

Pollermann, Kim; Raue, Petra; Schnaut, Gitta

Conference Paper — Published Version

Multi-level Governance in rural development: Analysing experiences from LEADER for a Community-Led Local Development (CLLD)

54th Congress of the European Regional Science Association: "Regional development & globalisation: Best practices", 26-29 August 2014, St. Petersburg, Russia

Provided in Cooperation with:

European Regional Science Association (ERSA)

Suggested Citation: Pollermann, Kim; Raue, Petra; Schnaut, Gitta (2014) : Multi-level Governance in rural development: Analysing experiences from LEADER for a Community-Led Local Development (CLLD), 54th Congress of the European Regional Science Association: "Regional development & globalisation: Best practices", 26-29 August 2014, St. Petersburg, Russia, European Regional Science Association (ERSA), Louvain-la-Neuve

This Version is available at:

<https://hdl.handle.net/10419/104063>

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Towards Rural Synergies and Trade-offs between
Economic Development and Ecosystem Services

Multi-level Governance in rural development: Analysing experiences from LEADER for a Community-Led Local Development (CLLD)

Paper contribution for 54th European Regional Science Association (ERSA) Congress,
26-29 August 2014 in St. Petersburg

Kim Pollermann, Petra Raue, Gitta Schnaut

Thünen Institute of Rural Studies (Germany)

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1. Introduction: LEADER and the need for a multi-level analysis

1.1 LEADER as a place-based policy intervention for rural development

To find appropriate policy interventions in specific situations for different types of regions is a major issue. Such policy interventions must be able to address very different problem situations, because the need for support is highly context-dependent and problem specific (Tovey, 2008, Wellbrock et al., 2012). Thus rural development has to deal with multi-functionality in sense of diverse demands and usages of space (Gallent et al. 2008, 19).

Overall, integrated and place-based approaches become more popular with policy makers, because such approaches are supposed to contribute more to a highly complex task like influencing rural development than approaches focussed solely on single sectors (Tomaney, 2010, Birolo et al. 2012, Terluin, 2003). A suitable rural development policy should enable to act on the different tasks with flexible measures, including cooperation and mobilisation of different stakeholders. This is also connected to discussions about OECDs "New Rural Paradigm" (OECD 2006, Horlings and Marsden, 2014).

The LEADER¹-approach was devised as one possibility to bring forward rural development. LEADER started in 1991 (reissued up to now four times²) and is now one axis of the European Agricultural Fund for Rural Development (EAFRD). LEADER is usually classified as a bottom-up oriented, participatory approach. Different stakeholders come together in a Local Action Group (LAG) as a kind of a public-private partnership and make decisions about the financial support for projects. Those groups collaborate on the basis of an integrated local development strategy. Topics are mainly tourism, recreation, village renewal, cultural heritage, basic services and other aspects of quality of life.

One objective of LEADER is to bring public, private and civil organisations together as a local governance arrangement. LEADER is also viewed in the context of regional identities to foster a common "sense of place" and a related mobilisation of the commitment of local actors (Pollermann et al. 2013, Lee et al. 2005). A general assumption for LEADER is that there is an added value because of a better identification of local needs and solutions, more commitment of stakeholders and a greater scope for innovation. Further benefits are the pooling of local resources, networking to allow mutual learning and an integrated approach to address complex economic and social issues (High and Nemes, 2007).

¹ LEADER is an acronym derived from the French: Liaisons entre actions de développement de l'économie rurale = links between actions for the development of the rural economy.

² Whereas it was seen as an experimental "pilot" scheme under LEADER I (in the first period 1991-94). LEADER II in the following period (1995-1999) focussed the "laboratory" aspect, making use of the momentum to engage innovative, inexperienced pathways, but was still mainly limited to disadvantaged rural areas. During the period 2000-2006 as LEADER+ it was extended to a wide range of rural regions. In the last funding period there was a "mainstreaming" of LEADER: it have been integrated to the Rural Development Programmes (RDP) and builds a horizontal priority "axes" under which all RDP measures should be eligible (Oedl-Wieser et al. 2010). In 2014-2020 there will again be a new edition of LEADER (further remarks for the next funding period: Copus et al. 2011).

1.2 Spreading of LEADER as a Community-Led Local Development (CLLD)

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

But there are some aspects hindering the implementation of multi-fund CLLD. The most important are that in contrast to EAFRD, there is no obligation in the structural funds (ERDF and ESF) to offer CLLD in the member states programmes, and the implementation rules have not been harmonized between EAFRD and structural funds. So the CSF might have induced a dialogue which might lead to joint approaches to community based rural development post 2020. In the upcoming funding period the probability is quite low.³

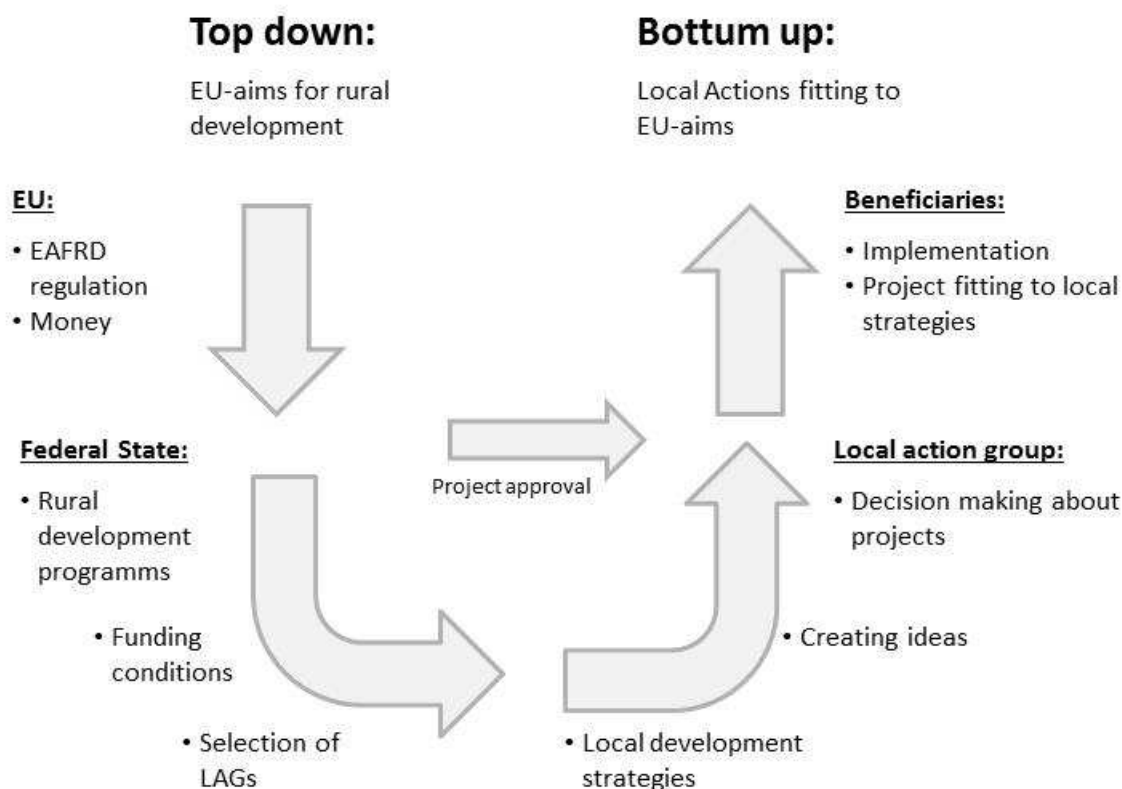
1.3 Between a top-down framework and bottom-up mobilisation: a multi-level perspective

Although LEADER is commonly called a bottom-up approach, it has to be pointed out that there is a high influence through a superordinated framework of funding regulations. For example there are detailed regulations about what kinds of projects are fundable and which not. Thereby different levels of regulations exist, in general there are basic settings from the EU, which are more elaborated in detail by the RDP-managing authorities (either on national level or in the case of Germany, on the federal state level). So from above there are politically legitimated aims, funding regulations, and possibly also political influences on actor constellations or the shape of regions. From bottom up there are ideas for projects, engaged actors (with their own interests) and local knowledge.

³ For example, in Germany it is only one of sixteen federal states, programming a multi-fund CLLD approach (Spuller 2014).

So more precisely LEADER is neither "top-down" nor "bottom-up", but can be classified as a "down up"-approach (see Figure 1). There is top down frame setting from EU in a first step and from federal state level in a second step, but a major aim of LEADER is a bottom up mobilisation of local stakeholders, whereby the Local Action Group is dealing with the Local development Strategy and makes decisions about projects. The implementation of projects is done by the beneficiaries, but only after approval (following general regulations from EU-level and more detailed regulations from federal state level). Finally the impact of these actions should serve the EU-aims. In addition also the policy design is not just a top down elaboration, because there are different consultation processes so the bottom-level also gives information and proposals for new regulations.

Figure 1: LEADER as a „down up“- funding approach



Also for one of the key elements from LEADER the Local Development Strategies there are typical frictions between bottom-up and top-down: the strategies should be elaborated and written on the local level ideally within a broad participation process, but the program managing authorities can set formal and content related requirements. Thereby they have a strong position, because the program managing authorities have to approve the Local Development Strategies as part of the application of the LEADER-regions. Without this approval of the strategy there is no LEADER-funding at all.

A governance perspective includes questions of legitimacy (Buser 2014) related to the actors and decisions on the different levels. Whereby questions of "input" as well as "output" legitimacy have to be taken into account (Thuesen 2011).

Against this background in context of the TRUSTEE research project we want to analyse LEADER with a multi-level-governance perspective. To analyse LEADER performances we developed a model of multi-level governance, which integrates governance arrangements at the local level as well as regulation at the European and German federal state level.

In this paper we want to elaborate two cornerstones of the research project. First we want to clarify the basic understanding for the terms used in the context of multi-level governance. Second we will have a look on the state of the art of LEADER-related research in the view of LEADER as a "down up" approach.

2. Key Terms: Governance – Rural governance – Multi-level governance

2.1 Governance

There has been growing interest in the potential contribution of new forms of governance to solving co-ordination problems in and across a wide range of fields such as the economy, the legal system, the political system and in other parts of society (Jessop 2002, 142, Kooiman 2002). Currently the term "Governance" is used very often in the scientific community (also in German language where usually no translation is applied).

The expansion of governance discussion and practices into so many spheres represents a secular response to an intensification of societal complexity (Jessop 2002, 145). Another reason for the rise of the governance concept is, "that the direct 'command and control' mode of power of the state no longer seems to be effective. Instead, other more indirect technologies of power are used to govern at a distance, with power exercised by the state across space by drawing others in through delegated instruments such as partnerships" (Derzken et al. 2008, 466).

The broad reception is reflected in growing ambiguities about the meaning of governance (Jessop 2002, 142). "The term 'governance' is popular but imprecise" (Rhodes 1996, 652).

So it is necessary to define the characteristics of "governance" for our work. We use Governance with a wide definition in an analytical sense: not focused on a normative perspective like in good governance concepts, not with a narrow definition as self-governance. So Governance is seen as an umbrella term for regulation of collective actions with different modes of steering⁴. Main characteristic for governance are:

- **Involvement of different groups of actors:** A key element is the involvement of Non-State actors (Rhodes 1996, 660), governance is about governmental and non-governmental organisations working together (Stoker 1998) but the state sector actors can play a major role. Thereby

⁴ This notion refers to the various governance definitions of political sciences (Mayntz 2004).

Governance is not really “Governance without Government” (Rhodes 1996, 652), but state actors have a different role in governance processes.

- **Different steering mechanisms:** Governance “can be distinguished from the ‘invisible hand’ of uncoordinated market exchange based on the formally rational pursuit of self-interest by isolated market agents; and from the ‘iron fist’ (perhaps in a ‘velvet glove’) of centralised, top-down imperative co-ordination in pursuit of substantive goals established from above” (Jessop 2002, 143). Governance can imply a mixture of hierarchy, market interactions or negotiations/solidarity (the latter is often named as ideal type steering in civil society). So by definition governance is not solely the use of hierarchy or market as a steering mechanism, but there is no narrow determination for how steering mechanisms work together.
- **Network like cooperation:** There are continuing interactions between network members, caused by the need to exchange resources and negotiate shared purposes. Typical are game-like interactions, rooted in trust and regulated by rules of the game negotiated and agreed to by network participants. The participants are not bound into the network, they always have an exit-option. There is a significant degree of autonomy from the state. Networks are not directly accountable to the state; they are self-organising. Although the state does not occupy a privileged, sovereign position, it can indirectly and imperfectly steer networks (Rhodes 1996, 660).
- **Role of power:** Governance need not entail a complete symmetry in power relations or complete equality in the distribution of benefits: indeed, it is highly unlikely to do so almost regardless of the object of governance or the ‘stakeholders’ who actually participate in the governance process (Jessop 2002, 142).

2.2 Rural Governance

To analyse governance processes in a certain place/ territory different terms are used in literature like regional governance, local governance or urban governance. All their definitions base upon the general governance characteristics and involve in addition a spatial dimension.

The terms “local” and “regional” governance are used very similarly. In the German literature the term “regional governance” is more common, in contrast in the English literature “local governance” is more often used. In Germany the term “region” refers to a smaller area than in the UK. So the site of a LEADER area in Germany is normally referred to a region (typical with 50,000 to 150,000 inhabitants) although in the European view LEADER is named as Local Development. To avoid misunderstandings and to emphasise the rural dimension of the LEADER-areas we will speak about “Rural Governance” used like “Local/ Regional Governance”, which take place in a rural area.

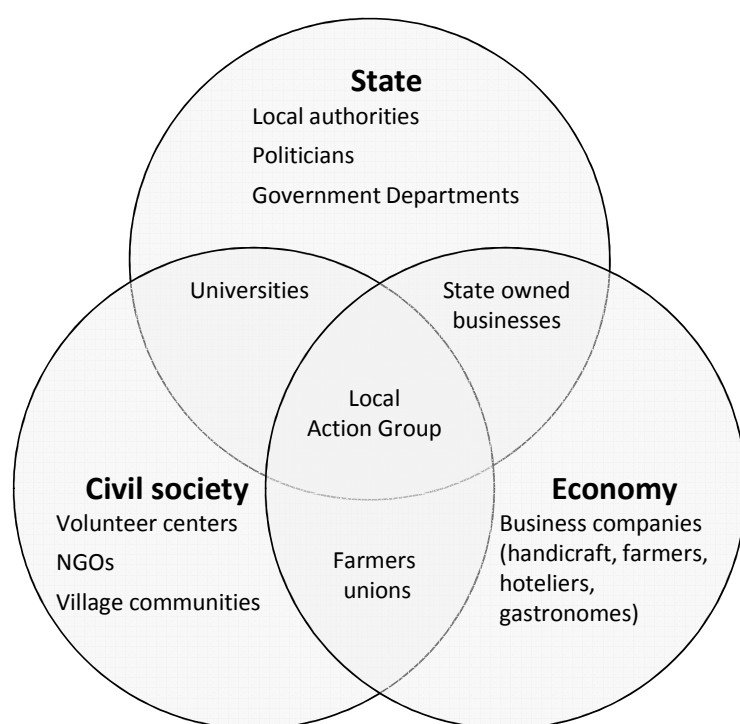
Rural governance is a major concern of the LEADER methodology. So the Common Evaluation and Monitoring Framework (CMEF) for EAFRD includes the question: “To what extent has the Leader approach contributed to improving governance in rural areas?” (Grieve et al. 2010, 23).

The focus of rural governance are the contributions to steering issues at the level of one LEADER-Region to support rural development. It can be defined as: a network-like collaboration between local actors of three sectors (public administration, private/ economic sector and civil society) aimed at collective action (Grieve et al 2010, 24). Typical is voluntary involvement (so actors always have an exit option), and horizontal modes of interaction between partners instead of only hierarchical modes of steering. Rural

governance processes are marked by the continuous transformation of complex structures and impacts on the different participants (and their skills, readiness for cooperation, belief-systems) (Healey 2002, Fürst et al. 2005, Macken-Walsh and Curtin, 2012, Pollermann, 2006).

A key issue of rural governance is to involve very different kind of actors. Therefore organisational structures of a governance arrangement have to connect actors with diverging interests: thematically, for example actors from agriculture, tourism, nature conservation or the local trades and handicrafts. Another distinguishing feature to be taken into account is the sector: the state, the private sector or the civil society. Examples of important actors in rural areas and their classification into these sectors and their intersections are shown in the figure below (Pollermann 2005: 94).

Figure 2: Groups of actors in a rural governance arrangement



2.3 Multi-Level Governance

Many different levels of the institutional framework influence processes of local development (Pollermann et al. 2008). So Patterns of Rural Governance are embedded in a multi-level governance system (Bache & Flinders 2004) in context of LEADER highly related to European Community governance with its regulations and policy making procedures (Pollack 1996). Thereby LEADER can create a series of tensions both in a horizontal sense, between spaces, territories and political or local administrative structures, and in a vertical sense, between local and extra-local forces, be they regional, national or European (Buller 2000, 190). To analyse LEADER performances we develop a model of multi-level governance⁵,

⁵ Thuesen (2013) use the term: Multi-Level Meta-Governance for another research focus.

which integrates governance arrangements at local level as well as regulation at European and German Federal State Level (s. Chapter 1.3).

Multi-level governance is the context of rural development processes, defining the institutional, regulatory and procedural environment as external circumstances for the operation of LEADER. It can greatly influence the style of interaction between (and within) different levels and institutions of the development system, the degree of autonomy of the local level, the administrative procedures applied, and the autonomy of local partnership in general (Grieve et al. 2010, 24). In theory, under multi-level governance, the role of the state shifts from one of control to one of co-ordination, using new mechanisms to guide a plurality of network actors (Bache and Flinders 2004, Stoker 1998).

The different levels have different characteristics: "The central administrative system is characterised in terms of formal institutions: written rules, established procedures and formally derived and explicitly stated aims with an underlying logic that is modernist and technocratic and is expressed through bureaucratic control" (High and Nemes 2007, 105). The local system is more likely connected on bottom-up processes. Its elements comprise local economic, political and social actors and social networks. The institutions of co-ordination are often tacit and based in personal and cultural values as much as externally visible mechanisms. Local systems are therefore socially embedded and highly specific to context, oriented towards keeping the processes and benefits of development under local control⁶ (High and Nemes 2007, 105).

Thereby there are also differences in different countries. For example in Germany formal institutions play also a major role at local level. Because there is a strong history of a local self-administration of municipalities.

The different levels and their influence are summarized in Table 1.

Each level have influence on the composition and work of the LAGs. For example at the European level there is a regulation that not more than 50% of LAG members are allowed from public sector. At the national level there were consultations to safeguard procedures for decision-making to avoid conflicts of interests. Some federal states make settings, like a minimum of 10 members in each decision making body, which was not regulated at European level). At the LAG-level there are typically different modes of self-recruitment, often with a special role for public authorities. Thereby at LAG-level in Germany there are two levels of public administrations: county and municipality/ parish (also explained in Lacquement 2013).

⁶ But Osti (2000) with a view on LEADER in Italy remind to check different hypothetical scenarios including such as: LEADER "camouflaged forms of the corporatist agreements that have always dominated in rural areas, with certain powerful and well-organized interest groups continuing to establish stable accords with the local organs of public administration in order to monopolize the flow of resources from the centre to the periphery" (Osti 2000, 174).

Table 1: Different levels and their main elements from a multi-level-perspective

Level:	Examples of Rules and regulations	Examples of involved actors
European Union	Common Strategic Framework (CSF) European Agricultural Fund for Rural Development (EAFRD) Common Guideline for Community-Led Local Development (CLLD) Related implementation acts	European Commission European Parliament European Council DG-Agri, DG-Regio and other DGs Expert networks
National Level	National Framework guideline	Conference of Ministries of agriculture, working groups for Ministerial departments self-organisation of LAG (BAG LAG), Networking institutions (DVS)
Federal state	Rural Development Program Selection of LAG applications Guideline for project approval	Advisory boards, Ministerial departments
LAG-Level	Local Development Strategy Project selection criteria	LAG with stakeholders of state, economy and civil society, Approval agencies

3. Literature review: Long history of LEADER - long history of LEADER research

3.1 Overview about LEADER literature

As there is a long history of LEADER-implementation there is also broad experience with research about LEADER. Table 2 gives an overview of international literature about LEADER research (only literature in English language is included). While research about earlier LEADER-periods is limited to western and southern Europe corresponding to the EU enlargements for the last funding period there are also a lot of research results from transitions countries in eastern Europe. There are also some international LEADER-cross-comparisons⁷.

3.2 Findings from literature review

Altogether LEADER effects are very different between regions and countries as well as between funding periods, so **generalisations are not possible**. "As reflected in the large and growing literature, LEADER effects are so different between regions and countries that any transnational or trans-regional

⁷ Not included in the table (because it is in German) is Mose et al. (2014) with case studies in Poland, Spain and Scotland.

generalization is likely to be unreliable" (Papadopoulou et al. 2011, 672). So it is still difficult to judge the real impact on socio-economic development⁸ (Saraceno 1999, ECA 2010). Regarding the research methods to detect "soft aspects" like governance (Panebianco et al. 2005, Romeo and Marcianò, 2014) or social capital (Farrell and Thirion 2005, Nardone et al. 2010), there have been significant improvements in the last years, whereby the effort for measurement is quite high. Mostly the research is only able to examine a small part of the overall multi-level processes, which means limitations for an impact analysis.

The following findings are a small excerpt, whereby the focus is to briefly present some background information for **questions how to improve the LEADER policy design** (also as a hint for a CLLD-approach). First we provide a very short view on areas with positive assessments and then the negative aspects are translated into challenges for a further framework elaboration and shaping of governance processes.

Overall in the literature there are **positive assessments** regarding fields like a better cooperation, participation, networking, innovation (but see the remarks in next chapter), linkage between different types of knowledge, mobilisation of actors and suitable projects fitting to the local areas (Esparcia Perez 2000, Bosworth et al. 2013, Pollermann et al. 2013, Böcher 2008, High and Nemes 2007, Dargan and Shucksmith 2008, Metis et al. 2010). Also for some special focused examinations there are positive results like the creation of social capital (Nardone et al. 2010).

Besides the positive estimations, also **negative aspects** become evident, some of them are named quite often in different research contexts and countries. To use the multi-level-perspective we can distinguish between major findings for "bottom-up" as well as "top-down"-aspects in the next two subchapters.

3.2.1 Challenges from bottom-up aspects

Regarding the bottom-up mobilisation a look on **horizontal aspects** like power-relations within and surrounding the LAG is needed. This is related to legitimacy and the abilities of the LAGs. Especially often reported are problems like a **dominance from the public sector**. A key aspect is the composition of LAG boards. Because of the current 50% regulation, in theory there is no dominance in numbers possible.

For example in Denmark, examinations show that although there is no domination of representatives of public authorities on the boards, the LAG composition is characterised by a **biased representation** in relation to gender, age, education, main occupation and native country. The inclusion of only individuals with very similar socioeconomic characteristics can even provide effective steering, but does not support the creation of new solution strategies, for which heterogeneity would be advantageous. The linkages between the elite and the public are relatively weak and involve only small parts of the public. This reduces the potential for local capacity-building and weakens the opportunity to increase the feeling of community in the LAG area (Thuesen 2010).

⁸ An evaluation report with ten case studies from ten European countries summarises "The implementation of the LEADER method promoted multi-sectoral and integrated development and contributed to strengthening the local economy and the social capital in rural areas" (Metis et al. 2010, 15).

Table 2: Overview about LEADER-literature

Country	Reference	LEADER period	Focus / empirical basis
Austria	Oedl-Wieser et al. 2010	L07-13	Influence of Mainstreaming/ Interviews, case studies
Bulgaria	Nedelcheva 2013	L07-13	Check for opportunities/ One region
Denmark	Thuesen 2010	L07-13	Participation in LAG/ Survey: 450 LAG-members
Denmark	Teilmann & Thuesen 2014	L07-13	LAG-municipality-interactions/ qualitative case study in one LAG, quantitative analysis on program level
France	Buller 2000	L-II	Creating territory, shift from LEADER I to LEADER II
Germany	Böcher 2008	L+	Regional Governance/ Six LEADER+ regions
Germany	Pollermann et al. 2013, Schnaut et al. 2012	L07-13	Innovation, regional fit, cooperation/ Surveys 1500 LAG-member & 100 LAG-management, 9 case studies
Germany	Lacquement 2013	L07-13	Participation in LAG in Eastern Germany/ one case study
Greece	Papadopoulou et al. 2011	L+	Comparision of projects, networks / case study in one area
Ireland	Storey 1999	L-I, L-II	Participation and empowerment/ overview 34 LAGs
Italy	Osti 2000	L-II	Partnership, interactions in LAGs/ general view on Italy
Italy	Nardone et al. 2010	L+	Social capital/ case studies in 4 LAGs, 28 interviews
Hungary	Katona-Kovács et al. 2011	L+	Animation actions, governance/ 4 LAGs, 15 interviews
Hungary	Fekete 2014	L07-13	Cross-community cooperation/ LEADER and other cooperation in a long-term analysis
Netherlands	Oostindie & van Broekhuizen 2010	L07-13	Rural Policy/ Case study in one area
Poland	Fałkowski 2013	L+	Governance, municipalities, accountability / Comparision from municipalities that applied or not applied
Romania	Marquardt et al. 2012	L07-13	Networks / quantitative with social network analysis
Romania	Rahoveanu & Rahoveanu 2013	L07-13	Socio-economic development/ data of implementation
Slovenia	Volk & Bojnec 2012	L07-13	New implementation/ Survey: 100 LAG-member
Slovakia	Brković & Hamada 2013	L07-13	Evaluation of LEADER/ case study
Spain	Barke & Newton 1997	L-I, L-II	Administration, framework/ 2 case studies
Spain	Esparcia Perez 2000	L-I, L-II	General set up of regions/ history of implementation
Spain	Cazorla-Montero et al. 2005	L+	Rural development model/ case study
United Kingdom (UK)	Shucksmith 2000	L-II, L-II	Social capital, capacity building/ history of implementation
Uk: Scotland	Shortall & Shucksmith 1998	L-I	Integrated rural development/ overall implementation
Uk: England	Convery et al. 2010	L07-13	Mainstreaming/ interpretative phenomenological analysis
Uk: England	Bosworth et al. 2013	L07-13	Neo-endogenous rural development/ survey 550 LAG-members/ stakeholders, 80 interviews
Uk: N. Ireland	Scott 2004	L-II	Institutional capacity, governance/ view on 15 LAGs
<u>International Comparisons</u>			
Italy and Finland	Rizzo 2013	L+	Policy processes, agency-structure-debate/ 2 case studies
Austria and Ireland	Dax et al. 2013	L07-13	Innovation/ 8 case studies, 43 interviews, focus groups
France and United Kingdom	Ray 1998	L-I	Territory, Structures and Interpretation/ 2 case studies
Denmark, Finland and Sweden	Thuesen 2011	L+	LAG partnerships, 3 case studies
Hungary and Germany	Ruszkai & Kovács 2013	L-I&II, L+	Institutions and results in LEADER-implementation/ reports from different countries, 4 pilot areas

Another study in Denmark shows also that the **municipalities are valuable partners** in fulfilling the LAG objectives; however, it is difficult to define the inflection point at which municipalities become too dominant and come into conflict with the rationale behind the LEADER approach to self-governance in LAG partnerships (Teilmann and Thuesen 2014).

Similar observations exist for France: "the composition of the lags reflects the key role played by the **local political elite**, with the virtually ubiquitous presence of mayors, councillors from the département and region, the presidents of semi-public agencies and the consular chambers. This should not necessarily surprise us. [...] Indeed, outside a relatively restrained set of local political and economic leaders, few people amongst the local population within the territories concerned are aware of the LEADER initiative or its application to their local area" (Buller 2000, 195).

Problems in implementing a real bottom up approach were also reported from the Netherlands: there LEADER was seen to be strongly dominated by representatives of **professional rural stakeholder organizations** such as municipalities, nature organizations, water boards, farmers' organizations, tourism organizations, etc. and –therefore- relatively weakly embedded in the rural area. This LAG-composition expresses little serious political willingness to strengthen participatory rural policy delivery systems (Oostindie & van Broekhuizen 2010).

In transition countries and also in some regions in southern European countries, a **weak history of collective action** is reported, and the collaborative approach encouraged by LEADER not engaged well. For example in Calabria, Italy: "most actors still work atomistically rather than collectively because of their lack of trust in collective action" (Dargan & Shucksmith 2008, 287). For Hungary Katona-Kovács et al. (2011, 238) highlight the importance to take social animation more seriously, and that social networks, local participation, the culture of co-operation and making decisions should be improved through a clear, strategic approach.

Another possible problem in decision-making are **conflicts of interests** (ECA 2010). So it is possible that **local political power coalitions** weaken possibilities for participation (Ruszkai & Kovács 2013). This can be termed a "closed shop" (Pollermann 2013). In most LEADER-regions in Germany there is a good tradition of participation, but in the current funding period in most federal states there is an additional influence of public actors, because of **cofinancing rules** (Böcher 2008, Pollermann et al. 2013).

So a close look has to be taken at "**who decides how**" about the money for project funding. There are also changes between the different funding periods: an observation in Spain was that LEADER was promoting a new 'project class' of technicians who were first able to formulate new innovative projects for developing marginal areas, this challenged pre-existing clientelistic power relations and the local political class. During LEADER II the LAG-staff had considerable freedom to pursue this new approach, importing a new vision of a territorial approach to rural development, but as the regional government realised the importance of LEADER, it re-exerted control with the transition to LEADER+. This reassertion of control over LEADER LAGs will be something to monitor carefully (Dargan & Shucksmith 2008, 287).

3.2.2 Challenges from top-down aspects

Problems from the top-down side are based on **vertical relations** like too narrow funding conditions or political influences from higher levels.

Especially often are observations about **obstacles for innovation**⁹ within the LEADER framework and conditions denote a mismatch between desirable local opportunities on the one hand, and pre-defined measures and dealing with bureaucracy throughout the process on the other hand (Bosworth et al. 2013). In general, reduced options for innovation are seen (Dax et al. 2013, Volk & Bojnec 2012, 11, Schnaut et al. 2012). In contrast to this for earlier funding-periods there are quite positive estimations for innovation (Dargan & Shucksmith 2008, Pollermann et al. 2013; relatively positive for the 2007-2013-funding period: Bosworth et al. 2013).

The **restricted funding conditions** can also lead to the loss of interest by civic actors to participate in the decision about projects.

Although some of these problems are similar in the different countries, in eastern European **transition countries typical top-down problems seem to have a stronger** impact, so for example Fekete (2014) indicates that the LEADER principles in Hungary have been disobeyed in many respects: "excessive central governance, political party influence, excessive bureaucracy, the lack of funds financing operation, low level of innovation and scarce local social capital hinder operation predicated on an area-based approach, decentralisation and subsidiarity, partnership, innovation, integrated measures and networking (jointly: the LEADER principles). Communities play a less-important-than-expected role in the shaping of such spaces" (Fekete 2014). But also in Spain top-down controls over LEADER LAGs are reported (Dargan & Shucksmith 2008, 287).

Top down problems are also influences on the shape of regions or imposing thematical defaults. For example a **dominance of the agricultural sector**, also regarding the kind of selected projects, was examined for regions in Austria (Dax et al. 2013). The standard agricultural projects are distributed via email to members of the LEADER committee for (tacit) approval within a short period (1-2 weeks). In other words the decision-making bodies "rubber-stamp" such projects. Despite the administrative advantages of these procedures, there is rising concern about the legitimacy of this approach and the shift of decision-taking power from the local to the higher levels (Oedl-Wieser et al. 2010).

All in all the top down-problems are much **more a problem of the expiring founding period 2007-2013**, whereas the earlier funding periods have given more freedom to the local level. An increasement of bureaucratic settings was especially related to the mainstreaming of LEADER as a part of the EAFRD (Convery et al. 2010, Dax et al. 2013).

⁹ Here innovation is defined as "new approaches" in general, but not solely in a sense of a technical innovation, but more as social innovations (Neumeier, 2011). A "new approach" can also be imported from another region.

4. Outlook: Insights from LEADER for a Community-Led Local Development?

A major issue for a suitable CLLD-framework is to enable the strengths which have been visible through the LEADER experiences up to now and to tackle the challenges named in the previous two subchapters.

For a further research it should be taken into account that the exemplified international differences are hard to judge because the different findings rely on different methodological approaches. For example a (negative) political top-down influence seems to be more problematic in Hungary or Austria, but less in Germany or England. But because of different research approaches maybe the research methods or just the focus of examinations have been more effective in some observations to detect such influences?

For our research approach within TRUSTEE it will be beneficial to use the identical research approach in context of different RDP-designs and boundary conditions (in France, Italy and Germany). The research is conducted in close cooperation with French partners (Agrocampus-Ouest and Centre d'Economie et de Sociologie appliquées à l'Agriculture et aux Espaces Ruraux) and the Thünen Institute of Rural Studies.

For the aim of TRUSTEE to provide information on both (top down and bottom up challenges) a case study approach seems to be the most suitable to get also deeper insight into interactions in the local policy arena within and surrounding the LAG.

Regarding considerations to spread the LEADER principles to other funds there are still challenges like methods to coordinate between different funds. There is also a need for more evidence-based impact analysis regarding especially the economic development. Anyhow the experiences with LEADER in the last 25 years can give valuable insights. Altogether, the literature review already supports the need to have a multi-level-view on CLLD. In accordance, concerns about different aspects within a system of multi-level governance are considerable: on the one hand, how "bottom-up-problems" can be reduced via top-down settings, for example to safeguard participation opportunities against local power coalitions, which created a closed shop. On the other hand, how "top-down-problems", for example restricted funding opportunities hindering innovation can be resolved.

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The research leading to these results has received funding from the European Union by the European Commission within the Seventh Framework Programme in the frame of RURAGRI ERA-NET under Grant Agreement n° 235175 TRUSTEE (ANR- 13-RURA-0001-01). The authors only are responsible for any omissions or deficiencies. Neither the TRUSTEE project and any of its partner organizations, nor any organization of the European Union or European Commission are accountable for the content of this research.

This paper is work in progress; comments are welcome. The authors only are responsible for any omissions or deficiencies. Neither the TRUSTEE project and any of its partner organizations, nor any organization of the European Union or European Commission are accountable for the content of papers in this series.

Corresponding author: kim.pollermann(a) ti.bund.de