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Nikolay Naydenov, Zornitsa Bogdanova

University of Ruse "Angel Kantchev"
8 Studentska Str., 7017 Rousse, Bulgaria
nnaydenov@ecs.ru.acad.bg
zornitsa.bogdanova@abv.bg

Strategic & organizational problems of "LEADER" approach application as a tool for sustainable rural development in Bulgaria

Abstract: "Leader" approach is the main tool of the policy of sustainable rural development. However a number of strategic and organizational problems and also certain rules for its application in the praxis need to be formulated for its effective realization in Bulgaria. The strategic framework for rural areas development of the Ruse District and the opportunities for applying the Leader approach and creation of LAGs as a tool for assuring sustainable development are presented in the article. An analysis has been made about the problems for the "Leader" approach application in Bulgaria. The basis for the analysis are the main results from the realization of the pilot project "Sustainable Rural Development" managed by the Ministry of agriculture and forestry and UNDP, as well as good practices and problems identified. An investigation of the establishment process and also surveying of functional problems of LAGs in Bulgaria is made in the article. Results of a special designed questionnaire have been analysed and discussed in the paper. On that basis appropriate conclusions and recommendations are developed and presented in the paper, which might be used in the process of establishing of LAGs in Ruse district and also in other regions in Bulgaria.

Keywords: rural areas, sustainable development, "Leader" approach, Local initiative groups survey.

Introduction

The policy of rural areas development in Bulgaria is the fundamental issue for achieving their restructuring under the circumstances of EC cohesion policy. This policy is directed at overcoming the economical, social and ecological problems in the rural areas and their negative consequences. The "Leader" approach is the main tool of multisectoral purpose for integrated development of rural areas in the programming period 2007–2013 – (Fig.1).

LEADER approach helps the population of the rural regions to determine and put to practice a long-term development of the potential possibilities of their land. Leader's idea is to promote "bottom – up" management approach.

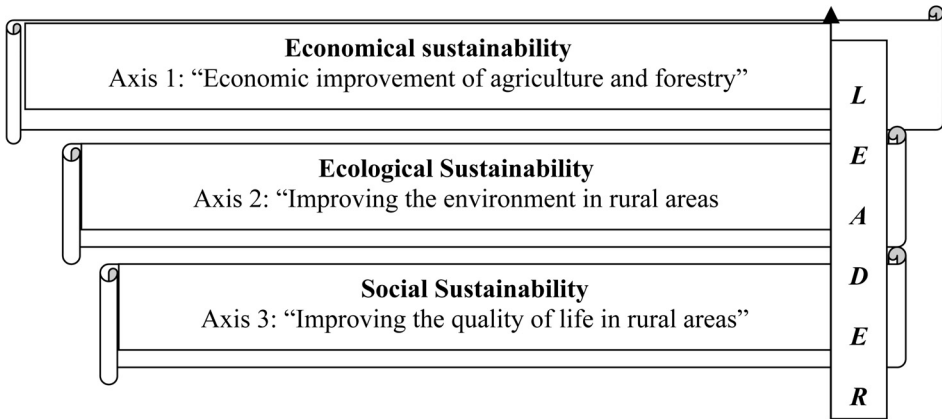


Figure 1. Structure of the policy for rural areas development for 2007–2013

First step of this idea is the establishment of Local Action Groups (LAGs). *LAGs bring together partners from both public and private sector who can substantially contribute to the development of the rural areas.* Among these – agricultural producers, agri-businessmen, representatives of local NGOs, social and culture institutions, and local authorities.

LAGs' task is to create projects and strategies for local socio-economical development applicable for a municipality or group of municipalities. The aim of these projects being to receive approval from the Ministry of Agriculture and Food Supply and financial support from the European agricultural fund for rural areas development.

The existing vision and future expectations for the functions of the Local initiative groups is for them to be managed jointly by representatives of local authorities and local communities. The idea is for local communities to apply at the LAG to receiving fundings for their projects for rural areas development.

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This article aims at exploring the opportunities for applying the Leader approach and the creations of LAGs as a tool for assuring sustainable development of the rural regions within Ruse District.

The following objectives are formulated in order to achieve the above goal:

- Strategic framework for development of rural areas in Ruse district under the LEADER approach to be formulated;
- Investigation of the process of establishment of LAGs in Bulgaria and surveying of the problems of their functioning.

Strategic framework for development of rural areas in Ruse district under the "LEADER" approach

Ruse district consists of 83 settlements included in 8 municipalities, one of them being Ruse Municipality with a population of round 195 000 people. Other seven municipalities are characterized as rural ones. Five of them (Byala, Ivanovo, Vetovo, Slivo Pole and Dve Mogili) have a population between 10 to 20 000 inhabitants. The last two municipalities (Borovo and Tsenovo), are with a population of less than 10 000 people.

There exists comparatively large disproportion in economic & social conditions among municipalities of Ruse District. Ruse and Ivanovo municipalities are steadily growing regions, whilst Tsenovo, Borovo, Dve Mogili and Slivo Pole are underdeveloped rural areas.

The Leader approach implementation is one of the most important tools for development of the rural regions in the district. The Leader process and the LAGs establishment in the Ruse district have not yet begun. *Their start depends*

Table 1. SWOT analysis of Ruse district rural areas in the context of "Leader" approach application

<p>Strengths</p> <ol style="list-style-type: none"> 1. Favorable soil and climatic conditions. Rich varied and preserved nature in the rural areas. 2. Availability of favorable conditions, which provide opportunity for developing of alternative activities such as: <ul style="list-style-type: none"> – growing of grain, vegetables, fruits and vine – cattle-breeding, poultry-farming, fish-farming 3. Availability of natural, historic and cultural sights. 4. A process of development of the human resources in rural areas of Ruse district has been start. 5. Successful realization of several EU funded projects of NGO's, oriented to human resources development 	<p>Weaknesses</p> <ol style="list-style-type: none"> 1. Inefficient use of the natural resources in the rural areas. 2. Low economic and social standard of life in rural municipalities. 3. Disability of the largest part of the population to use modern communication and information technologies. 4. Decreasing of the population in rural areas, because of negative growth of population and migration to the district centre and out of the district. 5. Trends for aging of the population in rural municipalities.
<p>Opportunities</p> <ol style="list-style-type: none"> 1. Development of the agriculture, food, wine and tobacco industries, home industry and crafts, rural tourism. 2. A positive change in the attitude of the population to the rural areas, as a place of living, rest and recovery. 3. Effective use of financial means and subsidies for agriculture development from European funds, Leader and the state budget. 4. Specialization in agriculture according to natural resources in the rural areas of the district. 5. Application of appropriate employment policy and measures of the human resources in the rural areas – Building of LAGs. 6. Availability of educational and training institutions for increasing capacity of the local authorities. 7. Increase of the economic diversification of the municipalities and creation of new jobs 	<p>Threats</p> <ol style="list-style-type: none"> 1. Increasing the probability of natural disasters, floods, landslide, etc. 2. Trend for increasing the number of the population without appropriate education. 3. Migration of the population to the towns because of obvious inequality between rural municipalities and towns from the point of view of economic opportunities for development and providing of employment.

on the attitude of the local players and their readiness to participate in the local government.

Presented below, there is a SWOT analysis (table1) of the strategic framework of the general conditions in the district. The resources in question are those that might facilitate the start of the Leader approach in the area.

LAGs' contribution to sustainable development of rural areas in Ruse district

As a result of the analysis we made of the strengths and weaknesses as well as the opportunities and threats we found out the most important characteristics of Ruse district. That would help to facilitate the establishment and functioning of LAGs in the village municipalities of Ivanovo, Dve Mogili, Borovo, Vetovo, Tsenovo, Slivo pole.

- The larger part of the land is cultivated and allows the development of alternative agricultural structure.

LAGs' task here would be to help the local population for creation and realisation of projects dealing with the alternative agriculture issues (growing of herbs, raspberries, strawberries, etc.)

- Natural, historic and cultural places of interest in the municipalities of Ivanovo, Dve Mogili and Borovo.

This characteristic is a favorable condition for the development of countryside and cultural tourism. The task of LAGs here would be to creation and realise projects dealing with tourism issues.

- Throughout the centuries the traditional customs of the local population have been preserved. There are also good conditions for developing of different craftsmanships activities.

This is a favorable condition that will allow in future LAGs to work for creative new projects dealing with restoring of cultural customs and traditions of the local community.

As a new beginning the establishing of Local initiative groups would have its difficulties and growing pains – either strategic and organizational. It would be best if these problems are foreseen and measures are planned to avoid them before they even occur. Since the process of creating LAGs is quite new and the Leader approach is only theoretically known to the local communities, it is best to seek advice from existing experience. That may be the Leader experience of other EU members or the useful information may come from studying and analysing of LAGs, created in Bulgaria within the frame of the pilot project «Sustainable rural development» of the Ministry of Agriculture and Forestry and UNDP in 2003.

Investigation of the establishment and surveying of functional problems of LAGs in Bulgaria

Analysis of the results of a survey conducted at LAGs

In order to facilitate the adoption of the Leader approach in Bulgaria a survey was planned and conducted to reveal the current condition and readiness of rural municipalities to start Leader through LAGs creation.

Main target groups of the survey were LAGs established in 11 pilot municipalities as part of the «Sustainable rural development» project as well as other interested parties such as Leader coaches, facilitators, consultants, also journalists, etc.

The survey method applied for gathering of information was questionnaire, the results from which and their analysis are presented hereafter.

The process of starting and adopting the Leader approach in Bulgaria began in 2003 with the realisation of the «Sustainable rural development» project implemented in cooperation by MAF and UNDP. That project's aim was to give local communities the capacity to turn themselves into leading players providing the stable development of the rural regions through establishing, coaching and supporting the activities of LAGs, following the example of the EU "Leader+" initiative.

The above mentioned project is a good practice for motivating local communities in some Bulgarian rural areas to create Local Action Groups (LAGs), which should participate in developing and governing their municipalities through the "Leader" approach. The project began in 2003 and finished in March 2006. As a result of the project 11 LAGs have been founded. All 11 pilot municipalities with working LAGs are located in the southern and south-western parts of Bulgaria.

Representatives of the local authorities and the public sector, agricultural producers, farmers, business organizations and other stakeholders have participated in LAGs. The innovative EC approach "Learning by doing" has been realized via implementation of small projects for local development on the territory of each municipality. These were projects for milk collecting points, rural hostels, agricultural markets, forestation, etc. Local development expertise has been improved during the projects and appropriate "lessons learned" knowledge has also been obtained. These outcomes have been assessed as very useful for the accurate functioning of the "Leader" programme in Bulgaria.

After the Sustainable rural development project (SRD) finished the LAGs created in the process remained active and still exist. It also is observed the creation of LAGs in other Bulgarian rural municipalities that did not participate in above-mentioned project.

Still it is exactly the SRD project that is considered of key importance for the adoption of the Leader approach in Bulgaria. 56% of people surveying know

the Leader approach through the SRD project, the rest of 44% – through coaching seminars or Internet.

The great role of LAGs for the development of the Bulgarian rural areas was clearly identified. 89% of everyone who answer the questionnaire believes that LAG is of serious importance for *economical development* of his/her municipality. The general opinion is that the presence of LAG stimulates the local activity as well as enhances the NGO's role in the region. It is also believed that LAG creates working partnership between NGOs, local authorities and business representatives from all economical sectors in the local area. The survey respondents also formulate the social value of LAG, namely the fact that these groups stimulate the initiative of young people and those that are long-term redundant and allow them to start small family business within the agricultural, stock-breeding or tourists sector.

67% of all respondents believe that a major reason for their participation in LAG is their social awareness and the will to support the socio-economical development of the municipality they live in. 23% of the people who answer the survey say that they take part in the LAGs' management by virtue of their office, the rest participate because of the opportunity this gives them to be included in various projects. A minor part of all respondents are stimulated to participate in LAGs of power and financial benefits.

In order to function normally and operate effectively every one organization needs a certain administration capacity. 63% of people surveyed answered the question «Do you have a local office and enough administrative capacity to allow the LAGs' functioning», that the office they have was facilitated during the implementation of the SRD project.

Besides administration capacity, LAGs also need to have clearly formulated local economical development strategy (LEDS) and enough qualified personnel to apply that strategy. 67% of all LAGs have conducted the necessary initial studies and analysis of local resources and conditions and are also ready to use those results to create proper LEDS. Other LAGs believe that in order to develop such strategy, they need to take into consideration the opinion of larger part of local communities and to use their ideas to formulate objectives, priorities and actions.

All respondents agree that LAGs members need to undergo different kinds of coaching. They mainly expect to be trained in the following areas:

1. Municipality marketing – 78%
2. Projects developing within the frame of Leader and the Structure funds – 67%
3. Finances and book keeping – 56%
4. Strategic planning of local development – 44%
5. Organizational behavior – 44%
6. Communication and information technologies – 22%

The key factor for LAGs to develop in future is the possibility to learn from the existing experience of other EU members such as Greece, Poland, Ireland, Austria, Switzerland and Slovenia. This opinion is probably due to the fact that some of the respondents have visited some of these countries or have learned of their achievements during some seminars.

Table 2. Relationship "Problem of LAG functioning – possible causes of the problem"

PROBLEM	REASON FOR THE PROBLEM
A: Strategic problems	
1. <i>Low interest and willingness of local communities for participation in LAGs (resulting in difficulties with the Leader approach application and arrested development of some rural regions)</i>	<ul style="list-style-type: none"> – not enough stimulation – not well developed civil society and lack of population awareness for the public problems
2. <i>Improper proportion between the number of representatives of local authorities and local communities participating in LAGs. It is recommended that the two groups are represented 50:50%. (this problem results in not enough participation of local communities in the socio-economical development of their own region)</i>	– local authorities constitute the larger part of participants in LAGs by virtue of their office, and local communities are not well informed about and motivated to take part in the Leader approach which is why they have doubts about this initiative.
3. <i>Insufficient capacity for local economical development. (as a result the effective work of LAGs is hindered)</i>	<ul style="list-style-type: none"> – lack of basic knowledge for local economical management – lack of motivating factors for the local population
4. <i>Not enough executive power granted to LAGs and too large and heavy administration body (the result of this being ineffective work and limited possibility for decision making for LAGs)</i>	– the policy of the Ministry of Agriculture and Food Supply
5. <i>Slow process of formulating strategies for local development through LAGs (as a result LAGs cannot set their objectives, priorities and measures necessary for the development of their regions)</i>	<ul style="list-style-type: none"> – Insufficient capacity of LAGs members – lack of training in strategic planning, municipality marketing, information and communication technologies, etc.
B: Organizational problems of LAGs	
1. <i>Most of the LAGs that came as a result of the pilot SRD project are located in municipalities that do not cover the requirement for 10 000 inhabitants at least. (as a result the LAGs need to be reorganized and restructured which hinders and slows down the adoption of the Leader approach)</i>	– Simplifying the LAGs establishing process within the pilot project
2. <i>Lack of local office and insufficient administrative capacity with LAGs created outside the SRD project (as a result their work is slowed down)</i>	– lack of financial assets
3. <i>Organizational difficulties for establishing LAGs that would operate on the territory of several municipalities, hindered communication between the separate municipalities, local chauvinism, etc. (as a result the best interests of the local population are not observed and the economical development of the region that experiences these difficulties is hindered)</i>	<ul style="list-style-type: none"> – one of the municipalities wishes to be granted larger executive power and to dominate the rest participants – difficult team work
4. <i>Insufficient support during the establishing of LIGS, not enough organized trainings for consultants, and poor support during PR campaigns (the result of these being difficult establishing of new LIGs in Bulgaria)</i>	– drawbacks in the policy of MAFS

Formulating and analysis of the main LIGs' problems

The survey results provide the necessary information for identifying the main LIGs' problems that have already been emerged. These problems fall in two groups: Strategic problems and Organizational problems.

The problems are ranked and the reasons for these problems are identified in the paper using the so-called "cause – consequence" relationships (table 2).

Conclusions and recommendations which might be used in the process of establishing of new LIGs in Ruse district and also in other regions in Bulgaria

1. The work of Local initiative groups within the „Sustainable rural development project“, their evaluation and popularization throughout the country created initial experience with “Leader” that would be particularly useful during the EU Leader implementation in the programming period 2007–2013.
2. The existing LIGs, created as part of the SRD project need to be restructured because they do not correspond to the current Leader requirements (such as population number, participation structure of local authorities and local communities representatives – recommended 50:50%, etc.). It is appropriate, a LIG to operate on the territory of two neighbouring municipalities with similar economical status so that they can use in cooperation their capacities, to implement larger joint projects and to establish useful partnerships.
3. It is necessary the local communities to have larger part in LIGs. Constant and systematical efforts should be made to attract participants from more remote villages of the municipalities as well as to stimulate the involvement of businessmen and common inhabitants. *During the process of establishing of LIGs throughout Bulgaria there should be a most active participation as experts and coaches of the specifically trained Leader moderators, University representatives etc.* Additional practical advantage could be provided through recruiting of experienced Leader consultants from EU who might be helpful for linking Bulgarian and other European LIGs.
4. All LIGs activities should be communicated widely and completely transparent. This is important for motivating local communities to participate in the Leader groups and to convince them that it is up to the group itself to decide how it should develop.
5. The LIGs members need to be trained in strategic planning, municipality marketing, organizational behavior, preparation of Leader projects, etc. In that way LIGs' will build capability to serve as independent pillars of sustainable development of rural areas in Bulgaria.

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