle/neutral rating seems likely, a five point Likert scale). Open questions were used to get information without suggested answers. Distinctions were made between different types of actors, such as private/public, and thematic origins to allow a triangulation of different views.
 - ♦ (c) for LAG managers of LEADER areas and other areas with local development plans in 2010 (N = 121, n = 114, response rate 94 per cent) a mixture of general questions about the situation in the region, open questions to grasp more detailed assessments about specific problems and further questions again using Likert scales were included;
 - ♦ (d) for beneficiaries of different types of projects, especially for village renewal and tourism in 2012 with additions in 2014 (N = 3346, n = 2639; response rate: 79 per cent for all Länder), the respondents were asked for estimations about funding procedures and the results of their project. For some aspects, open questions were asked
3. Standardised annual requests of activities and organisational structures in the areas (prepared as standardised tables, which the LAG managers filled in and returned);
4. Analysis of funding documents, especially the regulations and guidelines from the EU and the Länder and funding data about the projects.

Participation and innovation are complex concepts, which need context-related operationalisation. In the frame of LEADER-evaluation, a set of criteria was developed to assess participation and innovation. For this article, we will only use a small part of this operationalisation to focus on aspects, which are especially relevant to the research question and to the related focus on specific conditions in transition countries. The entire evaluation concept goes into much more detail: for example, participation is considered more in a governance view (Pollermann, 2013) and there is a deeper insight into innovation pre-conditions und functionality (Schnaut et al., 2012).

Our operationalisation for participation and innovation is shown in Table 1. There the criteria and corresponding data sources are presented.

The findings are also supported by other sources, e.g., case studies. Where appropriate, a comparison of Mecklenburg-Vorpommern with western Länder will be made. In some cases, all four western Länder (marked as A, B, C, D) of



Map 1

Overview: all seven "Länder" (federal states) of the evaluation-project (little map) and all LEADER areas in these federal states (big map)

the evaluation project (the Länder Hamburg and Bremen are not included because there is only one or no LEADER-region, respectively) will be used. In other cases, only selected Länder will be included in the comparison because several aspects of the framework of the different RDPs are not comparable between some of the "Länder".

In addition, aspects that are connected to the assumed added value (like voluntary engagement, innovative projects) of the LEADER approach are elaborated. For certain aspects, there will also be a comparison with non-LEADER approaches to indicate an added value of LEADER.

Table 1

Criteria and main data for the assessment related to participation and innovation in LEADER

Aspect:	Criteria:	Data sources:
Participation (the involvement of local actors)	Preconditions: Suitable participation structure: LAG-composition and further participation opportunities	Enumerations: Origin of LAG-members (public sector / non-public sector), size of steering groups, proportion of female LAG-members, number of additional working and project groups
	Implementation of projects (involvement of non-public sector stakeholders as project beneficiaries and volunteer participation in projects implementation as added-value of the LEADER-approach)	Funding data about the proportion of public / non-public project executors and information from project executors (proportion of projects with volunteer participation of all projects)
	Overall contributions for cooperation: regarding cooperation beyond administrative borders and between different groups	Rating by LAG-members (six point Likert scale)
Innovation (as the establishment of new approaches)	Preconditions: Suitable funding conditions for innovative projects	Rating by LAG-managers (six point Likert scale) also in comparison with conditions in LEADER+
	Implementation of innovative projects (Added-value from LEADER approach)	Information from project executors (proportion of innovative projects of all projects)
	Overall contribution of (innovative) projects regarding demographic change (as a highly relevant problem field in Mecklenburg-Vorpommern)	Analysis of projects: proportion of projects related to different challenges in demographic change, examples for innovative solutions

3 Main Results

3.1 Participation

3.1.1 Participation structure: LAG-composition and further participation opportunities

Number of participants

The people involved in the LAG participated in periodical strategic meetings or in themed working groups or both.

The number of people involved in the working groups per LAG on average in each federal state was between 44 and 108 (Table 2).

Table 2

People involved in working and project groups

	Hesse	Schles- wig- Holstein	Mecklen- burg- Vorpom- mern	Lower Saxony	North Rhine- West- phalia
Average Number of people per LAG involved in working and project groups	108	89	44	72	104

(Source: own data, annual requests 2012)

Steering groups, characteristics, differences and similarities

The number of the people in strategic meetings (= decision making bodies) that were eligible to vote was between 7 and 77, with the average meeting size of 21 people (Table 3).

In all the German Länder, the main actors involved in the steering groups were representatives of municipalities and associations (similar to the report from Denmark the typical

Table 3

Members of the steering groups

	Number of members of the steering groups of LAG		
	Maximum	Minimum	Average
Hesse	32	7	13.9
Schleswig-Holstein	27	10	16.7
<u>Mecklenburg-Vorpommern</u>	<u>52</u>	<u>12</u>	<u>21.7</u>
Lower Saxony	53	11	24.1
North Rhine-Westphalia	77	12	26.0
All of the five federal states	77	7	20.5

LAG-member is over 40, male and an academic). In accordance with EU-wide regulation (= maximum of 50 % public actors in the LAG), in the different Länder there were between 52 % and 60 % non-public actors. In fact, Mecklenburg-Vorpommern was one of the Länder with the most non-public-sector actors in the steering group of all the examined Länder (s. Figure 1).

Regarding the size of the LAG-steering groups, there were no distinguishing features between Mecklenburg-Vorpommern and the average western Länder (s. Table 3).

One significant difference between MV and the western German Länder is the level of female participation on the LAG-board. As Table 4 shows, women are more present in eastern than in western LAG-boards. As LAG-members are usually leading representatives of municipalities or associations, it seems that the proportion of women in these positions is higher in MV than in the Western Länder due to a higher integration of females in the working world during GDR times.

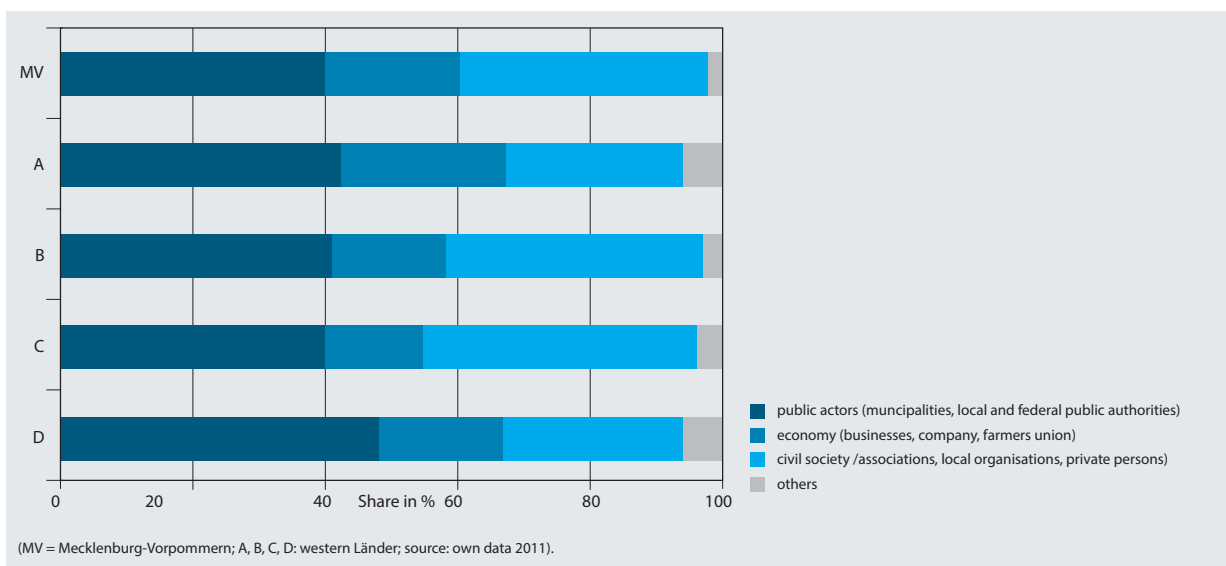


Figure 1 Institutional origin of LAG-members (public sector / non-public sector)

Table 4 Proportion of women of LAG steering groups

	Proportion of women in the steering groups of LAG		
	Maximum	Minimum	Average
Hesse	50 %	0 %	20.7 %
Schleswig-Holstein	44 %	5 %	20.2 %
<u>Mecklenburg-Vorpommern</u>	<u>78 %</u>	<u>15 %</u>	<u>44.4 %</u>
Lower Saxony	54 %	11 %	29.6 %
North Rhine-Westphalia	33 %	8 %	17.0 %
All of the five federal states	78 %	0 %	26.4 %

In conclusion, by using a participative approach, such as LEADER, many similarities are seen between eastern and western Germany. The most obvious differences are a higher proportion of involved female actors in steering groups and a lower participation in working and projects groups in Mecklenburg-Vorpommern.

3.1.2 Implementation of projects (proportion of non-public sector projects and projects with volunteer participation)

In 2010, there was a predominance of public sector project beneficiaries in not only in MV but also in western German

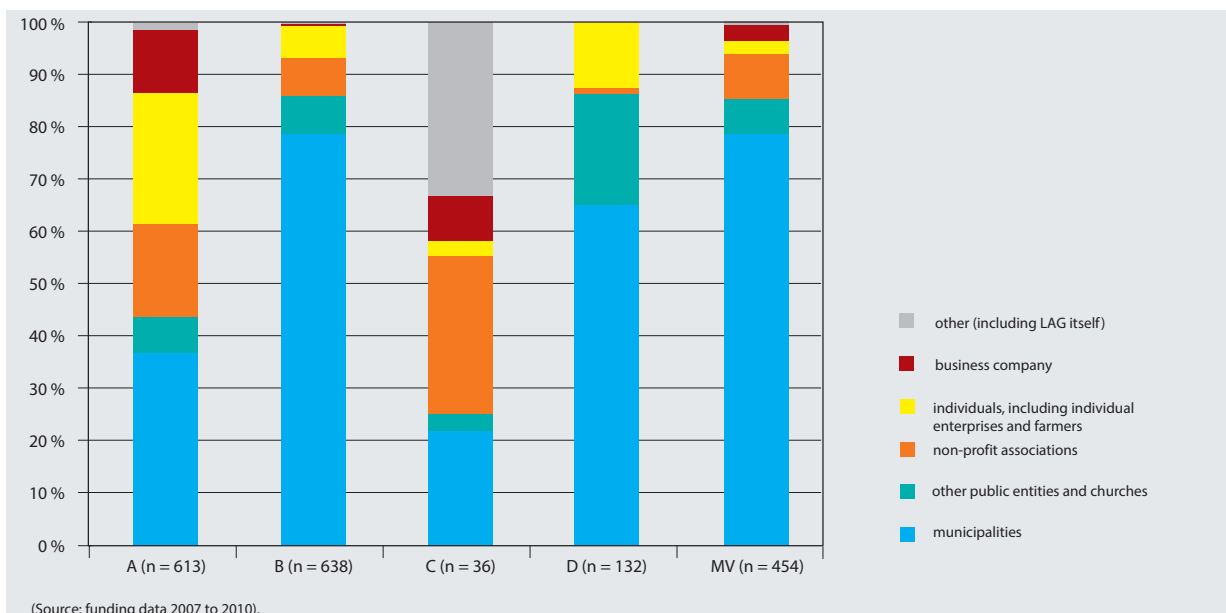


Figure 2 Proportion of different types of beneficiaries

Länder, such as B or D (see Figure 2). The main reason for this was the funding conditions, which included rules for national co-financing (the EU-financial means have to be supplemented by a national co-financing). In the Länder where there was co-financing through local parishes and counties (instead of a co-financing from the Länder) there was a low percentage of non-public beneficiaries.

Problems that arise from the strong influence of agriculture, such as in Austria, do not exist in Mecklenburg-Vorpommern because in all examined Länder, the proportion of agricultural projects is low and usually the LAG decision-making bodies contain no more than one or two actors from agriculture.

Another aspect of citizen involvement in project implementation is the contribution of volunteer work during the realisation of the project. To discuss the added value of LEADER in the sense of a higher mobilisation of endogenous resources, a comparison of LEADER-projects with similar non-LEADER-projects is useful. In general, the dedication of volunteers in projects for village renewal is clearly higher in LEADER-projects than in non-LEADER projects and the percentages are higher in western Länder (see Figure 3).

Mainly, it was local groups, such as associations or parish groups, that contributed volunteer hours, but individuals did as well. Comparing MV with "Land" B the proportion of projects with individual volunteers was similar while there was a clear difference in the proportion of projects with volunteer contribution from local groups (33 % of the projects in MV versus 45 % in "Land" B).

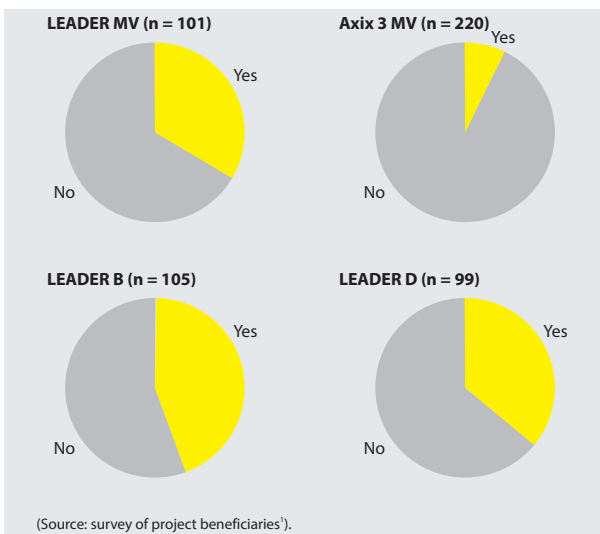


Figure 3
Proportion of projects that include volunteer work (village renewal projects funded via LEADER)

3.1.3 Overall contribution for cooperation

In general, the survey of LAG-members shows positive results regarding the performance of LEADER (see Figure 4). There are positive reviews: "improvements in the cooperation beyond administrative borders" (respectively narrow village boundaries), in "understanding views from other groups" and in the "cooperation between different groups". Thus, LEADER is an example of how an external programme can connect actors from different interest groups, who, without this programme, would not have otherwise met.

As there are no major differences between Mecklenburg-Vorpommern and western Germany, only the results from Mecklenburg-Vorpommern are shown in Figure 4.

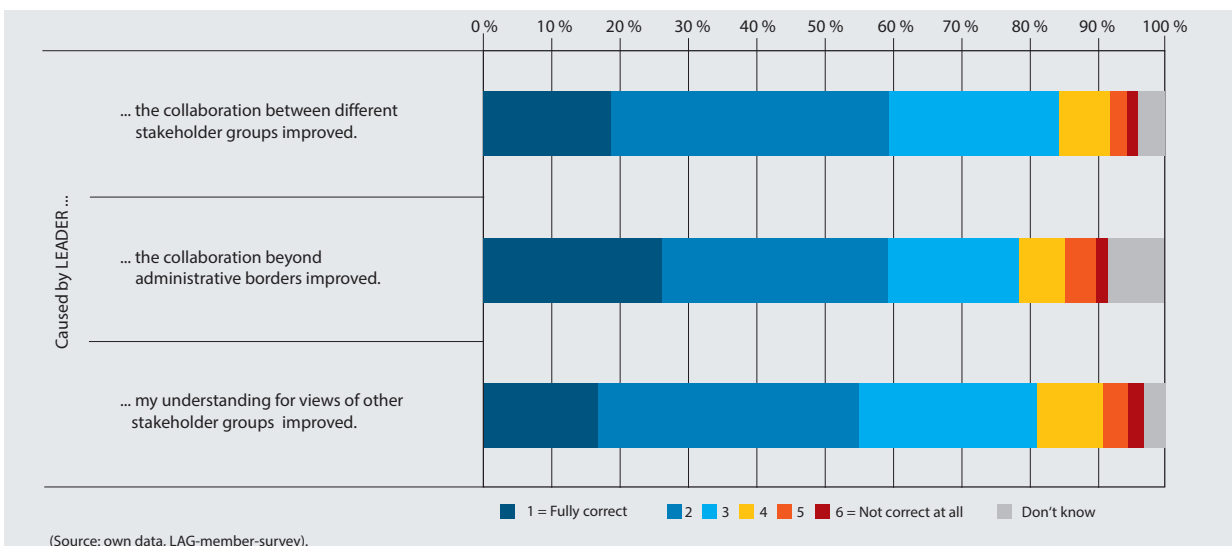


Figure 4
Assessment by LAG-members about a positive impact of LEADER.

¹ Moser A, Peter H, Pollermann K, Raue P, Schnaut G (2012): Survey of project beneficiaries from measures of integrated rural development and LEADER in Hesse, Mecklenburg-Vorpommern, Lower-Saxony, Northrhine-Westfalia and Schleswig-Holstein.

3.2. Innovation

3.2.1 Suitable funding conditions for innovative projects

The most common understanding of innovation or new approaches in the LEADER context is very broad. It includes products and processes as well as organisational, social, institutional and communication matters Neumeier (2012), OECD (2011), LEADER Guide (2011), Dargan and Shucksmith (2008)). Another aspect to innovation or a new approach is the question “Who must perceive it as new?” Rules are lacking about who decides “newness” at the local level, but it is not enough if it is only new for the one who carries out the innovation. A common understanding is that the “unit of adoption” of the innovation must perceive it as new. The adoption-unit is also vague and varies depending on the innovation itself. In our research, the LAG could be seen as the adoption unit because they either carry out the new approach or they represent the locals in their area.

For the development of creative solutions and new ideas, it is advantageous when no narrow administrative limitations apply to the eligibility of projects. The possibility of funding for experimental or innovative projects via LEADER depends very much on the extent to which the Rural Development Programs are able to give a suitable framework to fund projects outside the standard menu of measures (Schnaut et al., 2012). Though in theory, innovation plays an important part in LEADER, in practice it is limited because there are often restricting conditions. This situation explains the results of the survey of LAG-managers (see Figure 5), who

also noticed diminished innovation in comparison with the previous funding period (LEADER+). Since, in the year 2010, the conditions in Mecklenburg-Vorpommern were not worse than in other federal states, a poor environment for innovation is not a “transition country-specific problem”. To address this problem, some federal states in Germany have already made improvements in funding conditions within this funding period (and hopefully more innovation will be possible in the next funding period).

For example the federal state Mecklenburg-Vorpommern now has a measure called LEADERalternativ (Reimann and Kleinfeld, 2012) that provides funding for projects that contribute to the local strategies, without further restrictions concerning the content.

For innovation, after the problems that were experienced at the start of the programme, these improvements are a good sign.

3.2.2 Implementation of innovative projects

As mentioned above, LEADER should offer the possibility of trying out new approaches.

Although funding rules limit the space for innovation, it is still possible. Figure 6 shows the proportion of LEADER-projects regarded as innovative from the point of view of project beneficiaries. For the survey, innovative projects were defined as ‘projects bringing new ideas or approaches for the region’. Even if there is some bias, results show that the proportion of innovative projects in Mecklenburg-Vorpommern is lower than the average of the western Länder.

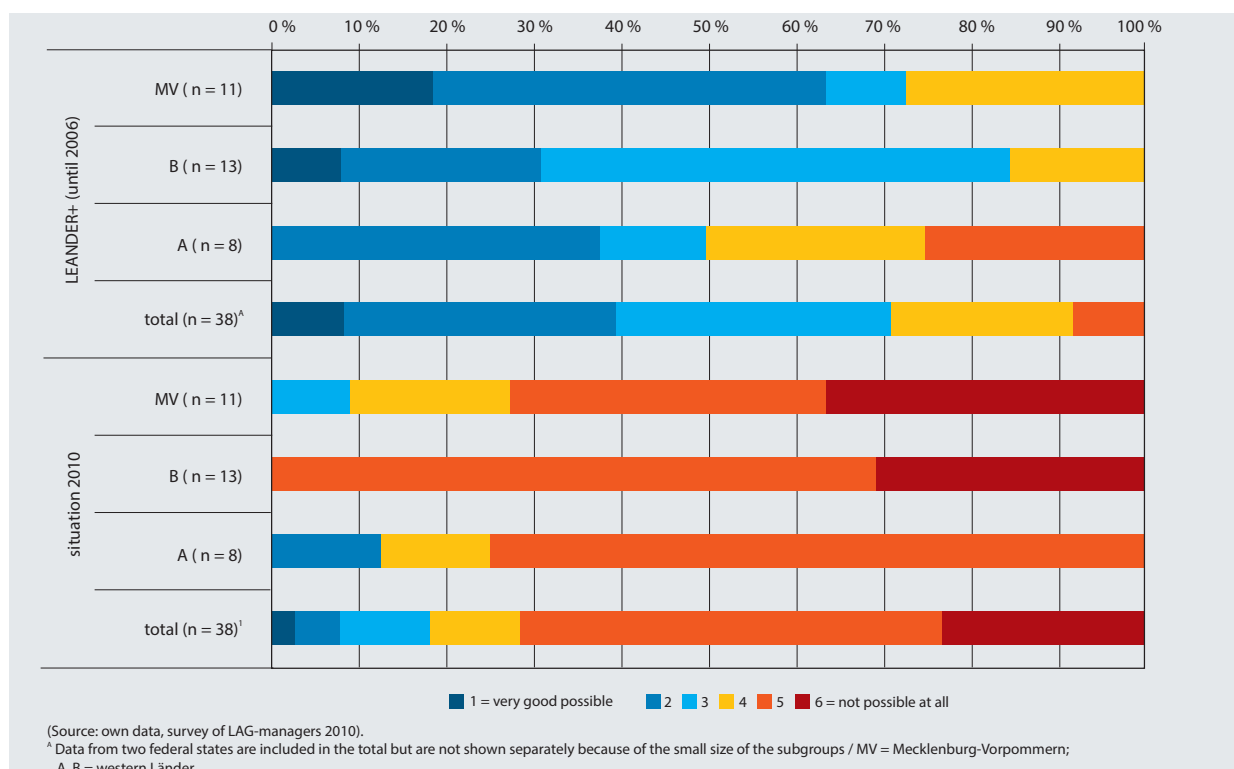


Figure 5
 Distribution of answers (in percentage of total) to the question ‘How do you judge the possibilities to fund innovative projects?’

The differences are partly caused by funding conditions and co-financing rules, but as funding conditions in Mecklenburg-Vorpommern are differ very little from some of the western Länder, there have to be other reasons as well. In this regard two correlations were seen: first, a higher percentage of municipal beneficiaries leads to less innovative projects because they implement more standard measures and second, that less participation (see number of participants in working groups) leads to fewer ideas for innovation. However, those correlations must be proved in further analysis.

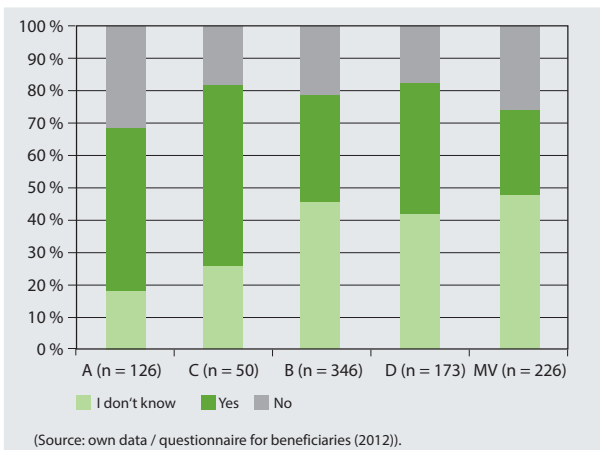


Figure 6
Proportion of innovative Projects in LEADER-Projects
(self-estimation of project beneficiaries)

3.2.3 Overall contribution of innovative projects regarding demographic change

As already explained in the introduction, demographic change is a major challenge for rural development in Mecklenburg-Vorpommern. For both major effects of demographic change (aging and population decline), two types of action can be distinguished: the first is to try to hold up or at least diminish the impact and the second is to adapt to the demographic change.

In Mecklenburg-Vorpommern, a high percentage of LEADER actions are linked to matters of demographic change. The results of the survey on LEADER projects in village renewal show that 43 % of the respondents indicated that their project contributed to an adaptive reaction to demographic change, which is a higher proportion than in Schleswig-Holstein. This may be because demographic changes there have not led to similar severe problems than in Mecklenburg-Vorpommern, so a lower proportion could be expected.

By looking at the way these actions addressed the challenges of demographic change, we found that most of these projects were actions to improve the quality of life, for example by creating social infrastructure and adapting existing structures to an aging population such as barrier-free accesses, or special offerings for seniors.

Only few projects addressed adaptation to depopulation. One reason could be that it is not attractive for

politicians to take action that includes acceptance (in public) of a further loss of population.

Projects that contain new or creative solutions do exist, but they are rare (and again further analysis is needed to examine conditions for the development of these projects). Examples are flexible concepts for the housing of elderly people with dementia, Internet platforms for educational offerings or the creation of multifunctional shop locations, which change their purpose on different days of the week. Such establishments can serve as a food shop on Monday, as a medical service on Tuesday, as hairdresser on Wednesday and as a leisure room for young people on Sunday.

4 Conclusions and Requirements for Community Led Local Development (CLLD)

4.1 Conclusions

Overall, the results show that the LEADER approach is effective in Mecklenburg-Vorpommern. Historical patterns are visible in some areas, but many key elements, such as the size of LAG and LAG composition, are quite similar between Mecklenburg-Vorpommern and the western Länder. Thus, there is added value through working together in the LAG.

There are mixed results with regard to participation: generally, the concept of participation works and leads to the mobilisation of local actors. The higher percentage of women and the lower number of working groups (per LAG) in MV can be interpreted as a result of historical patterns. Generally, the local authorities and the state sector play a slightly stronger role in Mecklenburg-Vorpommern (for example as project beneficiaries).

With regard to innovation, the shortcomings are clearly not only a problem in Mecklenburg-Vorpommern. They are also present in western Germany as well as in other countries in Western and Southern Europe. The reaction to these problems was suitable in Mecklenburg-Vorpommern. Nevertheless, the observed lower proportion of innovative projects in MV could also be a sign of lack of participation in MV compared to western Länder.

Looking at tasks, such as dealing with demographic change, it is apparent that the LEADER approach could make valuable contributions because of the need for innovative solutions and actions beyond small municipality borders, but there is room for improvement in implementation.

In general, a policy approach, such as LEADER, works in the East and the West, and the influence of historic patterns is limited, also because Eastern Germany has different conditions than other transition countries.

The results also show that research solely based on a few case studies would not produce enough evidence. For example, the comparison between Mecklenburg-Vorpommern and different western Länder was important to show that the lack of innovation was not a result of path dependency in transition countries, but a general problem because of general funding regulations.

4.2. Outlook: more Community-Led Local Development 2014+

Against the backdrop of a further extension of the principles of the LEADER approach to other funds to facilitate what is termed Community-Led Local Development, some general conclusions can be drawn. In so doing it should be recalled that there is a long history of LEADER programming with different institutional settings and regulations (for example as a type of multi-fund approach in LEADER II, ÖIR, 2003).

The new CLLD framework could, in theory, provide a good opportunity to compile broader and more integrative local strategies by involving all the European structural and investment funds. Therefore, it would be reasonable for the higher political and administrative levels of each fund to shape their funding framework correspondingly. However, in practice, it is obvious that a real appropriate multi-fund framework will not be established.

4.3 Requirements for a CLLD-policy design

To use the original and intended strengths of the LEADER approach for a successful implementation of Community Led Local Development, greater freedom for locally managed, place-based forms of intervention would be required (Copus et al., 2011; ELARD, 2012). To be successful, first, **local actors** have to cooperate in a suitable way to develop effective solutions. An important prerequisite is the participation of different groups of actors with a common vision of their goals (written down in their local development strategy) and a culture of "working together". It would be unfortunate if LEADER is seen only as a funding source for standard measures of single municipalities. Second, the administrative framework should facilitate the implementation. Regulations and **funding conditions** should be clear at an early stage.

An essential improvement in European regulation for 2014+ will be that the criteria for project approvals will change from a schematic measure-orientation to a target-orientation: whether an idea is eligible for funding will depend mainly on whether it fits the targets of the local development strategies designed and compiled by the LEADER-regions themselves.

As some of the reported problems for innovation and participation have their source in power relations on the local level, the upper level of a multi-level governance system, such as LEADER, should set up rules from top-down to **foster bottom-up principles**. To safeguard participation and transparency in decision making, general rules should be set by funding authorities. This must be done in a fair, appropriate and tactful way to avoid developing a general climate of mistrust. Considering the risk of dominance by the public sector, a balanced composition of the members of the decision-making body should be ensured. The implementing guidelines should set at a minimum number (possibly ten persons, which is already set as a limit in Mecklenburg-Vorpommern) for decision-making bodies. If participation on an equal footing is intended, it is essential to maintain a minimum of 50 per cent for non-public sector actors because results from similar processes show that without such a rule

sometimes only public sector members are in the steering-groups. Such a regulation is again part of the new funding regulations (now it is even a "not-more-than-49 %" for the public sector). In addition, the regions should strive for a better integration of different social groups.

There are two suitable ways to avoid bottlenecks for project decisions caused by the need for **public co-financing**: first federal states themselves can give the funding for non-public sector projects or the Länder could support the setup of a local fund managed by the LAG and fed by contributions of the municipalities involved.

The aspect of **capacity building** should be taken into account from the beginning and should therefore be included in Local Development Strategies and reflected in LAG composition and/or management qualification. **Self-evaluation** and organisational learning should be constituent components of the processes that can lead to changes, which should be possible during the funding-period.

Further key requirements are suitable **criteria for the selection of projects**. The project selection criteria must be integrated into the Local Development Strategy. Here, the funding authorities can set up guidelines that ensure that innovation will be an important selection criterion. Such settings are crucial to support the achievement of effective value-added CLLD-approach.

LEADER offers the opportunity to strengthen civil society and improve multi-sectoral cooperation at a local level as well as to improve cooperation and understanding between local and program managing authorities. A multilevel perspective with efforts on different levels is favourable: the program managing authorities have to give freedom to the local level but also have to safeguard real participation opportunities. Then, at the local level there will be a chance for improved cooperation between the state, economy and civil society. In this way, LEADER can contribute to the further development of governance structures in transition countries. At the same time, specially tailored solutions for the needs of transition countries can be developed and spread to mainstream policies.

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