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## **Abstract**

Since the beginning of the 1990s, the Leader programme has been hailed as the instrument of rural policy that most explicitly takes account of the territorial dimension. This culminated in the mainstreaming of its underlying concept into the Rural Development Programmes of the current period (2007-2013), with the aim of having more effective policy implementation that considers the diversified needs of rural regions. Starting from analysis of the application and delivery of Leader under the present Rural Development Programme in two EU countries, Austria and Ireland, this paper presents an assessment of the effects of this programme change. In addition, it includes the EU-wide discussion on the (limited) effectiveness of the current implementation of Leader and the search for a reorientation towards local development activities in the EU's reform proposals. The paper frames the analysis around the notion of social innovation, a concept of central importance to the aims of Leader. It is argued that the implementation of Leader in this period falls far behind its potential to beneficially impact rural regions; hence it should be an object of critical debate in the reform of the Common Agricultural Policy and rural development measures, as well as coherence analyses with other policies, beyond 2013.

## **Keywords**

Leader programme, neo-endogenous rural development, social innovation, Austria,  
Ireland

## **Introduction**

Regional development in most countries has been characterized by significant urbanization processes for many decades. This has led to the perception in public discourse that rural regions have continuously lost influence in economic, social and cultural terms, being seen as passive and predominantly as a “problem”. However, with the rise of the concept of sustainability new articulations of a “rural active voice” have emerged (Bell, 2008; cf. Cawley, 2009), shaped particularly by new views on food production (e.g. organic food) and new perspectives of rural life. The Leader<sup>1</sup> approach was one of the most influential sets of activities to address this spirit of mobilising the countryside, through focusing on endogenous potential and activating local stakeholders across all sectors.

Based on the assessment that the local activities initiated by Leader since its establishment in 1991 have brought substantial momentum to rural regions across the EU, it has been argued that a more wide-spread application of the concept should enhance regional performance. In this context, the aim of the current funding period has been to raise the profile and significance of the Leader approach, through integrating it into Rural Development Programmes (RDPs), as well as by markedly increasing the level of Leader funding. Nevertheless, positive expectations of shifting the focus of Common Agricultural Policy (CAP) towards the more widespread application of

Leader, have been tempered by doubts about the feasibility and effectiveness of doing this within the new administrative frameworks of RDPs (see Lukesch et al., 2004, for example). The aim of this paper is to analyse how these changes to the Leader programme, referred to as “mainstreaming” (Dargan and Shucksmith, 2008; Convery et al., 2010), affect the original character and constituent features<sup>2</sup> of the “Leader-approach”, and consequently its effectiveness as a means of enabling endogenous potential and activating local stakeholders.

Given the differentiated application of Leader at the small-scale regional level, this paper draws on the findings of case studies from Austria and Ireland, which were conducted as part of a wider assessment of the impacts of RDPs<sup>3</sup> for the EU Framework 7-funded project RuDI.<sup>4</sup> The following section of the paper sets out the importance of social innovation as a concept and means of realising neo-endogenous development strategies, including the potential impact of ‘mainstreaming’ the Leader approach may have on this process. The subsequent section then explains how a qualitative methodological approach was taken, in order to access the various administrative levels involved in the implementation of Leader and to go beyond inherently reductionist approaches to rural policy evaluation.. Presentation of the research methods used is followed by an assessment of Leader delivery in Austria and Ireland, which compares modes of policy implementation and delivery, and summarises the main effects of Leader mainstreaming in both Member States (MS). This state-level assessment is

complemented by findings from other studies about Leader performance, its future after 2013 and the extension of the scope of “Local Development” programmes in the current Structural Funds reform. The paper ends by offering conclusions on the effects of Leader ‘mainstreaming’ on the facilitation and encouragement of innovative social action in rural regions, generally, and the implications of this work in terms of addressing development challenges and enabling opportunities for neo-endogenous rural development.

### **Social innovation and the enabling of neo-endogenous development**

The shift from a sectoral to a territorial rural development strategy in rural areas has focused attention on neo-endogenous strategies as a means of achieving rural development, based on the assumption that those people working at the regional level know best how to tackle the problems within their region and the assets and endogenous potentials they have available (Shucksmith, 2010). However, this approach is dependent on the people and regions involved developing suitable organisational structures and institutional capacity to allow for the conceptualisation and development of new ideas, and new ways of delivering rural policy (Neumeier, 2011). Innovation is thus a vital component of these policies, with its initial impetus and introduction often triggered by external factors, such as RDPs (Copus et al., 2011; see also Bock, 2012). This highlights

the need to examine these programmes in terms of how they can act as a catalyst for, and encourage the development of, sustainable innovations.

Innovation within the Leader programmes has involved shared learning and the mutual exchange of knowledge and ideas (High and Nemes, 2007); indeed, innovation has been at the centre of these programmes and is one of the primary features of Leader (Dargan and Shucksmith, 2008). Bock (2012) argues that within the context of agricultural development, the focus tends to be towards the development and dissemination of technological innovations for economic gains, taken up by individual businesses in order to maximise their own profitability. Rural development, on the other hand, the focus of Leader programmes, is intent on supporting and encouraging innovation as a means of developing "socio-economic systems and seek[ing] to meet unmet public needs and to create public value where markets and common socio-economic policies have failed" (Bock 2012, p. 59). Furthermore, Leader is oriented towards the regional and local scales and the promotion and development of new forms of organisation at both an institutional and personal level (Cawley, 2009), which result in social changes beneficial to the communities involved (Moulaert et al., 2005). As such, the notion of *social* innovations is widely recognised as of central importance to the aims of Leader.

Although there is some concern in the literature that the term *social* innovation is somewhat 'fuzzy' and therefore lacks a critical edge (e.g. Bock, 2012; Neumeier, 2012), there is a broad consensus that it involves new forms of organisation at both an

institutional and personal level, which are developed at the local level and result in social changes beneficial to the communities involved (Moulaert et al., 2005). In this respect, they differ from technological or economic innovation, whereby commercial gain may not be the primary focus, nor indeed the development of tangible outcomes (Howaldt and Schwarz, 2010); rather, social innovation is concerned with “a change of attitudes, behaviour or perceptions” that result in new forms of collaborative action that improve the lives of those involved (Neumeier 2011: 55). Phills (2009: 10) defines social innovation as "any novel and useful solution to a social need or problem, that is better than existing approaches (i.e., more effective, efficient, sustainable, or just) and for which the value created (benefits) accrues primarily to society as a whole rather than private individuals".

Understanding processes of social innovation has therefore become increasingly important to the realisation of neo-endogenous development strategies, such as those promoted through Leader programmes. In this sense, innovation is not an aspatial activity, but is intrinsically linked to territory (Polenske, 2007). Dargan and Shucksmith (2008) argue that social innovation was central to both the delivery and outcomes of Leader I and II (the two first Leader programmes in the 1990s), but that the “mainstreaming” of Leader under the 2007-2013 RDPs has led to a dilution of this approach. This is partly to do with budgetary pressures, but also due to the increased influence and power of farming interests which, as suggested by Bock (2012) above,

has altered the focus of Local Action Groups (LAGs) which are responsible for Leader implementation at the local level.

The Leader programme has posted numerous success stories in previous programme periods, which is why the DG Agri favoured the decision to mainstream the Leader programme, with the intention of extending its effectiveness and success to the wider RDP, across MS. Under the current RDP, Leader is no longer a separate, individual programme; instead, it plays the methodological role of integration within the RDP (Courades, 2009; Dwyer and Maye, 2009; Convery et al., 2010). Within such a policy framework, Leader can be understood as requiring greater professionalisation, as well as financial support. However, the mainstreaming definition has not gone unchallenged, being inherently problematic in both its use and meaning. It implies the transfer of *specific* actions and/or ideas into the “mainstream” of policy administration and general programme application; furthermore, the implication of mainstreaming, in terms of integrating Leader as a horizontal activity into the whole RDP, affects the principles of Leader and hence its approach to facilitating innovation and enabling neo-endogenous development (Lukesch et al, 2004). As an EU-wide attempt of the EC to reform the CAP from a sectoral policy towards a more comprehensive rural development policy, the territorial dimension is given more weight in all RDPs (Shucksmith, 2010).

However, as noted above, mainstreaming is far more than simply an administrative change. New challenges arise due to the requirements to link it to instruments,

implementation rules and eligibility criteria within the main CAP regime. In particular, these concern the increased focus on agricultural support measures and the definition and restrictions of eligibility for non-agricultural activities. Van der Ploeg (2003: 3) notes that “it was unclear how this modification would affect formal democratic procedures and a generalized LAG approach”. Lukesch and Schuh (2007: 23) also highlight that Leader principles can “only unfold their full potentials if applied in packages”. One of the significant findings to date from programme evaluations is recognition that there are important differences between both nations and regions, some of whom have had long-term experience of local action programmes and others for whom it is a new concept. Analysis of new MS like Hungary (Podmanicky, 2008), Poland (Furmankiewicz, 2012) and Romania (Marquardt et al., 2012), reveals, for example, high interest in this type of rural development approach which is nevertheless hampered by the desire to retain centralised control over resources and processes on the one hand, and the need for a long-term perspective to enhance social innovation on the other. The political and institutional obstacles emerging from the alteration of the programme structure will further scrutinised in this paper by addressing the main concerns highlighted within two established MS (Austria and Ireland), linked to the general debate on the future of local development support.

## **Research Methodology**

The research on which this paper is based attempts to move beyond inherently reductionist approaches to rural policy evaluation. It argues for the need to examine and learn from the *policy process* itself, rather than merely focussing on impacts/outputs and, crucially, seeks to provide deeper insights through a small, but intensively investigated number of cases (cf. Convery et al., 2010). The rural development policy cycle includes three main areas: governance issues on *design* (conception of instruments and operational modes); *delivery* (modes of transaction and control); and *evaluation* (timing, procedures etc.) of policies affecting rural areas. These represent the different phases of the policy process, each of which has a substantial influence on the policy setting that extends well beyond the RDPs. Due to the integration of Leader into the RDPs, it has become crucial to understand the new design and delivery processes of Leader and its relationship to the other policy priorities of the RDPs. These aspects of the policy cycle (design, delivery and evaluation) were the core issues addressed in the qualitative approach taken in the empirical work.

In order to assess the effects of mainstreaming, the focus of the research was therefore on two MS which have had particularly active Leader programmes in the past: Austria and Ireland. In order to obtain meaningful research results, a multistage methodology was applied. In both cases, the initial stage comprised an in-depth survey of the overall design and implementation of Leader from the start of the RDP to the end of 2009. This

national design and implementation baseline review provided the context for a more detailed assessment of Leader at regional and local scales in the two MS. Methodological instruments applied at this stage included: data analysis of Leader performance (strategic priority setting and analysis of expenditures) in all Austrian and Irish Leader regions; a qualitative analysis of implementation issues at all administrative levels (national, regional and local) in Austria; and similarly in Ireland where more than two thirds of the country's Integrated Local Development Companies (ILDCs) (who perform the role of LAGs in the Irish context) were analysed.

As a means of accessing the experiences of local development actors, and as a result of the preceding national-level baseline analysis, five LAGs in Austria and three ILDCs in Ireland were selected for an in-depth examination (see Table 1) in the second stage. This involved interviews with Leader managers, project applicants, regional managers, chairmen and other local actors; observations of, and attendance at, project and staff meetings; field visits to potential projects to be funded in the RDP and other informal discussions. Interviewees were selected to represent the most influential actors and divergent views of programme participants at the local level. The set of questions addressed in these interviews focused particularly on changes in programme delivery due to "mainstreaming" requirements and the effects of this programme change on the capability of local actors to realize innovative action. Relevant background papers and documents were also collected to extend the LAG-level analysis of mainstreaming

processes and evaluation requirements. In addition, the research team met with various local actors (Leader managers, department officials and inspectors) at a series of focus groups to discuss the outcomes of the LAG-level analysis and to provide a forum for reflection on project findings.

In a third stage, a national workshop meeting between local and higher administrative levels, was organized to capture the ‘official’ perspective of both provinces and the federal state and the need for autonomy at the local level. The combination of these research methods resulted in a large amount of very rich, qualitative data.

INSERT TABLE 1 ABOUT HERE

Based on these data, and their subsequent analysis, the following sections provide a comparative assessment of how Leader in the current RDP is delivered in Austria and Ireland, particularly in terms of how it enables (or not) social innovations to realise neo-endogenous development. The analysis mostly concerns delivery, sitting between conventional ex ante and mid-term programme assessment periods (2007-2009). These findings will be compared and enriched by the main results of Mid-Term Evaluations at the EU level.

## **Leader programmes in Austria and Ireland: Regulations and modes of delivery**

Local development activities and Leader have a long tradition in both Austria and Ireland. In Ireland, since the late 1980s a plethora of rural development initiatives have been introduced, starting with a “Pilot Programme for Integrated Rural Development”, prior to the “official” introduction of the Leader initiative in 1992 (Storey, 1999; Cawley, 2009). Similarly, local development initiatives were first established in Austria in 1979 through a national programme of endogenous regional development (Gerhardter and Gruber, 2001).

In contrast to former periods, an important change and challenge under the current mainstreaming approach is that Leader measures now have to be implemented by the same procedures, and fulfil the same administrative requirements, as all the other RDP measures. Nevertheless, there is scope for national flexibility, which is exemplified in the differences between the RDP structures of Austria and Ireland. Ireland has its Leader focus on measures with the aim to improve the local economy and quality of life in rural areas (Maye et al. 2010: 17). The programme allocates 10% of the RDP budget to these measures. In Austria the allocation is done, as in most European countries, for all RDP measures, with a minimum of 5% for Leader. Based on the allocation of EU funding per RDP objective, the financial support for Leader activities was increased

substantially. This rise in the Leader budget is of a very similar dimension for both countries, with the new level about three to four times higher than the support available in the previous RDP period (2000-2006). The considerable increase in funding has the potential to bring about a corresponding impact in the outcome and policy performance of rural areas.

As the comparative presentation of indicators of Leader application reveals (see Table 2), there are a number of similarities between the two countries. Both apply the Leader measures across almost the whole country and address more than half of the national population. While the public funds available for Leader 2007-2013 have been set at more than 400 million Euros in both countries, the intensity is very different, with the level of support per inhabitant being almost twice as high in Ireland. The Austrian Leader implementation started quickly so that the rate of absorption of the budget allocated to Leader was highest among all EU countries (Courades, 2011: 2). However, the most important difference to previous periods is the change in the project types supported which in turn has implications for the average project size. The concentration on agricultural support measures has resulted in a decrease in the average project costs (in Austria now about €40,000 against €155,000 in the previous period). This trend towards smaller (and less innovative) projects holds true for Ireland and the other EU countries as well.

## INSERT TABLE 2 ABOUT HERE

In Austria, the provinces are responsible for delivering Leader, whereas in Ireland it is exclusively the Department of Community, Equality and Gaeltacht Affairs (DCEGA) that is responsible for Leader. With regard to delivery at the local level, the implementation of the Leader measures in Austria takes place in the 86 Leader regions by LAGs. All RDP measures can be applied by LAGs within the Leader scheme. Beyond the coordination role of the Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW) at the national level, the provinces have the core task of administrating the implementation of Leader, as well as being the service institutions. Their responsibility is to assess the content of Leader project applications, to decide on their eligibility and to execute Leader funds to the applicants.

However, the implementation procedures are different in the Austrian provinces. In some cases, Leader managers are closely linked to regional managers, or even operate themselves as regional managers, coordinating activities with other programmes such as Interreg, RCP (Regional Competitiveness Programme financed by ERDF) and national regional support schemes. The Leader managers are in charge of project administration and implementation, support and assistance, as well as being the contact point for rural applicants and linkages to the provincial level. Furthermore, the LAGs are responsible

for data collection, monitoring and self-evaluation, and for elaborating the local development strategy for their regions.

Besides the similarities between the two countries, there are also important differences in policy delivery and governance. In Ireland there is a split in policy delivery at the macro-level, with the Department of Agriculture, Fisheries and Food (DAFF) acting as the Managing Authority, with responsibility for the “Farming and Food” and “Environment and Countryside” objectives/axes, while the DCEGA is responsible for “Rural Life” and Leader, yet reports back to DAFF. The DCEGA oversees the content assessment of potential Leader projects, allocates Leader funds to the LAGs and ultimately decides whether to approve projects (Maye et al., 2010). Furthermore, LAGs in the 2007-13 period are now in the form of so-called “Integrated Local Development Companies” (ILDCs), which are the result of a process of ‘cohesion’ that involved the merger of companies that previously had delivered either Leader programmes or Local Development Social Inclusion Programmes (LSDIP) (Cawley, 2009). As these two programmes had a quite different genesis and focus, current management structures are still separate: Leader is managed by the DCEGA, with a focus on developing relatively remote rural regions; whereas, the LSDIP is a nationally funded programme that is oriented towards groups of excluded people in urban and rural areas. The main aim of cohesion was to improve the operating efficiency of programme delivery in terms of administrative costs, but also to enable synergies across programmes, thereby enhancing

the diversity of projects supported, but also to consider more explicitly the social dimension when supporting the development of rural areas (Maye et al., 2010). A short overview of the organizations at the various levels in the two presented countries is summarized in Table 3.

INSERT TABLE 3 ABOUT HERE

A comparison of implementation approaches that was carried out by the European Network for Rural Development (ENRD), discerned three different models of the roles attributed to LAGs (Brosei, 2011: 9): first, LAGs that are only in charge of project selection; second, LAGs that are in charge of project selection together with payment tasks; and third, LAGs that are in charge of project selection, approval and payment tasks. This EU-wide analysis reveals that local actors have been restricted to a small section of tasks in many countries. Most importantly, the changes in the administrative regulations have had particular consequences for the content of applications. Thus, in Austria the current implementation of Leader measures is characterized by two diverse types of Leader projects: “classical” and “standard”. “Classical” projects are those that were typical in previous periods, with an expressed concern to consider the Leader principles. “Standard” projects are primarily individual agricultural and forestry (diversification) projects that are attached to Leader due to the mainstreaming approach. The case studies of LAGs reveal that they have some flexibility to select projects according to their strategy, but are pushed towards simplified procedures of approval for

“standard” (less innovative) projects (Strahl and Dax, 2010). This relates to the budgetary framework of the current RDPs, that sets out that Leader projects can only be funded if a budget provision for specific measures has been set. These “coordination” challenges are dealt with differently in Austrian provinces. In most cases there is a lack of appropriate match-funding, particularly for trans-sectoral, innovative as well as social and cultural projects. As a result of these processes, many actors feel that the considerable increase in the Leader budget has so far had no effect on raising the potential for local initiatives in Austria.

Leader in Ireland has also become much more bureaucratic through mainstreaming, being driven by rules with clearly defined governance and compliance guidelines. While the operating rules for “Rural Life” and Leader (i.e. axes 3 and 4) on paper cover a field of quite common issues (such as guidelines on operation areas, processing of applications, monitoring and evaluation), many ILDC managers argue that the DCEGA’s *interpretation* of the operating rules is overly rigid and inflexible, markedly increasing the administrative burden and making it much more difficult to develop new, innovative projects. This has been a factor in delays to the implementation of Leader funds, as has the process of cohesion and wider budgetary problems caused by a constrained national economy, which has been severely hit by the global economic downturn. Although the Leader budget has been exempted from budget cuts, it has become increasingly difficult to find project partners with available match funding

(Maye et al. 2010: 16 and 24). Furthermore, changes to the inspection process under mainstreaming means that it is now a more risk averse, audit-based approach centred on finding errors in the application of the rules, rather than advise-based, resulting in a so-called “inspection overload” (Maye et al. 2010: 18). This is leading to a culture of fear: fear at the DCEGA level that they may be perceived by Brussels to be failing to implement the more stringent operating rules; and fear by the ILDCs that they could fail a departmental audit, resulting in them having to pay back funds that they have already committed to projects (Maye et al. 2010: 26).

### **Disabling innovation: The effects of Leader mainstreaming**

The case studies reveal many parallels between Austria and Ireland concerning the effects of mainstreaming Leader, experiences which have also been endorsed by Mid-Term Evaluations from other countries (Leader Subcommittee 2011, Schnaut et al., 2011). The qualitative empirical approach provides evidence of the wide scope and rising challenges faced by local managers of Leader programmes, as well as reflecting their interpretation of the effects of changes in relation to programme performance. The following presentation of the main effects of Leader mainstreaming is largely informed by insights into programme implementation in Austria and Ireland, drawing on materials collected from the three stages of the evaluation, especially the detailed LAG-

level case study analysis. The concerns raised highlight the necessity of checking programme delivery against the preconditions for mainstreaming. The following dimensions of mainstreaming show the gap between the potential for rural activities and supporting innovative project ideas, as expressed in the interviews with local actors, and the institutional capacity to realise this potential within the current regulation systems.

#### *Programme delivery*

Delays are strongly influenced by the ability of all the levels involved to adapt to the new programme framework and provide region-specific answers. In Ireland the delay was largely caused by the formation of ILDCs (Maye et al., 2010; see also Cawley, 2009); while in Austria, although the adaptation to the new regulation regime took time and energy (Strahl and Dax, 2010: 16), it was completed in a comparatively short time.

#### *Increased level of regulation*

The operating rules set up at national and provincial levels are established by EU regulations and should help improve programme delivery. However, it is clear from the interviews that the increased level of regulation and accounting reinforces the complexity of the scheme and is slowing down Leader delivery. Having already spent 35% of its Leader budget by May 2011 (Courades, 2011: 2), Austria is on target to spend its allocated funds by the end of the programme period (albeit at the price of almost sacrificing the innovative character of Leader). However, in many other MS

considerable efforts will have to be made in order to distribute the available Leader funds. In Ireland, for example, there is pressure on ILDCs to increase the size of individual project budgets, in order to ensure that the overall Leader budgets are spent (Maye et al. 2010: 27).

The increased levels of bureaucracy and extra auditing at both national and provincial levels have had a number of adverse effects on programme delivery, especially in that it is often the same number of staff that now has to deal with a significantly greater LAG area. It was evident from the case study visits to LAGs that these programme changes place a large burden on the staff involved, with a greater percentage of their time being used for administration, with relatively less time available for giving advice and helping with community development tasks (Strahl and Dax, 2010: 29). The decrease of support available for proactive innovation augments the EU-wide impression that programme management cannot realistically be assessed as professional (Brosei, 2011).

#### *Strategic orientation*

It is apparent from the Austrian case study, that relative to the previous programme period (Fidlschuster, 2007), many of the strategic priorities of Leader have lost relevance. The wider set of measures now applicable through mainstreaming can only be turned into positive impacts if strong incentives for the Leader concept and community development are continued. Nevertheless, the evidence suggests there is a persistent deficit in continuing the strategic orientation of supporting local action

development. The reduced priority for the Local Development Strategies (LDS) has been increased by barriers to the implementation of “classical” Leader projects, which has pushed LAGs to make increasing use of “standard” agricultural measures. In countries where RDPs are primarily governed by agricultural stakeholders, as in Austria, this has led to a distinct agricultural orientation in Leader applications and less concentration on innovative cooperation projects. Similar effects in Leader implementation were experienced in many other cases (RuDI consortium, 2010; Papadopoulou et al., 2011; Schnaut et al., 2011). This indicates a gap between the Leader approach and public assistance, revealing that the principle of multi-sectoral support is waning (Strahl and Dax, 2010: 21).

#### *Rural innovation*

What becomes apparent from both of the countries studied here, and other examples as well (see Convery et al., 2010, for example), is that the innovative character of Leader is being threatened by what might be termed a “banalisation” of projects. With the shift to low risk (agricultural) “standard” projects, the orientation towards activities of an experimental character, with a high degree of creativity and innovation, is diminishing (Strahl and Dax, 2010: 22). It is necessary for all levels of institutional governance to counter-balance this tendency and to make efforts to re-establish the pre-conditions for local community action. The economic crisis has contributed to a perception that matching budgetary targets takes preference over local community development needs.

This has led Leader managers to become wary of developing innovative projects, because in reality these are often not feasible within the current regulatory framework (Maye et al. 2010: 20).

*An implicit shift in decision-making*

Whereas Leader was known for being an area-based bottom-up approach, LAGs nowadays feel constrained and squeezed in between a growing set of regulations, losing their ability to make use of locally-specific rural assets through an innovative approach (Strahl and Dax, 2010: 38). The mainstreaming of Leader has also made it more difficult for those operating at the local level to be flexible and to respond to the particular needs of local areas (EC, 2011), or to be a ‘test bed’ for neo-endogenous rural development actions that may not always be certain to succeed, but that hitherto have been considered worth trying (Maye et al. 2010: 26). This lack of adaptability regarding local needs was referred to in a number of the case study interviews as a tendency towards a reduced autonomy for LAGs. In this period, Leader measures are increasingly at odds with a bottom-up-approach so that, not surprisingly, there is concern that the Leader ethos has been replaced by a much more top-down reality. In this respect, the principles of innovative, area-based local strategies as guiding Leader (EC, 2006; OECD, 2006) are in danger of becoming buzzwords without actual relevance in practice. It should be noted that the EC drew conclusions from these failures (Leader Subcommittee, 2011) and reframed strategies for local development. Building on

findings about translocal interrelations (Copus et al., 2011; Hedberg and do Carmo, 2012), restricting local initiatives is no longer considered useful. The future policy concept therefore envisages offering Multi-Fund Local Development Programmes. The draft regulation proposes Community-Led Local Development (CLLD) based on the Leader approach and involving all the Funds covered by the Common Strategic Framework; furthermore, that this should apply throughout all regions (EC 2012: art.28-31), i.e. rural and urban regions.

#### *Effectiveness of Leader*

Notwithstanding recent efforts to modify funding rules, the above comments clearly raise a number of important issues regarding what impact the mainstreaming process has had on the Leader approach and ethos. There is no doubt that a significant increase in the size of the budget and a more comprehensive integration of Leader into the main RDP structure have upgraded Leader's status, shifting the programme from the margins towards the centre of rural policy influence. This point was recognised in a number of interviews with Leader managers and others involved in rural policy. Nevertheless, it is apparent that only a minority of those involved are satisfied by the quantitative changes, principally because the increased funds have not as yet resulted in a correspondingly increased impact in terms of outcomes and policy performance for rural regions and societies (Strahl and Dax, 2010: 29). The application and effects of Leader differ, depending on who the responsible authorities are for its implementation at both national

and provincial levels, with some administrations taking a much more multi-sectoral approach than others. Consequently, greater coherence for policy implementation and a more comprehensive assessment of impacts, in particular the added value of Leader application, is urgently required (European Court of Auditors, 2010).

## **Conclusions**

The case study findings from Austria and Ireland regarding the mainstreaming of Leader have profound implications, especially regarding potentially diminished contributions to local innovation. Although the principles of Leader have not been removed, their relevance has been restricted. This assessment is underscored by the two MS case studies and increasingly also evidenced in the programme evaluations of other countries (Schnaut et al., 2011; Thuesen, 2011; Papadopoulou, 2011; Brosei, 2011). In particular, the bottom-up approach and support for social innovations and local actions are being challenged and arguably threatened, only retaining their influence when clearly targeted by multi-level governance structures. In practice, there is no priority for the “new rural paradigm” (OECD, 2006), which focuses on places instead of sectors, taking a territorial rather than a sectoral approach. Findings, like these presented for the two countries and other mid-term evaluations, have been discussed in the wake of the EU policy reform process, calling for a renewed recognition of the preconditions of the Leader approach.

The EU Commission has repeatedly called for an increase in the territorial dimension of CAP in past reform debates (Dax, 2006), but this has not been realized through mainstreaming. On the contrary, as evidenced in both case study regions, there has been a trend towards centralisation and a reduction in regional targeting. Innovative mechanisms of coordination and cooperation face substantial implementation difficulties, which has had a negative effect on participation in the programme. In practice, CAP application falls short of the rhetoric of the ‘new rural paradigm’ and fails to integrate core aspects of Leader through mainstreaming. Rigid coordination structures, hierarchical mindsets, as well as new control and audit mechanisms (evidenced here through detailed LAG-level analysis) prevent a local or regional-based application of Leader. The hierarchical administrative structures thus work against cross-cutting and multi-level governance. Moreover, the recent discourse was not restricted to the reform of Rural Development Policy, and thus an internal discussion of CAP objectives and outline, but was specifically addressed by Cohesion Policy. A vision of coordinated Multi-Fund Local Development Programmes is proposed for the 2014-2020 funding period, that would build on the lessons from the shortcomings of the current mainstreaming of Leader (EC 2012, art.28-31).

These policy conclusions recognise that the application of Leader has deep implications for other rural activities. Thus, in some regions the inter-relations and cooperation of Leader with other local and regional actions and mechanisms (e.g., Interreg, Local

Agenda 21, Climate Change action groups, nature protection areas) reflect a neo-endogenous approach. Building on recent findings of territorial, social and cultural interrelations, a more active engagement with other sectors and actors will be required in order to tap the local potential of rural (and urban) regions. In this respect, future Leader and local development actions need to reinvigorate long established core principles, most notably the notion of social innovation (Moulaert et al., 2005; Bock, 2012), and to concentrate on local and regional assets and deliver at that level, if its capacity to make a significant area-specific impact is to be realised again.

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## Endnotes

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<sup>1</sup> Leader is an acronym for the French term, Liaisons entre Action de Développement de l'économie rurale (links between actions for the development of the rural economy).

<sup>2</sup> The following aspects are in general presented as the “Leader principles” (EC, 2006): bottom-up elaboration, local public-private partnership, integrated and multi-sectoral actions, cooperation, networking, area-based local development strategies and innovation.

<sup>3</sup> The core policy objectives are: improving the competitiveness of agriculture and forestry (Axis 1 - “Farming and Food” ); supporting land management and improving the environment (Axis 2 - “Environment and Countryside”); and improving the quality of life and encouraging diversification of economic activities (Axis 3 - “Rural Life”) (EC, 2006, 3). The Leader methodology is a fourth programme axis.

<sup>4</sup> RuDI: “Assessing the Impact of Rural Development Policies, including Leader”, FP7 (No. 213034).