

LOCAL DEVELOPMENT POLICIES IN A EUROPEAN PROJECT STATE - A SYSTEMIC ANALYSIS OF INSTITUTIONAL BRICOLAGE

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Final report

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Introduction

In our research proposal for NNF we promised to undertake an in depth case study of the Hungarian implementation of EU rural development policies within the context of the project state, the emerging institutional bricolage and adaptive agency, using qualitative methodology, action research and a systems' perspective.

We based our research on examining multi-level governance and development institutions. Our hypothesis was that the intersection of different institutional realities (European, domestic, regional, local, sectoral, spatial, etc.) and the resulting institutional bricolage is inevitably contested. If the way things are done is a composite of old ways from several different sources then the results are likely to be misunderstood, which can cause confusion and institutional mismatches within the development system. On the other hand we suggested that blended institutions can create at least the beginnings of co-operation. The new, micro-regional level development agencies (also called 'reflexive-' or 'adaptive agencies'), emerging from the LEADER Programme throughout Europe can provide further explanation on contemporary processes and offer a way out of the dilemma of the 'new paradigm' (Nemes et al. 2006). Such agencies can link the two fundamental development systems (the central administrative and the local heuristic one – Nemes 2003).

We intended to use the current iteration of the EU LEADER Programme and the 3rd axis under the CAP RDR (called simply LEADER bellow) in Hungary as a model policy, examining its implementation on two levels: national and micro-regional. The task was to understand the operation of LEADER from different perspectives. Our main research questions concerned four topics:

Multi-level governance, communication between levels and the functioning of the project state:

1. *How do multi-level governance and sharing of responsibilities and authority function? How can 'bricolage' be turned into 'blended institutions'? How is the 'project state' working in Hungarian Leader implementation?*
2. *How do the various levels (central, regional, micro-regional, local) of the emerging institutional system interact? What kinds of conflicts do they face?*

Local governance and the ability of local institutions for reflexive agency:

3. *What enables organisations to act through a reflexive agency, to translate and mediate between different levels of the development system, thus creating a framework for successful rural development? What are the success and/or failure factors for this in terms of: institutional culture; leadership; what capacities, knowledge, skills are necessary; what sorts of connections, social and professional networks are needed; what sort of hidden agendas are possible?*
4. *What local political and democratic culture is essential to create the ground for a reflexive agency?*

An international comparative perspective:

5. *What are the similarities with comparable organisations in Spain?*

And a methodological perspective:

6. *How can systems' perspective and methodology be applied in rural research?*

Our methodology was fundamentally qualitative, based on interviews, participant observation and action research.

Summary of analytical findings

EU development policies are designed to be implemented in an institutional environment of multi-level governance and a reasonably well functioning project state. However, in Hungary both of these requirements are problematic, resulting in serious problems in the functioning of the project state. Political rationality often overcomes common sense and available resources (including EU development money) are exploited in order to enhance the political capital of entrenched interests. Civil society is weak and partnership working insufficiently developed. Therefore fundamental control remains centralised and there is a lack of capacity at lower levels of governance. Crucially, development policies based on decentralisation and local governance are in contradiction with the nature of the system that is expected to deliver them. Too much normative central control kills local initiative, and at the same time the central administration cannot deal with large number of small projects and ever changing direct political influence. In consequence, development policies (and our model policy, the LEADER in Hungary) suffer distortion and tend to fail to achieve their objectives.

We identified early on during the research that in the context of multi-level governance problems can be characterised by four different kinds of 'lacks':

- lack of decentralisation,
- lack of trust and communication,
- lack of co-operation,
- lack of capability for social learning.

These have been causing distortions within and amongst the different levels of the system, resulting in overlaps amongst and gaps between different institutions, and a continuous power struggle between the different stakeholders. Nevertheless, despite all difficulties, at micro-regional level, in some areas at least strong capacities have been built. They demonstrate that many of the difficulties can be overcome by filling the gaps in the institutional environment through reflexive local agency and institutional bricolage. A capacity for co-operation, social learning and a conscious quest for practical everyday solutions coupled with strategic thinking seem to be decisive factors for success. Another important factor we found is the rhetorical and philosophical message of the LEADER Programme, still (after mainstreaming) having a strong effect on rural communities.

To allow for a comparative perspective, in addition to the research on the LEADER programme (this is to say the 3rd and 4th access of the RDR), we conducted an in-depth case study of the institutional setup and the implementation problems of its 'sister-policy', the

Hungarian Agri-Environmental Programme (the 2nd axis). This programme, being an area based support, was significantly easier to be accommodated by the contested project state, resulting in fewer changes, distortions and a much reduced complexity. Nevertheless, we found that the design and the implementation of the programme (HAEP) was subjected to ongoing political influence and the power struggle of three main mindsets, representing different lobbies: the agriculturalists, the green-minded and the accountability-minded actors. As a consequence, the main emphasis remains on the distribution of financial resources, thus original objectives are not fulfilled. Thus, in spite of a somewhat smoother implementation than in the case of LEADER, social learning, capacity building and empowerment are almost completely absent from this policy. In a currently progressing article, comparing the two policies we discuss that in Hungary the community development and social learning element is lacking HAEP's rhetoric and philosophy, while they are present in the LEADER. This might provide us with a good explanation for why LEADER, in spite of the huge bureaucratic and political pressure is still able to provide much better results in terms of social learning and development.

Action research – methodological considerations

Action research was in the design of the project from the beginning, as a tool to enhance local capacity building and to facilitate the acquisition of information. However, its importance and reach has been gradually growing over the course of the research and blended with other methodologies it has become the major source of empirical information. In our understanding action research means that instead of simple observation the researchers actually contribute to the creation of the context and the communicative space in which stakeholders can meet, communicate and act. All this may contribute somewhat to solve the problems caused by the above mentioned 'lacks'.

- The simplest way to achieve this is to combine action research and other qualitative methods, through simply sharing our results and part of the analytical work with some of the stakeholders. The case study on the Hungarian Agri-environmental Programme mentioned above is a good example for this. The majority of the research here was conducted through conventional qualitative methodology, mainly interviews and document analysis. Nevertheless, after collecting all the data and making the first analysis, all the results were shared with the main (often conflicting) stakeholders and they were invited for a workshop, to a neutral, 'no bid' environment. With this we provided a new communicative space, where they could not only criticise our results, but could also start a conversation amongst themselves and finally provided much of the analysis themselves. We repeated the exercise during the mid-term evaluation of the New Hungary Rural Development Programme, again, with considerable success.
- Another level of the action research concerned the lack of co-operation amongst LEADER Local Action Groups (LAGs). One of our first important results in terms of the analysis of the rural development system in Hungary was that the Management Authority practically hampered co-operation (national and transnational) rather than facilitating it. There were institutions established to help co-operation between micro-regions (a state agency and two NGOs). However, they either did not function or were corporative bodies, organised on the basis of party politics. There was no trust and no real action in this field. We decided that for the sake of the research as well as for 'the common good' a co-operation, based on trust, mutual benefits and strong personal ties should be created and reinforced. Thus, our project led to the establishment of the NATURAMA Alliance, the first functioning professional network amongst Hungarian LAGs. It is a vibrant co-operation, providing enhanced opportunities for social learning and capacity development in rural development. Through lobbying and expert

advice to the government on the forthcoming reform of the rural development programme NATURAMA is also contributing to the effective advocacy of local interests in the development of rural development policies. As well as domestic projects, NATURAMA has established a range of international contacts and co-operations.

- The third element of the action research component of the project has supported the lead researcher's participation in a range of EU level projects organised by institutions such as the European Network for Rural Development and the European Evaluation Helpdesk, aimed at evaluating current rural development policies and seeking solutions to the problems resulting from the mainstreaming of the LEADER Programme. On these meetings and workshops the lead researcher has been able to (1) represent Hungarian (and Central and Eastern European) interests in these projects, contributing to a fuller and more nuanced picture of reality; (2) receive and pass on much information on behalf of Hungarian rural development actors; and (3) make many invaluable contacts in the European rural development arena. This element of the research turned out to be very beneficial for international comparison.
- The fourth element of action research was the lead researcher's participation in the mid-term review of the 3rd and 4th axis of the New Hungary Rural Development Programme, as an expert on co-operation, social learning, social capital and institutional matters. He prepared a detailed questionnaire on all implementation matters that was responded by 95% of Hungarian LAGs. Together with the key interviews, case studies, statistical and institutional analysis (conducted during the NNF research and the evaluation project) all this resulted in having access to a huge database (qualitative and quantitative) on the implementation of LEADER in Hungary, which was very underused for the evaluation and is available for further analysis.

Actions with NATURAMA

The NATURAMA Alliance is a fellowship of seven Hungarian Local Action Groups (LEADER LAGs). Each group is based in a territory that includes significant areas of nature conservation, and all include the sustainable development of environmental and cultural heritage as well as human virtues amongst their main objectives. The alliance intends to achieve these goals through celebrating rural values, enhancing environmental consciousness and linking tradition with innovation to support sustainable economic development. The intention of the participating LAGs is to be the yeast enlivening local efforts to concentrate resources, and good will, which can enable local development and the preservation of values. In order to do so they cooperate, exchange experiences and knowledge amongst themselves and with LAGs from other European countries. Together they organise common projects and actions and protect the interests of rural communities and development wherever and however possible.

NATURAMA meets every 1-2 month for a 3 day workshop (there have been 16 of these meetings altogether), where they have trainings, work on common projects and reinforce the community. The lead researcher of NNF acts as a professional mentor, facilitates the meetings, brings in external contacts and knowledge. The Alliance has appeared on various international events and exhibitions, such as:

- *FICODER*: 2009 June 8-9-10. Sevilla, Spain, international LEADER co-operation fair, exhibition and conference <http://www.ficoder.es/?lang=en>
- *LEADER Expo*, Budapest (2010. March 4.-7).

- *Linz 2010*, Kirchberg (2010. March. 15-17) – international LEADER conference
<http://www.nrn.ie/events/2010/02/linc-2010/>
- *Valley of Arts Festival* (2010. July 23 - Aug.1.),

NATURAMA initiated various projects. A domestic initiative is the creation of community based local tourist trails (for walkers, bicycle, horse riding, etc.) based on the GOOGLE MAPS GIS system, filled up with local information, photos and other media. The alliance is participating in two important transnational projects too. The first is the Marca de Calidad Territorial, that is currently an emerging European level network aimed at introducing an innovative, new version of quality insurance in rural tourism and local products <http://www.calidadterritorial.com/>. The other one is the Club Biored, a transnational project based on finding new connections between nature conservation and rural development <http://www.clubbiored.org/>.

The last important event was a training for facilitators in participatory video¹ (PV) during the last week of November, where with 20 participants, 4 trainers (from Hungary, England, India) and the local organising team PV and GIS based local trail system was introduced to NATURAMA members and was induced to spread in Hungarian rural development. The project will continue and over the next 1-1,5 years it is likely to have significant results in the concerned regions. Films of the project can be seen here: <http://www.youtube.com/naturamakv> (there is much more to come, the project was undertaken last week, editing is still in progress). The blog written by the participants: <http://naturamakv.blogspot.com>.

In the field of advocacy NATURAMA has become an important factor during the last 1,5 years. After the change of the government we invited the state secretary to talk about the problems, this occasion was his first meeting with 'field-level' people. As a result one of the LAG managers of the Alliance has participated in the small workgroup, created by the Management Authority with the purpose of working out the reform proposals of LEADER.

The work with NATURAMA has had invaluable benefits for the project. First of all, it provided most of the insights and qualitative information on the implementation of LEADER and the operation of the institutional system. This depth of information would have been impossible to access otherwise, even through conventional qualitative methodology. On the other hand NATURAMA is a learning organisation, a living laboratory to show what co-operation could achieve in terms of social learning, advocacy and empowerment in the Hungarian rural development arena. Preliminary results of the mid-term evaluation show that the seven LAGs, participating in the Alliance have significantly clearer ideas about the objectives and the methodology of LEADER, about the importance of social learning and the possible achievements of co-operation. With NATURAMA it was possible to make a real effect on thinking, views, social learning and policy directions, which goes well beyond the normal possibilities of such a small research project. This has only been possible through action research methodology.

¹ Facilitators teach some local players how to use the technique at a basic level and the group members together find out the topic of the film (e.g. their own work, resources in the region, future plans, innovative solutions, etc.), they draft the scenario together, then they shoot a film, which they finally edit with some technical help by the facilitators. It takes a few days to complete the process that is fairly interesting and challenging to everyone. During work they raise plenty of questions and problems, clear many misunderstandings and for the sake of the common goal (the film) communication and co-operation remains. The final result is self-reflection, the community has grown stronger, they have evaluated experiences from the past and possess a product hopefully enjoyable to others as well.

Tangible outcomes

Tangible outcomes of the Norway Grants support were expected to include joint conference presentations with Chris High, 2 publications in international and 3 in domestic journals, a policy paper for Hungarian and EU policy makers, and improved local development institutions and community in the field of our action research.

The two researchers have had not only two, but a number of presentations on important international conferences and workshops (European Society for Rural Sociology - where we gave papers, ran a WG and Gusztav Nemes was also an invited plenary speaker; Regional Studies Association; Easy ECO; European Association for Agricultural Economics, etc.).

The two international publications are on their way (one for *Sociologia Ruralis*, one for the *American Journal of Evaluation*), we published a range of working papers, conference papers and Gusztav Nemes has a signed contract for a book with an English publisher, the Cambridge Scholars Publishing.

During the projects commissioned by the European Evaluation Network and the European Rural Development Network, Gusztav Nemes has contributed to a range of EU level policy papers. The case study on the Hungarian Agri-environmental Programme, as well as the joined contribution of NATURAMA to various public debates, regulations and policy documents ensured the policy effect of the research. At the same time the fact that NATURAMA is still on the go and developing, ensures that local development institutions are reinforced, empowerment is happening and our research gives an input to local affairs as well as into academia.