

Local Action Groups (LAG) as an important strategic partner for rural development in the Region of South Bohemia

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Abstract

This paper presents the opportunities for using local action groups (LAG) as an ideal platform for the initiation of the functional and long-term development of rural regions. Countryside areas in the Czech Republic are facing an exodus of young people and a decreasing level of education. These problems are compounded by the non-conceptual approach to implementing solutions to resolve rural development issues. These problems need to be dealt with at all levels i.e. national, regional and local. The existing measures, mainly legislative and legal support, do not correspond with the importance of the issues at hand. At present, any development plans that are put forward are placed before local governments for approval. The local governments cooperate with LAGs to select those proposals that are realistic and can be supported from limited budgets. Unfortunately, development objectives that have the potential to work in larger territories often face major barriers “from above and from below”.

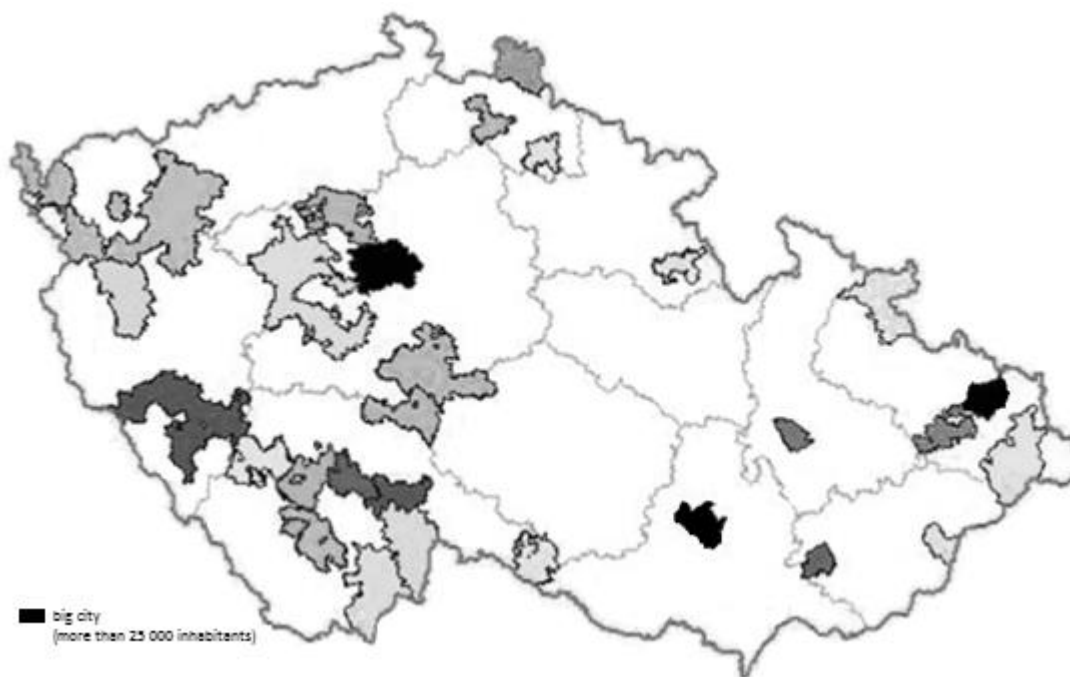
This paper identifies those factors that would make it feasible to use the management staff of local action groups as coordinators in the given region. With their detailed knowledge of the region they are able to assist in targeting various forms of financial support where they are most needed, as well as being able to initiate cooperation at different levels that would contribute to the actual and complex targeting of that support. The management staff of local action groups are also aware that rural development cannot only rely on a wave of subsidies. However, these resources can be used to build a strong partnership between the public, private and non-profit sectors. Prosperous rural regions are those regions in which local businesses function with the support of local governments and where the level of the local (and/or regional) education system is successfully maintained or improved and to which educated people return after their studies in larger towns. LAGs may substantially contribute to the solution of the aforementioned issues.

Keywords: local action group, LAG, rural regions, local governments, animator

Introduction

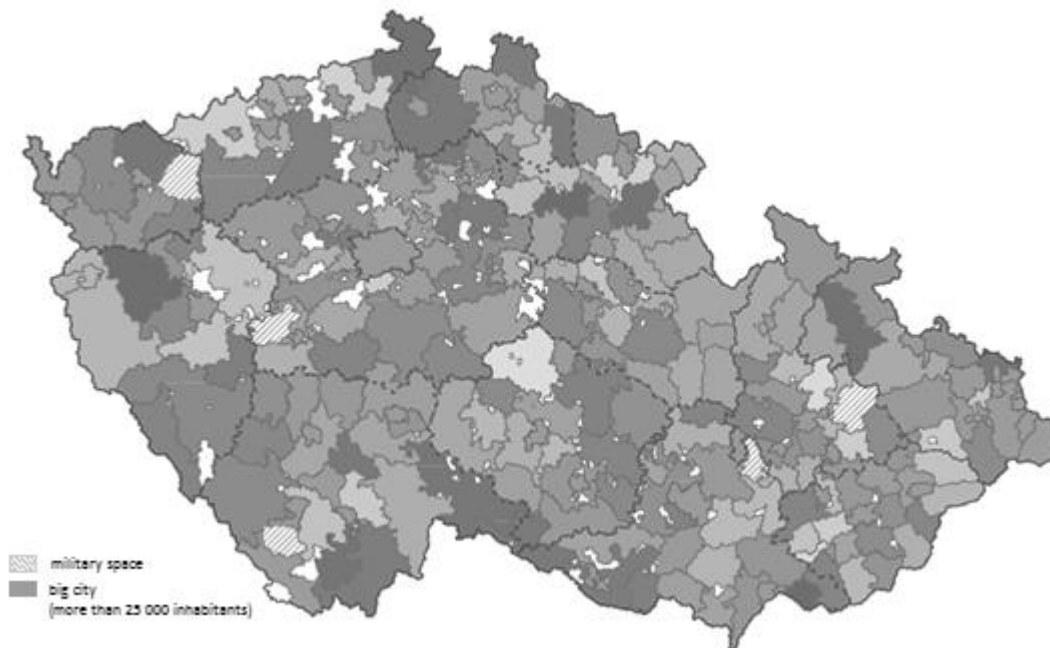
In the Czech Republic the number, role and activities of local action groups (LAG) grew substantially after 2003. They were established spontaneously and almost geometrically (see Figures 1 and 2). This expansion is evidence of the success of the idea that rural development should be influenced by those living there. The basis for this was a new method (place-based decision making) which facilitates cooperation between public administration, the business sector and non-profit organizations, whereby decisions on all crucial issues are taken on the basis of consensus across these different sectors (Wade, Rinne 2011, p. 2).

Figure 1: Map of regions in the Czech Republic with LAGs (2004)



Source: National Network of Local Action Groups in the Czech Republic

Figure 2: Map of regions in the Czech Republic with LAGs (2015)



Source: National Network of Local Action Groups in the Czech Republic

In the programming period 2007 – 2013, local action groups were supported by the Rural Development Programme administered by the Ministry of Agriculture of the Czech Republic. In 2008, the first 48 local action groups were selected within the framework of this programme which were subsequently permitted to allocate financial resources among applicants from their regions on the basis of the LEADER Strategic Plan (LSP). This was carried out by working groups (WG) whose task was to define the priorities in the given area and to implement a strategy for sustainable development across the area of interest of the respective LAG (Wokoun, Malinovský 2008, p. 358).

The allocation of resources was primarily based on the size of the population and the size of the LAG area. In 2009, another 32 local action groups were selected that satisfied the conditions for participating in the Rural Development Programme. This brought the number of supported LAGs in the Czech Republic to the agreed level. In 2010, a similar procedure was adopted when the Minister of Agriculture decided to increase the number of LAGs that could receive allocated resources within the framework of the Rural Development Programme to 112. As a result, another 32 LAGs were selected. This decision firmly anchored the LEADER principle into the Czech rural development planning environment and increased the involvement and interest of municipalities in LAG activities across the Czech Republic.

Material and Methods

The methodical approach was utilized to analyse a selected sample of LAGs, in particular with regards to their contribution to the development of the Czech countryside. This includes descriptions of the principles and rules underlying their activities.

A representative test sample for the aforementioned research was selected from the Region of South Bohemia. The region covers an area of 10,057 km² (12.8% of the total area of the Czech Republic) and is the second largest region, behind the Region of Central Bohemia. The region is characterized by a relatively low population density (62 people per km² against 102 people in the Region of Central Bohemia), lower average wages and lower GDP per capita. Geographical factors influenced its historical development, whereby the region remained less developed and poor. This is evident in the fact that there are no large mineral resources in South Bohemia, that the majority of the agricultural land consists of lower quality soils that are intensely farmed, and that industry is concentrated in just a few locations. The landscape has therefore remained almost unchanged over many decades. Commercial forestry takes up a substantial part of the landscape, as do the pond systems that were built hundreds of years ago. Both generate income for the surrounding areas. The landscape also lends itself well for relaxation and recreation, however to live and work there permanently is not an easy task when compared to the opportunities city life provides.

The degree to which the selected sample is representative can be supported by a theoretical consideration and/or assumption. This assumption is that the people living in such a region have always pursued various activities and been involved to varying extents in clubs and special interest groups, etc. in order to make their lives socially valuable. However, it should be noted that when taking this assumption into consideration, the same trends, although with varying degrees of intensity, can also be identified in the other regions of the Czech Republic. The specificity of the region is therefore better emphasized by the fact that the population of the whole region amounts to 637,000 people: of which 93,000 people live in the regional capital, České Budějovice, with the remaining 544,000 people living in the 622 towns and municipalities across the region (on average 875 people per municipality), of which approximately 134,000 inhabitants live in former district towns. If this latter number is also taken into consideration, the population density per rural settlement in the Region of South Bohemia is actually much lower. This is evident in the fact that the majority of human settlements in the region are small hamlets. For historical reasons, these hamlets have to cope with low level public utilities and services, and, as is the case in other rural areas, they also face the continuous exodus of young people to towns. They leave the countryside to study and to work in the towns, but alarmingly rarely return. The highest transfer of human resources continues to be recorded in the population with higher levels of education. This is a limiting factor for the development of the Region of South Bohemia as a whole.

Results and Discussion

The results of the performed analysis can be broken down into three main stages: establishment of LAGs; activities over the period 2007- 2013; activities over the current period 2014-2020.

Establishment of LAGs

Local action groups came into existence as an initiative whose objective was to assist in making permanent improvements to the countryside. It is important to note that LAGs have never claimed an exclusive role in regional development, but have only wanted to be actively involved in developmental trends and to influence them according to the wishes of the people living there. The LEADER (“Liaison Entre Actions de Développement de l’Économie Rurale” or “Links between the rural economy and development actions”) method, which brought LAGs into existence, allows local people to participate in the development of their region because they understand the territory better than anyone else. Since its introduction in 1991, its implementation across the European Union has proven so successful that it has continued to develop (Woods 2011, p. 145). The concept’s expansion in the Czech Republic started in 2004, with targeted support from national resources already beginning in 2006 under the Leader CR Programme. In total, the Regional Authority has supported local action groups to the tune of almost CZK 23 million. This represents 4.2% of the amount that LAGs brought back into the region through their activities. This support was used to pay expenses that could not be claimed within the framework of overhead costs, in particular interest on credit because LAGs are required to pre-finance their activities.

Activities over the period 2007-2013

For the period 2007-2013 the activities of LAGs were supported by the Rural Development Programme of the Ministry of Agriculture of the Czech Republic. Out of the 15 active local action groups in South Bohemia, 12 LAGs were supported by the Rural Development Programme over this period. The remaining three implemented at least cooperation projects (see Figure 3) and therefore acquired important know-how. These activities cost the Regional Authority of South Bohemia a total CZK 543.6 million. These costs represent the value of the subsidies extended to LAGs, and not the value of the total costs of the projects which is estimated to be more than twofold. Table 1 shows the contributions to the LAGs from the Regional Authority of South Bohemia over the reference period.

Figure 3: Leader strategic plan during the period 2008-2013

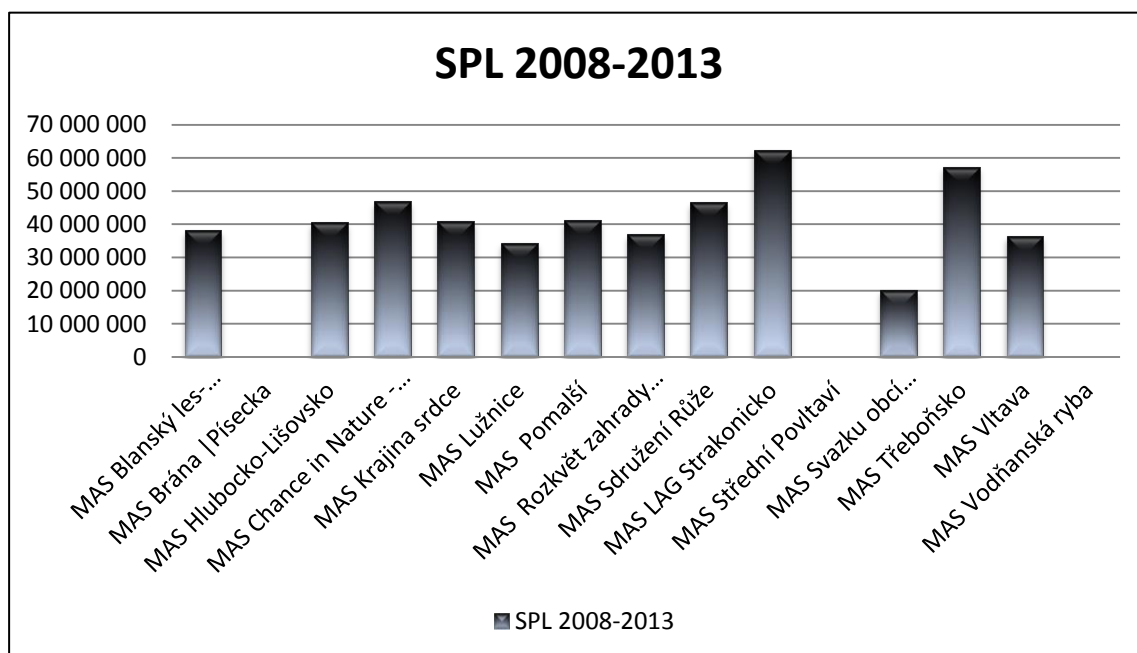
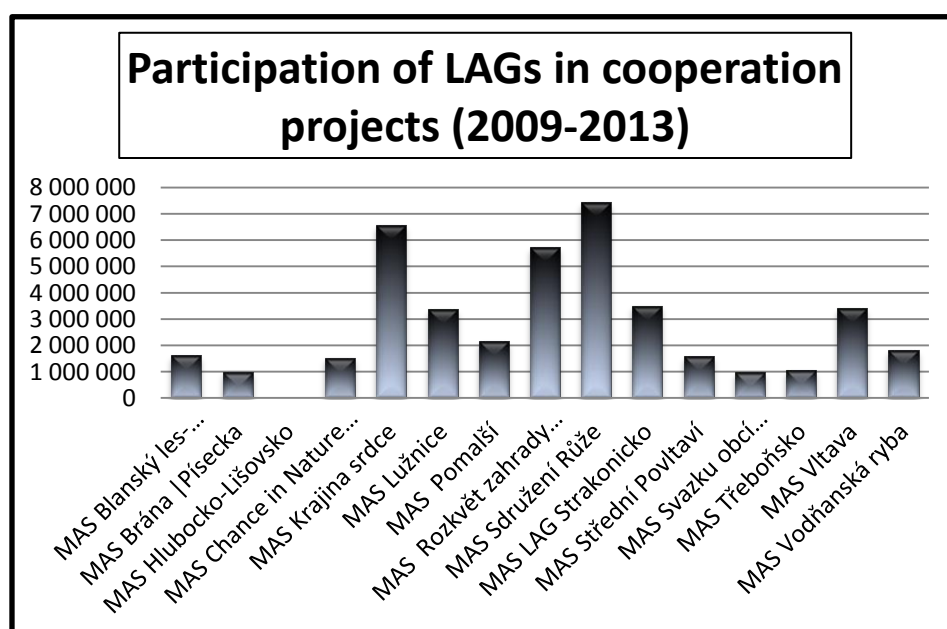


Table 1: Cooperation projects (CP) during the period 2009–2013

COOPERATION PROJECTS									CP 2009 - 2013
	5 th round	7 th round	8 th round	10 th round	13 th round	15 th round	17 th round	19 th round	IN TOTAL
MAS Blanský les-Netolicko	0	0	412 180	0	0	1 215 000	0		1 627 180
MAS Brána Písecka	0	0	517 050	0	489 456	0	0		1 006 506
MAS Hlubocko-Lišovsko	0	0	0	0	0	0	0		0
MAS Chance in Nature - LAG	1 529 735	0	0	0	0	0	0		1 529 735
MAS Krajina srdce	782 946	133 000	0	1 485 469	1 031 454	1 350 000	1 783 021		6 565 890
MAS Lužnice	556 250	500 000	350 680	0	290 268	1 344 060	329 328		3 370 586
MAS Pomalší		0	529 380	0	1 350 000	285 660	0		2 165 040
MAS Rozkvět zahrady jižních Čech	4 271 644	0	0	0	0	1 447 200	0		5 718 844
MAS Sdružení Růže	706 116	1 831 757	2 490 260	0	675 000	1 293 210	424 170		7 420 513
MAS LAG Strakonicko	558 666	0	2 010 100	0	944 172	0	0		3 512 938
MAS Střední Povltaví	730 250	0	631 210	0	0	0	207 630		1 569 090
MAS Svazku obcí Blatenska		0	518 350	0	464 472	0	0		982 822
MAS Třeboňsko	0	0	1 056 000	0	0	0	0		1 056 000
MAS Vltava	588 000	1 082 500	421 630	0	337 775	964 890	0		3 394 795
MAS Vodňanská ryba	0	0	519 150	0	315 000	991 800	0		1 825 950
South Bohemian LAG in total	9 723 607	3 547 257	9 455 990	1 485 469	5 897 597	8 891 820	2 744 149		41 745 889

The allocations represent the third highest in comparison to the other regions of the Czech Republic. As the maximum level of expenditure by local action groups on a project was strictly limited, in the overwhelming majority of cases the funds therefore supported hundreds of individual projects and tens of cooperation projects (see Figure 4). It is important to note that the support was mainly targeted towards the development of agriculture and its diversification (Pártlová et al. 2009) and also towards the development of public utilities and services in smaller municipalities. The positive activities of LAGs often cemented and strengthened their positions in the conscience of local mayors. Mayors started to recognize them as being an important part of the subsidy system which could enable them to support small projects essential to their rural development plans. At the same time, they experienced maximum transparency and a basic immunity to various financial and corruption scandals that unfortunately accompanied other more important subsidy programmes.

Figure 4: Participation of LAGs in cooperation projects during the period 2009-2013



Activities over the current period 2014-2020

In contrast to the period 2007-2013, when LAGs were funded under the Rural Development Programme and expanded their activities, persistent uncertainty concerning operational programmes for 2017-2020 has meant that further progress of LAG activities has faltered. Since mid-2014, local action groups have had to pay their activities from resources they gained on their own. Unfortunately, they are, as in the past, restricted in their ability to attract new resources by pursuing alternative activities. The Ministry of Agriculture and the Ministry for Regional Development attempted to make up for this gap in the financing of LAGs through two isolated projects to which all local action groups had common access. Nevertheless, the majority of LAGs are now facing a very difficult financial situation. It is clear that the restrictions imposed on these

groups by the controlling authority were not chosen appropriately i.e. LAGs can only do what they are paid for and attempts to do something else make them ineligible for the relevant financial means.

At present, the main factor having a negative impact on rural spatial development is centrally defined methodical procedures and instructions with regards to all spheres of LAG activities. Similarly, there is a negative perception of the disproportional amount of paperwork relating to project administration and statistical reporting. In the sphere of rural development support, it is evident that nobody in the central institutions can identify all the regional disparities, individual needs of particular areas and of the people living and working in those areas. In order to do so, those institutions would need to have at their disposal a unique information network. A network that would work in a sufficiently small territory that would enable them to explore in detail how things work, to process that knowledge, and to define common issues and problems that differentiate one region from another. Until now, the ministries have typically chosen to follow a narrow policy of working with expert commissions that are composed of highly erudite specialists in the given fields. They therefore forego the opportunity to listen to other opinions that, maybe due to a broader approach offered than that of specialists, could bring greater innovation or synergies (Galvasová 2007, p. 14). It often happens that the particular activities of different bodies overlap to a larger or smaller extent, or that they even act antagonistically towards one another. To avoid this happening too frequently in practice, the aims in some spheres were adjusted in such a way that all people "could find what they need". This resulted in the diffusion of the limited resources to isolated projects, leaving many interesting plans "on paper".

These centrally taken measures have taken more of the already scarce resources away from those issues that need to be tackled the most urgently in a particular region. This not only applies to social policy and employment, but also to rural development. It is fair to say that in some cases the state administration has come to realize that individualization on the basis of qualitatively revealed needs is a good way of assisting particular regions. Worthy of note is a recent initiative by the Ministry of Education, Youth and Sport, which, within the framework of the Ministry's patterns for drawing resources from the Operational Programme Science, Research and Education, will target funds (in particular regions) according to clearly identified needs arising from so called local action plans. These plans will be devised by representatives of schools, founders, as well as parents and representatives of non-profit organizations. In many places the realization of these plans will be covered by the local action groups themselves. This will also be the case in the Region of South Bohemian, with exception to one microregion. The coming months will show whether the competent apparatus of the Ministry will be able to actually apply this interesting idea in practice.

In the course of 2015, local action groups in the Czech Republic started to devise new strategies for community-led local development (SCLLD; previously LEADER strategic plans). During the preparations for the new programme period, other operational programmes were made accessible through the LEADER method. Whilst in the

preceding programme period 2007–2013 local action groups were an active element of the Rural Development Programme of the Ministry of Agriculture, in the current period their management faces quite a different challenge because resources will be allocated in the CR from four operational programmes. Local action groups will have access to operational programmes supported by the European Rural Development Fund (ERDF) and the European Social Fund (ESF). Besides the Rural Development Programme, the integrated CLLD tool will also be used by the Operational Programme for Employment, the Operational Programme for the Environment and the Integrated Regional Operational Programme. At least 5% of the resources in the European Agricultural Fund for Rural Development (EAFRD) will be allocated to the Rural Development Programme. Current indications are that 4.95% of the resources in the European Regional Development Fund (ERDF) will be targeted towards CLLD, as will 2.17% of the resources in the ESF.

Conclusion

The countryside represents 90% of the territory of the Czech Republic. It therefore deserves maximum attention, attention that has mainly focused on large towns until now. It is for this reason that all those that have a role in its development should be involved in a more intensive way. This applies in particular to the involvement of representatives from public administration, business and the non-profit sector, including local action groups. Until now, their role as coordinators has not been fully appreciated at all levels within the relevant controlling and administrative bodies. However, it is clear that a similar role within the rural space has never been fulfilled before, even though it is considered a necessity. To support this argument, a list of the demonstrable contributions LAGs have made to rural development are summarized below:

- over the 15 years of their existence they have proved the success and sustainability of the LEADER method;
- in the framework of their activity experts in rural problems have been “trained” who are willing to work for the countryside besides their current employment;
- they have managed to allocate subsidies without scandals;
- they have demonstrated an ability to cooperate at all levels: inhabitant – municipality – region – regional government;
- they have developed strategic plans that identify the basic needs of a region;
- in many cases they have coordinated data collection for public administration purposes;
- they have been able to repeatedly bring representatives to “the table” from different sectors and to motivate them to work for the common good and for the benefit of a region,
- they are able to provide qualified comments on centrally devised strategies;
- they have shown an ability to communicate with the inhabitants of a region, to promote not only themselves but also the countryside as such;

- they have actively created a system for training new employees in order to aid the informal transfer of know-how, including between LAGs;
- they have established a national network and organization to represent them.

The government has already invested sizeable financial resources into local action groups which were used in a reasonable way. This functional apparatus offers great opportunities for further utilization. It manages to do what the countryside and the central authorities need to do – to reinvigorate life in the regions. This is clearly being demonstrated in the finalization of their new strategies, by their active involvement in the establishment of destination management in regions, and by their intention to develop local action plans for the education system. If they are allowed to do so, due to previously established mechanisms, they will be able to “train” new employees who will become experts, and at the same time will be able to maintain the high levels of transparency. This should help to maintain the structures high resistance to cronyism and subsidy fraud. The countryside is already accustomed to its presence and relies on it. Local action groups should therefore continue to expand their activities in the future. They would thereby become an anchored structure in the legislation of the country through which rural environment development could be managed through coordination and subsidies.

Acknowledgement

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