

## The adaptability of stakeholders to new approaches in rural development in the Czech Republic

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### Abstract

The paper deals with the adoption of new approaches in the practice of rural development. Major attention is paid to the LEADER approach, with the objective of evaluating the implementation of the principles in the activities of actors associated with Czech LAGs. Techniques of content analysis and interviews with selected representatives, mainly with managers of LAGs, were used for sociological empirical research. The results analyse concrete clashes between the hierarchic structure and the principle of network co-operation, which is starting to develop successfully at state-wide and international levels. Next, the results point out the failures in the implementation of the LEADER approach in the Czech Republic which have been overcome (linked with the principles of recourse from locality, decentralised management and financing, partnership) and, on the contrary, those which are still ongoing (linked with principles of integration of sectors, innovativeness). In the Conclusion, research questions for further solution are formulated.

### Key words

Countryside, development, territorial governance, stakeholder, LEADER

### Anotace

Článek sleduje osvojování nových přístupů v praxi venkovského rozvoje. Zaměřuje hlavní pozornost k přístupu LEADER a cílem je zhodnotit stav implementace jeho principů v jednání aktérů, sdružených v českých MAS. V sociologickém empirickém výzkumu byly využity techniky obsahové analýzy a rozhovorů s vybranými reprezentanty, povětšinou manažery MAS. Výsledky analyzují konkrétní střety mezi hierarchickou strukturou a principem síťové spolupráce, která se začíná úspěšně rozvíjet na celostátní i mezinárodní úrovni. Výsledky dále poukazují na dosavadní nedostatky, které jsou při implementaci přístupu LEADER v České republice překonány (spojené s principy východiska z lokality, decentralizovaného řízení a financování, partnerství) a naopak, které trvají (spojené s principy integrace sektorů, inovativnosti). V závěru jsou formulovány výzkumné otázky pro další řešení.

### Klíčová slova

Venkov, rozvoj, územní vládnutí, stakeholder, LEADER

### Introduction \*

The LEADER initiative ceased in 2006 and examples of its practice demonstrated conjunction with the general objectives of the EU, especially

with competitiveness and sustainability, as they were declared in the (revised) Lisbon and Göteborg Agendas. The intangible results of the LEADER initiative, i.e. how the initiative contributed to a higher level of rural administration, are considered as equally important. Such benefits of the LEADER initiative were formulated during the final LEADER+ Observatory Conference, which took place in Évora in Portugal in November 2007 (for more about this Conference, refer to [18]).

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The LEADER initiative continues in a transformed version. In the period 2007 – 2013, it has advanced as a unique approach to new European rural development programmes. The basic feature of such an approach is its target orientation on establishing regular territorial administration. The success of this target is dependent on the quality of local partnerships and networks, local development strategy, executive structures and the framework of the systems of regional and state-wide administration. Local identity, multi-sectoral partnership, social inclusion, creation of social capital and sustainable exploitation of public and private resources play important roles in this quality. These statements were also made at the conclusion of the above-mentioned Conference [18]. From a theoretical point of view, we can regard this orientation by contemporary paradigm of rural development as a dual socio-ecological process of local resources re-establishing (“territorial capitals”) and simultaneously as a widening and deepening of interaction with the wider environment of national and international economies [20].

The new approach to rural development represented by the LEADER approach is connected with voices of hope and apprehension at the same time. The apprehension is related to a disruption of vertical co-operation and the principles of centralised government and the merging of the actors of Local Action Group (LAG) type with these structures. In this case, the principles of LEADER would be cancelled and LAGs would become a part of the rural elite, instead of the initiators and mediums in a balanced partnership which creates space for all potential actors [18]. The same apprehension was pronounced by the authoress in the conclusions of her paper at the Agrarian Perspectives XVII scientific conference. [12].

The observed dilemma is embedded in the framework created by more theoretical concepts. The wider, contextual concept deals with the contemporary stage of social evolution, called the “network society”. From the end of the 20th century, scientific discourse has proceeded and its participants demonstrate two different attitudes. The optimists guide a “discourse of freedom” and place their hopes in the “network society” to overcome the failures of the “organised modernity” stage. The pessimists guide a “discourse of control

and surveillance” and do not share these hopes. The concept of a “network society” is outlined by J. Keller [14] by paraphrasing the opinions of U. Beck, L. Boltanski, M. Castells, E. Chiapello, R. Nisbet and others (for more on this topic, see [12]). The authoresses sum up from the narrower concept, i.e. the concept of rural administration in the way of decentralised political co-ordination at regional and local levels, which helps to demonstrate how regional and local policies can be created efficiently and effectively [2]. New social initiatives and movements, which emphasise rural identity and point to post-materialism, are important actors in such an organised policy [8]. The model of rural development which is built on this principle [20] plans on the creation of networks of diverse actors acting in rural areas and on these networks arranging social events [1]. They enable multi-layered democratic participation [7], so we start to notice fluid and polycentric assemblies which administer rural territory [8].

It is precisely the LEADER approach which reflects the situation of an incoming “network society” in rural development. According to the opinion of specialists, it seems to be an effective tool for rural administration [2], [3], [9], [15], [24]. New member countries of the EU still have not had enough experience with this new model of territorial (rural) development. Old member countries have experienced it for 20 years already, new member countries have only gone through this experience for 5 years. That is why there are some questions to consider by those who are studying the given dilemma in new member countries (i.e. M. Halamska, I. Kovách in [21]). The common denominator of these questions is the success of the implementation of new approaches in rural development, if this implementation is organised by the experience of old member states.

Meanwhile, original scientific essays on the implementation of new models of rural development in the Czech Republic are rare. Numerous authors are concerned with the practical methodology for the implementation of the LEADER approach in the administration of the Czech countryside (O. Čepelka, T. Havránek, A. Lehmannová, K. Matoušková, J. Martínek, P. Pelc, etc.). Others present partial results of empirical investigation on LAG’s activities in the Czech Republic (G. Červená, H. Hudečková, L. Ježdíková,

Z. Kroupová, M. Lošťák, G. Pavlíková, etc.). This paper ranks among the latter group.

The authoresses of the paper address two particular spheres of questions with reliance on the above-mentioned theoretical bases:

- integration of farmers into activities of rural development within the LEADER approach;
- experiences of stakeholders in rural development with co-operation within LAGs, in comparison with other forms of co-operation in rural development.

One of the authoresses has been following the first sphere of questions for three years. This paper reassumes the already published essays of H. Hudečková and M. Lošťák in *Agricultural Economics* 2008 [10], [11], which analysed the participation of farmers in LAGs, which had succeeded with submission of the Integrated Territorial Development Strategy and had been supported by the Ministry of Agriculture of the Czech Republic for its realisation in 2004 – 2006 (LEADER+, LEADER ČR). The purpose of this paper is the exploration of the hypothetical conclusions which arose from the previous survey – the integration of farmers into rural development activities within the LEADER approach does not imply the fulfilment of endogenous elements and essential characteristics of this approach, more likely the integration of farmers operates as an additional external source (exogenous element) for the development of their farmsteads.

The second sphere of questions was not examined until the year 2009 and the second authoress of the paper pursues it in preference. The objective is to find out how the stakeholders of rural development, who participate in the LEADER approach, judge this co-operation and this partnership, in comparison with other forms of co-operation in rural development with which they have experience. The intersection of these two spheres is the evaluation of the co-operation of rural development stakeholders of non-agricultural and agricultural origin within the LEADER approach and other development programmes.

Within the examined issue are relevant stakeholders who are experienced, not only in co-operation within LAGs, but also in other forms of co-

operation within rural development (see below for a sampling of interviewees).

## **Data and methods**

The solution to the first given sphere of questions proceeded in the first phase through a technique of documentary study and content analysis. Materials used for this analysis were:

publicly accessible documents on the LEADER approach and its implementation in the practice of the rural development policy in the Czech Republic;

cards of LAGs which fulfilled two conditions – they involved farmers (and consequential processors) as their members and were approved for financing in the 2004 – 2006 period; LEADER+ Magazine (years 2005 – 2007).

Materials No. 2 and 3 were analysed according to the quantitative method of B. Berelson. The results of this analysis allowed the formulation of the hypothesis previously mentioned, and the comparison of the short Czech experience with the situation in old EU member countries (which was presented in the special magazine – No. 3). The formulated hypothesis could be verified in 2009 by field research.

In randomly chosen NUTS III Regions of the Czech Republic where the LAGs can operate (Regions NUTS III Karlovarský kraj, Plzeňský kraj, kraj Vysočina, Pardubický kraj, Olomoucký kraj and Moravskoslezský kraj—thus in the smaller half of the complete set), two LAGs in every NUTS III Region were chosen by non-probabilistic sampling, called snowball sampling. The LAGs were chosen according to the “success” criteria from 2004 up to the present time. The success of the LAGs was measured by a) the number of submitted projects (1 – 6), b) the number of projects approved for support (1 – 4). By this method, a set of 12 LAGs was chosen, ranging from the greatest success (5 approved projects out of 6 submitted projects) to the least success (1 unapproved project). These criteria arise from the assumption of the diversity of attitudes to reviewing the LEADER approach with regard to acquiring support within this approach. These 12 chosen LAGs create 4 groups according to the measure of design success – the first group is created by the most successful LAGs and involves

3 LAGs, the second group contains 2 LAGs, the third group is created by 5 LAGs (the highest number) and the fourth is created by the least successful LAGs and contains 2 LAGs.

Interviews with the managers of the selected LAGs were conducted during July and September 2009. These interviews were arranged and explained in advance. In total, 15 interviews were conducted with an average duration of 90 minutes. Apart from the interviews with managers, 3 other interviews with competent representatives (the Head and the Chairman of the LAG) were conducted. In order to obtain the most precise record and to ensure the validity of the data obtained, two or three researchers always participated in the interviews. For the same reason, the records were completed (in cases of ambiguity and inconsistency) by ex-post electronic questioning. The record sheet for these interviews with a low level of standardisation contained 10 general questions. Three of these refer directly to the integration of farmers in LAGs and another four questions are related indirectly to this topic. One question is aimed specifically at other forms of co-operation within rural development. At the same time the results for the second topic which was determined for this paper, can be obtained from five questions.

## **Results and Discussion**

There are 155 Local Action Groups in the Czech Republic according to the bulletin, LEADER – budoucnost venkova 2009 [19]. But the database on Local Action Groups and the Leader approach [25] registers 160 Local Action Groups. Some Local Action Groups, which had not succeeded in LEADER+, ceased their activities, but did not log out of the database. That is why there is a difference in information about the number of LAGs. For the purposes of this paper, we will use data from the National Network of LAGs (155 Local Action Groups). The LAGs cover an area of 56 133 km<sup>2</sup> (71,2 % of the territory of the Czech Republic) and represent 4 154 489 inhabitants (39,6 % of the total number of inhabitants).

In the area of Bohemia, 86 Local Action Groups operate (out of this number, 80 Local Action Groups are still active, 6 LAGs are stagnant) and, in the area of Moravia, 69 still-active LAGs operate.

The largest number of Local Action Groups operates in the NUTS 3 Region – the Olomoucký kraj (18 LAGs) and Středočeský kraj (17 LAGs). On the contrary, the smallest number of LAGs is located in the Karlovarský kraj (only 5 LAGs). The number of LAGs is influenced by the size of the given NUTS 3 Region. For example, Karlovarský kraj is the second smallest NUTS 3 Region in the Czech Republic with the smallest number of LAGs (we do not take into account the Region of Prague, because Prague can not participate in the Leader approach). But the Olomoucký kraj occurs in the middle of the table of Regions in the Czech Republic, according to size, and the largest number of LAGs is located in this Region.

When considering the legal identity of LAGs, the two most common legal identities are the Civil Association (102 LAGs are Civil Associations) and the generally useful company (50 LAGs). Only 3 LAGs are interest associations of legal entities.

LAGs which have been supported (approved for funding from the Rural Development Programme (RDP) of the Czech Republic) for realisation of the Strategic Plan LEADER (SPL) are represented in Table 1.

Twelve LAGs, selected in the above-mentioned manner, entered in research in the field. They were established from 2002, mainly in 2004 and 2006. Farmers are present in all the LAGs, with private farmers, agricultural companies and co-operatives equally represented. It is important to note that the basic data on the agricultural stakeholders obtained directly in the field do not correspond to the data published in the LEADER bulletin– budoucnost venkova 2009—which was issued by the Ministry of Agriculture of the Czech Republic during the same period in which the survey was conducted.

It is not an exception that the entrepreneurs who participate in the LAGs are mostly represented by agricultural entrepreneurs. Not only from our survey, but also from other studied resources, we are able to conclude that the level of participation of farmers in LAGs is increasing. However, it was confirmed that this participation remains on a formal level and that real activity is not considerable. When we analysed the projects of the observed LAGs in detail, we did not arrive at any

Region/Kraj	Number	Share of the total (%)
Moravskoslezský	8	100,0
Královéhradecký	12	91,6
Plzeňský	8	88,8
Jihomoravský	9	81,8
Jihočeský	12	75,0
Zlínský	12	75,0
Pardubický	7	72,7
Olomoucký	12	66,6
Středočeský	11	64,7
Liberecký	5	62,5
Karlovarský	3	60,0
Vysočina	9	56,2
Ústecký	4	50,0

Table 1: Successful LAGs within LEADER 2007 – 2013 (N = 112, i.e. 72,3 % of the total).

different results from those which we had arrived at in our previous papers – farmers participate in roughly one third of the total projects (this reality is also typical for old member states, although, from the analysis of the LEADER+ Magazine, a slightly increased activity of farmers in project submitting is noted [10]. The managers of LAGs do not perceive any other features in this attitude of farmers than those which are generally valid for the corporate sector which participates in the LAGs. There exists the prevailing opinion that entrepreneurs, including farmers, do not see their place in the LEADER programme (in comparison with other EU programmes). Other problems, which apply to farmers more than to other stakeholders participating in LAGs, are: the seasonal character of their work, which does not allow for regular co-operation; the current situation, which does not allow farmers to think about development, but rather to maintain the conditions; heavy performable demands for project sustainability. Farmers (but also entrepreneurs in general), more than other stakeholders, have an aversion to being subject to administrative acts.

On the other hand, positive signals were also registered which overcome the generally predominant opinion that “farmers require only money, but they are not interested in co-operation”. Such signals (albeit always only in isolated cases) are: the initiative of the LAG’s establishment, active co-operation in creating SPL, position in the decision-making bodies of LAGs and informative and advisory activities incidental to this position for other members of LAGs, handing over of the information on experience in acquiring subsidies

from other programmes, electronic communication for the fulfilment of the LAG’s activities.

However, the projects of farmers are rarely aimed at spheres other than the technical and technological modernisation of farmsteads (the building of a tourist infrastructure constitutes an exception). Within these projects, they are considering impacts on maintaining the level of employment, improving working conditions, animal welfare, nature preservation and building in accordance with the landscape. Projects which reflect innovativeness and specific thematic orientation, with regard to farmers in co-operation with other local actors, i.e. projects aimed at increasing the value of local products, are absent.

We can conclude for this sphere of thinking (for more general reflection and new questions see the next part of the paper) that the fulfilment of endogenous elements and other essential characteristics of the LEADER approach (integrated and partnership features) occurs in the activities of farmers participating in LAGs less commonly (elements of this approach are more fulfilled by stakeholders such as municipalities and their associations; these elements are slowly advanced through network co-operation among particular LAGs). That is why the second sphere of empirical observation is focused on the questions of experience with varied forms of co-operation in rural development (bodies and organisations of hierarchic structure, voluntary co-operation within various associations) and the comparison of them with co-operation within LEADER.

Co-operation of LAGs with bodies and organisations of hierarchic structure is related to the Ministry of Agriculture, State Agriculture Intervention Fund, regional authorities of the NUTS III Region, the Institute of Agricultural Economics and Information and municipal authorities (usually the locally relevant municipal authority according to the seat of the LAGs).

The necessity for co-operation with the Ministry of Agriculture (MA) arises from the fact that the Ministry of Agriculture is the managing authority for the Rural Development Programme (RDP) of the Czech Republic for the years 2007 – 2013. However, this co-operation is affected by the negative experiences of managers of LAGs and subsidy applicants with the Rules of RDP for Axis IV – LEADER. These rules are too strict, because they specify precisely i.e. acceptable costs, which influence the activity of LAGs and their pursuit of innovativeness. According to the managers of LAGs, the Ministry of Agriculture does not demonstrate the will to fight for LAGs and to arrange for some exceptions. Thanks to these exceptions, LAGs would not be forced to realise projects which they do not need to realise, and they would be able to realise projects which are really important for the development of a particular area. Co-operation with the MA from the aspect of providing information is also seen as problematic by managers.

The State Agriculture Intervention Fund (SAIF) is the paying agency of RDP and belongs to the competence of MA. For this reason, the experiences of co-operation with SAIF are interconnected with experiences with MA. The negative experiences with SAIF concern controlling and administrative activities connected with project applications. The process of administration within RDP is very demanding and time-consuming. This is why some stakeholders do not try to prepare projects and submit project applications. Some managers consulted the methodical regulations of PRG with SAIF (or its regional departments), but the information obtained was not useful. Frequent changes of the Rules for Axis IV of RDP and a lack of transparency in project evaluation were criticised not only in connection with SAIF, but also with MA. These aspects also discourage possible subsidy applicants. Nevertheless, positive experiences were also mentioned regarding

consultation and co-operation with employees of SAIF and its regional departments. This means that the success of consultation with SAIF is dependent on the individuals more than on the hierarchic structure.

Co-operation with regional authorities of NUTS III Regions takes different shapes. The establishment of one selected LAG was initiated precisely by the particular regional authority, because the territory of region NUTS III has to be covered by a higher number of LAGs. It is important to mention that, after failure of the SPL application, the LAG ceased its activity (even though it is still registered as an active LAG). However, regional authorities (or its Department of Regional Development), in three cases, represent the bodies which are asked by LAG for assistance or necessary information.

The Institute of Agricultural Economics and Information is the allowance organisation which co-operates with LAGs mainly on the vocational training of managers of successful LAGs. Managers regard this training as useful and point out that, thanks to this training, they have established many contacts with other managers.

Voluntary co-operation of LAGs with various associations in the Czech Republic is represented by co-operation among LAGs, co-operation of LAGs and the voluntary associations of municipalities, the National Network of Local Action Groups in the Czech Republic and other associations, as well as international co-operation.

Local Action Groups can co-operate with other LAGs on two levels. The first is based on the exchange of experience and information about the LEADER approach, mutual assistance with administrative activities and visits of LAG representatives, mainly to hand over the thus named “good practice” within the implementation of the LEADER approach. Not only do unsuccessful LAGs visit successful LAGs, but visits between successful LAGs also often take place. This level of co-operation is of a rather informal nature. The second level of co-operation among LAGs is represented by the co-operation project within measure IV. 2. 1. of RDP, which is called the Realisation of Co-operation Projects. This co-operation is formalised by the conditions of particular measures. The National Network of Local Action Groups constitutes another form of co-

operation among LAGs in the Czech Republic and will be specified later.

Co-operation of LAGs with voluntary associations of municipalities (also called microregions) arises from the fact that the territory where the LAG operates is identical with the territory of the voluntary association of municipalities, which is a member of LAG, or the territory of LAG is created by the territories of several voluntary associations of municipalities which are members of LAG. That is why it is crucial to co-ordinate the activities of both the Local Action Group and the voluntary associations of municipalities, in order to prevent the duplication of activities and the waste of human and monetary resources. The representatives of microregions (most frequently the Chairman of the Association, i.e. the Mayor of one of the member's municipalities) in some cases play important roles in co-operation within the LAG (the Mayors of other members' municipalities also fulfil these roles). These stakeholders (Chairmen of microregions, Mayors of municipalities) are very active and are able to cope with the administrative demands of subsidy applications within the RDP. The initiative of the establishment of LAGs arose from the activity of voluntary associations of municipalities in 5 cases of 12 observed LAGs.

The National Network of LAGs of the Czech Republic merges local action groups operating within the territory of the Czech Republic. According to our research, expectations which were placed in the National Network of LAGs by particular LAGs have not so far been fulfilled. This could be influenced by the fact that the National Network of LAGs is at the beginning of its activities. Some respondents claimed that the National Network of LAGs should fight more against the MA and SAIF because of administrative demands on submitted applications. One manager considers the National Network of LAGs as merely another level of co-operation for which it is again necessary to pay membership fees. The National Network of LAGs operates not only in the territory of the whole State, but there are also Regional Networks of LAGs which act in the particular NUTS III Region (i.e. Regional Network of LAGs Moravskoslezsko) and which create the National Network of LAGs.

International co-operation can be realised within measure IV. 2. 1. of RDP (Realisation of Co-operation Projects), because a condition of this measure allows LAGs to co-operate not only with other LAGs in the Czech Republic, but also with LAGs abroad. Other options for the realisation of international co-operation are the particular operational Programmes of Cross-border Co-operation within the third objective of European Regional Policy – European Territorial Co-operation. Our research showed that Czech LAGs rather utilise operational Programmes of Cross-border Co-operation. Besides common project realisation, LAGs from different countries also exchange experience, information and “good practice”, just as the Czech LAGs do. Projects of cross-border co-operation are created by LAGs from the Czech Republic and Poland, Slovakia and Germany. This co-operation often originates in historical bonds among regions which are now separated by state boundaries. Italy and Spain are other countries which participate in international co-operation with the Czech Republic. Co-operation on the basis of the exchange of experience and “good practice” is realised with Ireland, France, Austria and Slovenia.

Co-operation with other associations is based on providing information and the coordination of activities leading to rural development. In this context, 10 various associations at most were mentioned by the interviewed managers.

## **Synthesis of Results and Discussion**

M. C. Maurel [21] deals with the implementation of the LEADER approach in the Czech Republic, Poland and Hungary. The authoress starts from the 20 years of ongoing changes in territorial governance in these countries. She states that, within the process of decentralisation and widening of local autonomy, territorial governance was given greater room to manoeuvre, in which a wider spectrum of stakeholders could operate. These are urgently required to be able to coordinate and integrate activities which are included in local self-government. On the basis of the new structure of distribution of property and the creation of a diversified rural economy, these stakeholders have to adopt new models of action to be adaptable to new approaches in territorial governance and can succeed with them in the open space created by

globalisation and the market economy. In this sense, the authoress places emphasis on the art of actively engaging in contemporary communication and information networks and on the innovative handling of specific local potential. There is the question posed in the overtone of this paper whether the implementation of the LEADER approach can be successful in new member states when it is implemented on the basis of the experience of countries with a different social environment.

The results of our research also deals with this question, compared with the papers of other authors.

The activities within Local Agenda 21 and the voluntary associations of municipalities (microregions) belong among the new approaches by which stakeholders in rural development learn to co-operate in territorial governance within the bottom-up principle, partnership principle and principle of integration [6], [22]. These stakeholders have longer experience, mainly with microregions (from 2000), but in this case their spectrum does not include farmers and other entrepreneurs. This is one of the reasons why the representatives of municipalities and associations of municipalities are the initiators of the LAG's establishment and activities, more often than other stakeholders participating in LAGs. Entrepreneurs, including farmers, have gained more experience with thematically oriented programmes in which they individually participate.

Clashes between the hierarchic structure and the principle of network co-operation, as we mentioned generally in the Introduction, were confirmed by empirical research 2009 (in compliance with [12], [16], [4]). Determined rules (and the related need for information and consultation) and controlling activities (and the related transparency of project evaluation and allocation of funds) are the focus of these clashes. The consequences of the given lack of co-operation between superior bodies and LAGs are reflected in the lower possibility of the use of the essential principles of the LEADER approach—to solve in the locality only those problems necessary to be solved and to do that innovatively. The final impact is thus the limited capacity building of social capital, because the trust in view relationship is declined. According to results, a

competitive relationship among LAGs is established (instead of network co-operation) as a consequence of the non-transparent actions of central bodies during project evaluation and the allocation of means. These negative experiences weigh against cases of positive experiences addressed to bodies of hierarchic structure on state-wide and regional (NUTS III) levels. Therefore, the lower level is more often related to positive experiences.

Functional network co-operation among LAGs on state-wide and international levels is confirmed by the results of research 2009 (in compliance with [17], [4]). It concerns concrete advisory activities of more successful LAGs to less successful LAGs and more general activities of the exchange of experiences of “good practice” of LAGs (for more see [23]). Co-operation between LAGs and microregional associations from the same territory is entirely common. It is interconnected by common stakeholders; LAG also can be established on the basis of these associations. Co-operation of LAGs with other rural development initiatives is relatively widespread – these initiatives operate in the same territory, exchange information and experience and co-ordinate activities. The following findings are opposite in nature. There are people among members of the LAG management who do not comprehend why different stakeholders such as municipalities, NGOs and entrepreneurs, participate in LAGs. When LAGs submit projects of international co-operation, they rather prefer operational programmes of Cross-border co-operation than Axis IV of RDP.

The results of research 2009 in comparison with other papers [23], [12], [5] allow for the speculation of some main errors in the implementation of the LEADER approach to the practice of rural development in the Czech Republic. The primary incorrect role of LAG (to be the regional grant rural agency) has already been replaced by the required role of LAG (to be an association of diverse partners co-operating in the promotion of local identity, the revival of the rural community and the diversification of the rural economy). These stakeholders participate in the creation and correction of territorial development strategies more often than they did in the beginning of the implementation of the LEADER approach, when the greater role was played by external experts. The

main starting point and recourse for these strategies in specific local potential are still absent, known in the economics dictionary as the competitive advantage of region. The implementation of the innovative principle in the solution of specific local needs also remains in the background. The innovative principle often has to be linked with the principle of integration of various sectors into a mutual partnership co-operation to achieve the above-mentioned specific potential. This is also absent. Another error, which is still continuing, is the insufficient institutionalisation of support in communication, co-operation and coordination in order to advance the practice of the LEADER approach from a small number of enthusiastic active participants to a qualified, numerous and multiple partnership co-operation. This failure is mainly solvable by social education which can manage to restore trust in collective action and to implement the model which highlights the reciprocity of profit in collective action instead of one-sided own profit.

### **Final Evaluation and New Questions**

Six years of experience with the LEADER approach in the Czech Republic have pointed out both the achievement of new approaches in territorial governance and lasting failures. New questions, which we consider as important to be resolved, have arisen from these failures:

1. To what extent are these failures solvable within the hierarchic structure, whose heritage is carried by LEADER, although it crosses this structure, and to what extent is it possible to rely on social education in new approaches within collective communication, co-operation and coordination in network structures?

A concrete question, which is summarised in the general one, is the request for the position of the National Network of LAGs in the Czech Republic. Its position could be situated on the contact surface of horizontal and vertical structures and the role of bridging the two diverse functional structures (therefore on the principle of equal partnership and subordination) should correspond with it.

This general question is posed because the observed findings testify to a certain paradox – the effect of vertical structure limits the application of the LEADER approach in practice. The concrete question about the National Network of LAGs is posed because the observed findings are inconsistent – one person has great expectations of the National Network, another does not trust it and has greater expectations of the hierarchic structure.

2. The second general question is not entirely new, but its solution will have long-lasting effects. It deals with the evaluation of the success of the LAG. There is the prevailing opinion that measuring the success of LAG by indicators, such as the number of submitted and supported projects and the amount of allocated financial means, is not relevant enough. There is also a prevailing awareness about the need for monitoring of the long-term impacts of LAG's activities in regions via indicators of quality of life but, at the same time, it is unknown how these observed impacts are affected by other developmental elements. The practice has developed to ensure the assumptions of the long-term positive impacts of LAG's activities by creating utilities for improving their activities [23], [17], [5], which serve as an endogenous model of development. The authors M. Lošťák and H. Hudečková work on the suggestion of methodology for monitoring the effectiveness of LAGs by using the principles of the LEADER approach to publicise the activities of LAGs [13]. The content analysis of media statements is used as research technique. Meanwhile, 169 articles on LAGs have been analysed which were published in regional newspapers and regional enclosures of state-wide newspapers. An article about this is being prepared for the scientific journal, *Agricultural Economics*, with the prerequisite for publication in the current year.

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