



Resituating the Local in Cohesion and Territorial Development



**Case Study Report
The Balaton Uplands
LEADER Local Action Group, Hungary**

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Abbreviations

Please revise this list after writing your report.

EAFRD	European Agricultural Fund for Rural Development
CAP RDP	Common Agricultural Policy, Regional Development Policy
CEO	Chief executive officer
COP	Community of practice
EFOP	Human Resource Development OP (Hun)
ETQM	European Territorial Quality Mark
EU	European Union
EUR	Euro
GIS	Geographical Information System
GPS	Global Positioning System
HU	Hungary
HUF	Hungarian forint
ISCED	International Standard Classification of Education
INTERREG	European Territorial Cooperation Programme
LAG	Local Action Group
LEADER	Liaison entre actions de développement de l'économie rurale
LESZ	Hungarian acronym of the alliance of Hungarian LEADER LAGs
MA	Management Authority
MVH	Agricultural and Rural Development Agency (Hun)
NATURAMA	NATURAMA Alliance
NGO	Non-governmental organisation
NUTS	Nomenclature of Territorial Units for Statistics
OECD	Organisation for Economic Co-operation and Development
SAPARD	Special Accession Programme for Agriculture and Rural Development
RD	Rural Development
RDP	Rural Development Program
RDR	Rural Development Regulation
SME	Small and medium-sized enterprises
SPSR	Situation-problem-solution-result

Executive Summary

Background

Considering both its implementation and its achievements, the Balaton Upland LEADER can undoubtedly be seen as a best practice for local development, civic engagement, empowerment and participation. The local action group (LAG) was established during the 2007-2013 programming period building on previous experiences and networks gained through LEADER+ and other forms of civic engagement across the LAG area. The LAG covers a relatively large, resourceful, but rather heterogeneous territory including the Northern shores of Lake Balaton and its hinterland. The founders of the LAG took classic LEADER principles seriously: they activated volunteers, experts, academics, and generated an exemplary local development strategy through participatory processes. They consciously turned the diversity of the region into a resource for development; and kept the local governance of the action territorially balanced through careful social engineering.

Findings

The Balaton Uplands territory consists of three sub-regions and a few mosaic-like smaller areas with rather sharp differences between the endogenous (natural, economic and human) resources of these sub-territories. The LEADER Programme achieved significant results in addressing spatial inequalities, both in terms of mitigating urban-rural differences in the LAG area as a whole, and in terms of connecting the more developed sub-regions with the less vibrant, or even lagging small villages of its periphery. This was achieved through locally forged and organically linked development measures, which connected individual investments, guided by the participatory local development strategy, and supported by the institutional and human resources of the local development agency of the LAG.

At the same time, social vulnerabilities were not directly addressed by the LAG strategy. Nevertheless, the local development processes, the local governance structure, a revitalised, spatially interconnected LAG community, and the practices of the management had an indirect impact on them, as there was a conscious effort to make sure that every single village is profiting from the Programme. LEADER principles helped to bring about more just procedures and decision-making mechanisms (e.g. the tripartite composition of the LAG and the Board) with a considerable community control, which was accompanied with the sincere intention of the managers to work as much 'LEADER-like' as possible.

In the last phase of the 2007-2013 programming period, the Balaton LEADER LAG was a founding member of the Naturama Alliance – a common learning platform of seven Hungarian LEADER LAGs – which brought in new knowledges and mobilized new practices. It was a rare example in Hungary that, inspired by the willingness to learn, LAGs engaged in an international co-operation. As a result of this, Austrian, Spanish and Italian examples helped the LAG to develop its most successful sub-programmes.

Outlook

The implementation of the LEADER Program in the current programming period suffered from severe cut-backs, delays and other problems, which had negative effects on the Balaton Uplands LEADER LAG. Since the scope of the LEADER approach has been restricted in this period, the funding of the LAG has decreased by 75% compared to the previous iteration, resulting in a dramatic shrinkage of management resources, and in the loss of locally accumulated human capital. This endangers seriously the achievements of the previous period. Moreover, the huge delays in national level program management, coupled with uncertainties regarding the future role of LEADER in the post 2020 CAP, has raised grounded anxieties about the future of the LEADER in Hungary.

1. Introduction

The action analysed in this case study is a local LEADER Program called Balaton-upland LEADER LAG¹, implemented during the 2007-13 programming period (practically from 2009 to 2015) in the Balaton Uplands area, which became an exemplary success story of rural development within the Hungarian context. Though the LAG continues to exist in the current programming period (2014-20) with basically unchanged development goals and measures, we had to concentrate on the earlier phase because of the serious delays of implementation. During the time of field research and writing this study, only the preparations were finalised, including the publication of four Calls. However, the selection process was postponed, and the whole local development process was on a halt.

The EU LEADER program is a specific instrument for rural development, providing relatively small funding, but still playing an important role in maintaining and increasing endogenous economic and human resources of rural communities. Enhanced impacts result from values inherently built in through its principles (bottom-up; local partnership; multi-sectoral approach; innovation; networking; cooperation) and implementation rules. LEADER is among the very few development programs that plays a significant role in “localising” the process of development through mediating grassroots needs upwards, and through tailoring upper-level development goals to the local circumstances downwards. This is what makes LEADER relevant from the point of view of the RELOCAL project.

During its early days (until the late 1990s) EU LEADER, as an experimental community initiative for rural development, enjoyed a high level of flexibility across Europe. This flexibility has gradually and remarkably eroded during its institutionalisation over the five iterations. (Lukesh, 2018) The issue of simplifying LEADER is still on the agenda of the EU due to the discrepancies between EAFRD, the European funding source shaped for administering individual area payments and development projects, and LEADER, which is an area-based, complex development program with lots of off-farm, community forged, idiosyncratic project proposals.

The LEADER Programme was awaited with eagerness in Hungary by rural stakeholders and policy-makers alike during the pre-accession period, when, parallel with the SAPARD Programme, an experimental LEADER Programme was started in 2001. It was aimed at introducing the approach both at the local and at the central levels. 16 proto-LAGs got the chance for experimenting with LEADER for a duration of 3 years, while following Hungary's EU accession in 2004, 70 LEADER+ LAGs² were selected for implementing their Rural Development strategies. One of the sub-units of Balaton uplands LEADER LAG (the Sümeg area) was among the lucky beneficiaries under the leadership of a local civic organisation, but another application from a northern area was refused.

When the story of the Balaton uplands LEADER LAG started, the so called LEADER mainstreaming was taking place at EU level in the 2007-13 period. Practically it meant that LEADER was made mandatory as the cross-cutting 4th (methodology) axis besides the other three thematic axes (competitiveness, environment, quality of life) of the RDP. As a result of this process, administrative burden related to accessing EAFRD funding was inevitably increased across Europe (Dax et al. 2016), thus in Hungary as well.

The current programming period has been even more problematic from the point of view of upper-level management failures: the IT surface for uploading local selection results at the Paying Agency was made available for LAG administration as late as January 2019, five years after the start of the EU RDP.

¹ In Hungarian original: *Éltető-balatonfelvidékért LEADER HACs*

² These 70 LAGs covered about 30 % of Hungary's rural territories.

Despite all difficulties, one of the largest LAGs of Hungary, the Balaton-upland LEADER should be considered as a best practice., This is partly because it was functioning during the previous period as well, which contributed to a relatively high level of human and institutional capacity, high degree of participation, dense social networks, and early adaptation of international best practices within the Hungarian context of rural development. The achievements of the LAG are unquestionable, despite the dramatic shrinkage of its personnel during the wide time-gap between the two iterations of the Programme, and despite the financial difficulties stemming from this. Though for this reason the current cycle will not be as successful as the previous one, but at least it might keep the organisation on the surface, and it might keep the best elements of the Programme running, until the local actors will not be ready to work independent from the incubating background of the LAG.

In November 2018, during the closing General Assembly, eight entrants were accepted as new members of the LAG, mainly due to the extremely successful introduction of the Balaton Uplands Trade-Mark, and due to the positive reputation of the LEADER “family” in the region. If nothing else, then the enhanced social capital could be maintained more or less intact in the future, as the work in the previous period was worth, and will surely keep the process of development alive.

2. Methodological Reflection

Our research is based on two different flows of work: the first was prior to the RELOCAL project, the second was part of it.

The first phase concerns a long-term action research project, working together with the Balaton-upland LEADER LAG for a number of years, since its establishment. This meant not only continuous participant observation (including being a LAG member, applying for rural development funding, etc.) by Gusztáv Nemes (one of the authors of this case study), but an active role played in shaping methodologies, working on the local development strategy, leading workshops, being an expert consultant and helping international relations.

The second flow of research took place within the RELOCAL project and consisted of data analyses (official socio-economic data, geo-coded micro-data, LAG's reports), conducting semi-structured interviews with different actors (30 altogether, including present and earlier LAG leaders and managers, beneficiaries, stakeholders representing the local or external LAGs and/or holding key leading positions at national scale; see the list of interviews in Annex 8.1) , and observing three events (two general assemblies of the LAG, and one study-visit at the Balaton Uplands site during the Valley of Arts Festival). These were undertaken mainly during the second half of 2018, specifically for the purpose of writing the present study.

Mapping performed by Gergely Tagai played a key role in visualising the geographical context of social advantages/disadvantages. Interview partners were approached with a so-called Information –Sheet, which explained the main targets and methodological tools of the project. (See Annex **Fehler! Verweisquelle konnte nicht gefunden werden..**) Spatial justice as a keyword was not really used in interview situations, even though the information sheet covers the concept to some extent. Rather, territorial and social inequalities were questioned about within the LAG area.

Most of the local informants were ready to talk about the LAG, but not everybody. The president of the LAG did not allow the researchers to observe neither the meetings of the Board, nor that of the Decision-making Body. Only those LAG-related events were allowed to be visited by the researchers, which were open for the public. Consequently, we had to rely on recollections about the working models of these bodies.

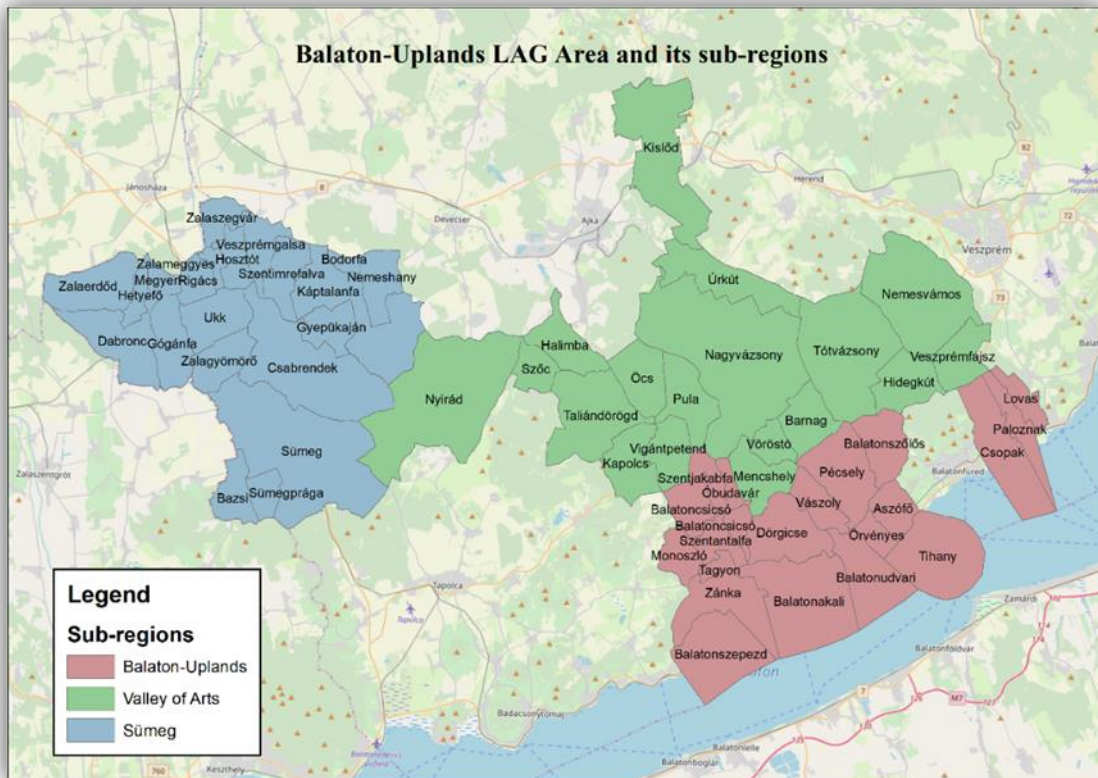
3. The Locality

3.1 Territorial Context and Characteristics of the Locality

The Balaton Uplands LEADER LAG was established during the 2007-13 EU programming period and is still in existence. It covers a bit more than 40.000 inhabitants living mainly in small villages – 37 out of the 59 participating settlements having less than 500 residents (out of which 13 villages have less than 155 locals) and only 4 having more than 2.000. The area belongs to 5 different statistical/administrative districts and had had no previous territorial identity before becoming organised as a LAG. The economic, social and geographical composition of the territory is rather versatile, with three distinctive micro-regions and more characteristically different areas within these. (See **Fehler! Verweisquelle konnte nicht gefunden werden.**) This has important consequences for spatial justice, socio-economic problems, development opportunities and the approach of different stakeholders.

Name of Case Study Area	Balaton Uplands LEADER LAG (Éltető Balaton-felvidékért LEADER HACS)
Size	984.12 km ²
Total population (2017)	41,950
Population density (2017)	42.6 citizens/km ²
Level of development in relation to wider socio-economic context •	It is a reference case, the LAG area as a whole is not disadvantaged but there are disadvantaged villages within the area.
Type of the region (NUTS3-Eurostat)	Intermediate
Name and Identification Code of the NUTS-3 area, in which the locality is situated (NUTS 3 Code(s) as of 2013)	HU 213, Veszprém megye, Veszprém county
Name and Identification Code of the NUTS-2 area, in which the locality is situated (NUTS 2 Code(s) as of 2013)	HU 21 Közép-Dunántúl, Central Transdanubia

Table 1: Basic socio-economic characteristics of the area (HCSO, Eurostat)



Map 1: The Balaton Uplands LAG Area and its sub-regions

3.2 The Locality with regards to Dimensions 1 & 2

The southernmost micro-region of the LAG is the *Balaton Uplands*, belonging to the Balatonfüred district, stretches along the lake Balaton, containing 20 villages. The lake itself, together with the Mediterranean-like landscape, wine production, gastronomic traditions, local food production, richness in built and natural environment make this area attractive and a prime destination for rural tourism³. Main economic activities of this region are also connected to tourism and connecting services. There is considerable seasonal employment and used to be a higher than average level of unemployment. However, as a result of state-run public employment schemes, labour migration to the west and the recent economic changes, today there is a shortage of labour in every sector from catering to agriculture.

Nevertheless, there are huge differences within the LAG area. Villages on the lake shore are larger and richer, with good infrastructure, train and road connections. Some of them are amongst the richest Hungarian settlements (Tihany, Csopak) due to paying beaches, high property prices⁴, well-off inhabitants and second home owners in general. Those, only a few kilometres away from the lake are small, with much worse infrastructure⁵.

³ It is often referred to as the 'Hungarian Province' or 'Toscana'. The lake itself is the most traditional domestic holiday destinations, in 2017, three quarters of the 2 million tourists arriving here were Hungarians.

⁴ A house or a building plot, having direct connection with the lake can worth hundreds of thousands of EUR. Selling real estate, but also paying beaches and the tax on tourism brings a very significant income to local authorities.

⁵ Resulting from an unlucky combination of political and geographic circumstances, lacking sewage treatment systems, in the 2000s in these small 'second line' villages no building permits were issued, that structurally hindered their development.

The next area to the north is a settlement group around the *Valley of Arts*. It stretches alongside two parallel valleys at the feet of the Bakony mountain region. It got its name from a summer art festival, having more than 30 years of tradition, involving 4-5 small traditional villages in the middle of the micro-region. However, it includes many more (altogether 16) settlements, belonging to three different administrative districts (Tapolca, Veszprém, Ajka), some of them quite large and developed in comparison.

Nemesvámos is the most important, a village of some 2.000 people, at the edge of Veszprém, the county seat and the traditional industrial, cultural and administrative centre of the whole region. Nemesvámos used to be a small agricultural settlement, but since the establishment of an industrial park in the early 1990s (drawing in human resources and initiatives from the sinking heavy industry of the nearby city) it has developed into a rural economic miracle. Today it hosts almost 300 enterprises, including 3 multinational companies (Alco, MTD, HARIBO) and entitled to over a million EUR local tax revenue.

The western end of the micro-region is a traditional bauxite and coal mining area, near to an important metallurgical centre (Ajka). These are larger, industrial villages, with agriculture only as a side-line, concentrating on arable production. Much of the traditional industry (gradually all the mines, the aluminium smelter, etc.) went down in the 1990's, resulting in high unemployment for a few years, however, the situation soon changed. Miners had exceptionally good salaries were also hard working and had many skills. Most of them went into early retirement (at 40-50 years of age) with high pensions. Thus, many of them had some capital and started small industrial enterprises. On the other hand, by the early 2000s the failed traditional heavy industry was replaced with modern factories in the centres like Ajka, mainly in car manufacturing competing by today for industrial labour. Thus, the local economy is defined by industrial commuting and a network of small enterprises⁶.

The middle of the micro-region consists of small villages, that had been witnessing sharp decline in the early 1990s (depopulation, aging, etc.). As a result of some artists and intellectuals buying houses in the area, and the Valley of Arts festival⁷ 'fate of the area' changed track and from the early 2000's a modest development started, based on bottom-up initiatives, tourism, small scale food production, arts and crafts.

The third micro-region is the entire *Sümeg district*, consisting of 21 settlements with 15.000 inhabitants. The district town (Sümeg) and a nearby village provides some two third of the population, the rest lives in 19 small villages. The area lies at the border of three counties (Veszprém, Zala and Vas) resulting that it is far away from any urban centres and represents an inner periphery in the otherwise prosperous North-western region of Hungary. The settlement structure is fragmented, with a number of very small settlements, some on the verge of abandonment (three villages have less than 100 inhabitants).

Stakeholders, when asked about spatial inequalities within the LAG area, could rarely provide a comprehensive picture. *Their perception normally did not much extend their own micro-region* within the LAG, and most of their active connections remained within their immediate surroundings. The Sümeg area seems to be 'far too far' for the shore or from the agglomeration of the county seat, people living in other parts of the region normally have very little actual knowledge about it. Nevertheless, they were all aware of the larger structural differences, inequalities. The most typical answer was that the Balaton area is in far the best position and the norther we go, the poorer the region gets. One of the respondents in the better off parts of the region (Nemes-

⁶ There are also some larger companies settled in the villages, a glass blowing manufactory employing 100 people, e.g. Also, large companies from Ajka buy houses to accommodate their migrant workers in these villages.

⁷ This is a 10 days, 'total art festival', that in its peak times involved 7 villages with some 8000 inhabitants and attracted more than 350.000 visitors.

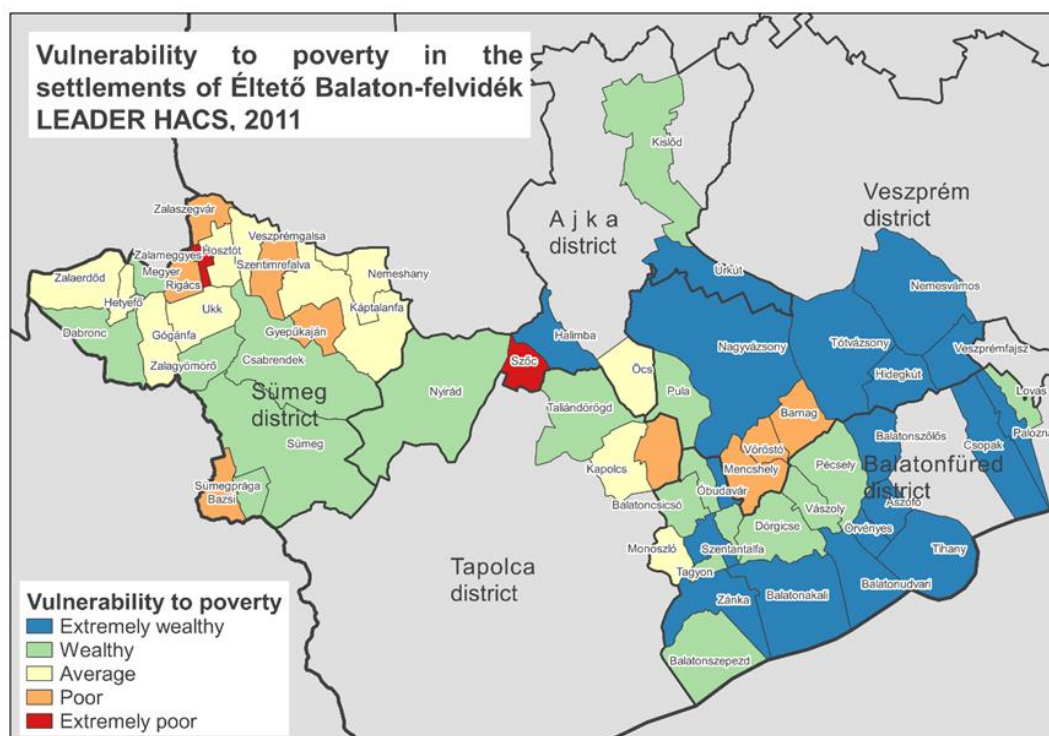
vámos and in the Balaton area) specifically stated that they felt responsible for helping entrepreneurs and communities in the Sümeg region, but the distance made difficult acting on this. It was clear that LAG events provided the best possibility for meeting between the micro-regions. We also found some actual business connections and deals, established through these contacts⁸.

Visualising territorial inequalities: poverty risk index, geo-coded microdata

Making further efforts to identify spaces of social injustice, a so-called '*poverty risk index*' (Koós 2015) has been developed by Bálint Koós and Katalin Kovács some years ago using 2011 census data. If we apply this index to the Balaton Upland LEADER area, the picture is similar to what has been found so far: agglomeration/suburban zones as well as the shore area belong to the extremely wealthy group of settlements, whilst those of the Sümeg district are at best "wealthy" (Sümeg and its agglomeration) but the peripheral part of the district is covered mainly with poor or very poor tiny settlements (**Fehler! Verweisquelle konnte nicht gefunden werden.**). It is worth mentioning that the isolated off-shore, hilly villages of the Balatonfüred district also belong to the group of the poor residential areas mainly because of the ageing of the population and unfavourable road networks. We should, however add to this picture that significant economic progress has been experienced since the last census due to the post-crisis labour-market recovery.

Geo-coded microdata is provided at sub-settlement level by units of 250 inhabitants from the 2011 census (see Annex 8.5.a 1-2 and 8.5.b 1-2) representing a delicate tool for the visualisation of spatial patterns of social vulnerability. We selected the high rate of low-educated population (having at best ISCED-2 level of education) as a proxy indicator to social disadvantages (by gender). Our map shows clearly, that better off areas are: (1) the larger settlements (Sümeg and Csabrendek); (2) villages in the proximity of the three important towns around the LAG area (Veszprém, Balatonfüred, Ajka, even Sümeg); (3) and villages stretching along the shore of the lake Balaton. Apart from these, relatively high rate of disadvantaged population (especially low-educated women) are spread relatively evenly in the Sümeg and the Valley of Arts district. The same spatial pattern is indicated by the map illustrating no-comfort dwellings in the LAG area: practically there are no such dwellings in the agglomeration zones of cities, they are scarcely found in the shore and in larger settlements, whilst the "inland" area is very much touched upon, especially the small villages of the Sümeg district. It is not by chance that this picture highly overlaps with that of old-age dependency ratio.

⁸ One example is a small catering enterprise in the middle region, that after making acquaintances on such a LAG event, started to order cheese and meat products from the Balaton area and honey from the Sümeg region.



We have considered spatial justice in this case study in two different dimensions:

1. in urban/rural relation → that is how the work of the LEADER LAG could reduce spatial injustice for the LAG area as a whole;
2. within the region of Balaton Uplands LAG → how the LAG's work could reduce spatial injustice within its local/spatial area.

The first dimension brings quite straightforward results. The LAG area, being a rural region with scattered settlements, generally worse infrastructure, lower human and economic resources compared to urban centres, is, in our understanding, in a situation of spatial disadvantage in general. An important aim of the LAG, besides many other policies and institutions was to counterbalance these deficiencies, creating structures for delivering financial and professional help to ensure the efficient use of local resources and empower rural society and economy as a whole. The Balaton Uplands, according to many indicators, including a high-level state recognition for its work, has achieved more or less the best possible results within the given political, financial and cultural context. At the same time, the LAG did not specifically target the empowerment of disadvantaged areas (or social groups) appearing in the presented maps, this, if at all, could only happen as a knock-on effect of local development. The LEADER Programme was understood here, in the spirit of the 'New Rural Paradigm' of the OECD (OECD 2006), as a possibility for socio-economic development through investment into the most competitive resources of the area instead of supporting disadvantaged groups or lagging economic sectors.

However, the LAG very much recognised the spatial differences within its area and, as it is clearly stated in the local strategy, *intended to use differences as resources to fuel the overall development* of the region. Actually, as we will show during the description of the LAG actions, a lot of the activities in the 2007-13 period and much of the current development strategy was mainly built on this principle.

- One example for this was creating channels for high value added, quality food products to be sold to the masses of tourists arriving to the Balaton area. On this way the more agricultural areas of the Valley of arts and the Sümeg area could benefit from the purchasing power of tourists coming to Balaton, and it could also help tourism businesses near the lake to provide their customers with quality food and services. All this carry very significant opportunities for small enterprises (farmers, craftsman, high value added food production, services, etc.).
- Another, similar direction was to bring tourists away from the lake shore, creating attractions and marketable goods and services within the framework of the experience economy, further north in the rural hinterland of the LAG territory.
- The third important objective was to create a supportive environment for the development of social networks, and especially the involvement of young people within the rural development process.

These objectives and the actions, built on them favoured the Valley of Arts and the Sümeg area, where, due to cultural routes and a more homogenous, indigenous population, networking and joint action is easier and more natural than in the Balaton area. Here, cooperation between settlements, civilians and economic actors is much wider, the presence of youth organizations, which has intensified in recent years and has a positive impact on the whole LAG through good examples.

4. The Action

4.1 Basic Characteristics of the Action

This case study explores the actions of the Balaton Uplands LAG in the following, some-what overlapping periods:

1. local organisation, the preparation of the local society (2005-07 and before) (please find this in the annex (8.3);
2. the creation of the LAG institutions and the local development strategy (2007-8);
3. the implementation of LEADER during the first programming period (2009-15);
4. and to a limited degree the planning and preparing the Calls during the current programming period (2017-18).

Nevertheless, since the real implementation of the current 2014-20 programming period (namely, making decisions about projects, starting investments, reimburse applicants, etc.) has not yet started by the time of the writing of this study, most of the tangible results we explore are connected to the first programming period. We will first give a short description of the main actions, then the actions will be analysed according to the set analytical dimensions.

4.1.1 The creation of the LAG institutions and the local development strategy (2008)

Based on existing internal connections and some integrating personalities, a reasonably large LAG (described above) was established in 2007 summer, within a very short deadline (some 2 months). A preliminary draft of the local strategy was prepared during the autumn and in December the LAG was selected to officially run for the LEADER Programme.

After the formal agreement about the LAG in September 2007, a civic association had to be created with all the relevant institutions, respecting the LEADER Principles, this was fulfilled by next autumn. Strategic planning started in parallel during the spring 2008. The plan had to be written using an online platform, managed top down by the Ministry of Agriculture, again with a very short deadline (three months this time, finally extended to 4 months). The local strategy in the Balaton Uplands LAG was developed through a highly participatory process, managed by some paid development workers, but based, in principle on wide stakeholder involvement and a lot of volunteer work (see latter in more detail). The application for becoming a LEADER LAG was accepted without major problems. Three offices (in Sümeg, Kapolcs and Balatoncsicsó) employing seven rural development workers were established during the autumn of 2008.

The main development directions, building on local resources and the strategic planning, were well tangible from the very beginning. The LEADER Program was understood here in principle as an economic development programme, however, in a very broad sense, including the development of socio-economic environment, co-operative capacities, net-works, etc. The main, competitive economic sector chosen to be supported was rural (sustainable, cultural, gastronomic, etc.) tourism, including connected services and locally produced and processed food products, and arts and crafts.

The LAG planned to support these objectives on three main ways:

- Direct support of SMEs working in these sectors – in line with the Regulation, mini-mum 45% of all the allocated resources had to go to business development;
- Developing the economic environment via
 - o strengthening enterprising activities through providing advice to those willing to take initiatives,

- building and maintaining access to markets and information through promoting networks, joint marketing, product development, knowledge transfer, etc.
- Reinforcing social capital, local identity – community development, social networks, regional identity, and human resources, with special regard to young people;
- Environmental management (built and natural environment) – mainly concentrating on built heritage and renewable energy.

4.1.2 The implementation of the LEADER Programme during the first programming period (actually between 2009-15) - Results, outputs of the LAG actions

During the first period, the LAG significantly exceeded its original commitments. Originally it was allocated a budget of 1.8 billion HUF for axes 3rd. and 4th. (appr. EUR 6 mil-lion), however, this amount was topped several times by the government (using money that other less successful LAGs that could not spend their budget) and finally 155% of the original budget was spent until 2015, the closing date of the Programme. Out of 600 project applications there were 454 winning projects altogether at Balaton Uplands LAG. Some 146 projects were supported under the 3rd axis managed by the LAG Agency (typically larger projects covering village renewal, heritage, rural tourism, supporting micro-enterprises) and 308 under the LEADER axis (typically smaller projects of maximum 5 million HUF approx. 18,400 EUR value). As a result of the supported projects 200 buildings were refurbished, 1,500 instruments/devices acquired, 160 events backed up.

The development agency of the LAG in the three offices was soon bloated up to 10, then to 12 employees in 2010/11 at the peak of its operation. The number of employees were gradually diminished back to 7 by 2014, with one of the offices (at the Balaton area) closed. The functioning of the agency cost some HUF 220,000,000 (approximately 8% of the allocated rural development funding) altogether, to finance all the management, administration, project generation, etc. Some 1200 project ideas were collected, most of which were included in one or the other iteration of the local strategy and the connected project calls. During planning and the implementation of the local strategy some 300 local professional events were organised in the LAG territory, with more than 4000 participants altogether. Additionally, the LAG agency and delivered thousands of individual project support meetings. As part of the tourism development strategy, the LAG took part of the organisation of the appearance of the Balaton Uplands and its producers and service providers on 360 regional, national and inter-national events. The number of LAG members remained more or less the same (around 130) throughout the whole period (as a result of conscious policy), however, an additional 120 supporting member (with less fee, no vote, but receiving all LAG services) became part of the LAG network by 2015.

Besides the compulsory tasks (putting out calls, helping applicants, receiving and administering and checking projects, revisiting the strategy, writing all sorts of reports, administering and proofing their work, etc.) the LAG took a number of voluntary activities. These were necessary, since the compulsory tasks were not much bringing the LAG closer to its set objectives. Voluntary activities were intended to build and/or reinforce the socio-economic environment – that is social and entrepreneurial networks, human resources, knowledge and information capacities, level of trust and co-operation within the community, reinforcing local identity, etc. – for the trust- and co-operation based development of the local economy. These were consciously set objectives expressed many times and in many forums, pursued mainly through the LAG's own projects.

4.2 The Action with regards to Dimensions 3-5

Analytical Dimension 3: Coordination and implementation of the action in the locality under consideration – Creation of LAG institutions (decision making and management)

Decision making bodies

The LAG placed careful emphasis on social partnership and territorial equalization when establishing its local institutions. The main institution for decision making within the LAG is the *General Assembly* of the Balaton Uplands LEADER Association. All village authorities (60) had to be partners by law, but, according to the LEADER understanding of public/private partnership, the public sphere always remained around 40%, the rest shared by NGOs and SMEs, the latter starting a bit smaller, but gradually growing its share, reaching 30% by 2015. The equality of spatial distribution is obvious for the public sphere, but almost the same for the two other sectors (most villages have either a business or an NGO representative in the LAG too).

The second most powerful (but in practice probably the most important) institution for decision making is the *Association Presidency*. This is a nine-member body, including the president himself. The 9 members were chosen very carefully, having 3 persons from each sub-region, 3 mayors, 4 entrepreneurs and 2 NGO representatives altogether. They also paid attention to have representatives connected to both (left and right) political parties and worldviews⁹. The only thing that was not really balanced at the beginning was gender, middle age men dominated the picture, however, even this has improved over the years, with the few changes that occurred in the LAG leadership¹⁰. The presidency met some 5-10 times a year and made decisions both on the strategic and the operational level (Figure 1). All members of the presidency were doing their work voluntarily, with only (some of) their expenses paid. Being a member of the presidency carries a high prestige, most members are still the same than at the time of their first appointment.

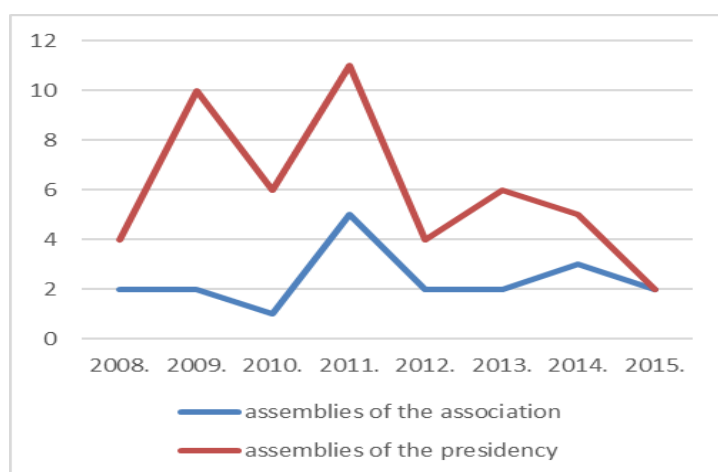


Figure 1: Figure Assemblies of decision-making bodies

One could say that the decision-making system, of the LAG, as a result of careful social engineering, was territorially, socially and politically balanced. The only strange thing is that there have been very little changes amongst the main actors and public debates, arguments, complaints

⁹ This was a small, but important detail, based on political experience, to make sure that if the political climate (the ruling party) changes, the LAG will still have powerful advocates in its leadership. There were some political arguments over the years, however, they have never led to significant conflicts.

¹⁰ The latest change was to have two women, replacing two men in the presidency. Moreover, one of them is a young lady, with a rural development degree, grown up and working in the youth-oriented development programmes of the LAG and local youth organisations.

very rarely happened on assemblies which was confirmed during our non-participatory observations in 2018, too. One of our interviewees complained that though theoretically everything was very open and democratic, he hardly ever had the chance to make any difference or speak up.

There are two explanations for this. One is that there were normally many complex decisions to be made, too complex to be understood on the spot. Therefore, those, who did not prepare beforehand, could not really raise any objections. On the other hand, the preparation of the decisions (by the Agency and the paid development workers) have always been very thorough and careful, often with significant social engineering and behind the scenes discussions. Therefore, conflicts, altering interests were resolved and harmonised, just normally not on the public meetings, but beforehand.

Management body

Probably the most important result of the LEADER Programme in the Balaton Uplands was the evolution of the local development agency (the Agency from now on) that also was the main instrument for its implementation.

In 2009, the full responsibility for administration of the local project applications for axes 3rd and 4th was transferred from the paying agency to the local LAG offices. To manage 'delegated tasks' the LAG had to acquire new staff to fulfil the huge workload, this explains the 12 employees at peak. This was a considerable human resource, including some excellent development experts. Fortunately enough, large part of the project generating work had been finished by this time: hundreds of project ideas were waiting for further elaboration in the three offices.

By 2012 the peak of administering project applications was over and the number of employees dropped back to 7 and went down to 5 by 2014. The last (third) Call was issued in 2013, and 2015 was the final year when any spending from the 2007-13 iteration of the Programme could be accounted for (according to the N+2 year rule) when it was discovered by the central authorities that LAGs were ineligible for the cost of managing applications of the 3rd axis, therefore a substantial part of operational costs was held back by the MA which caused a number of LAG bankruptcies. Finally, an agreement was brought about with active contribution of the Office of the Commission and that of the Alliance of Hungarian LEADER LAGs (LESZ- the acronym in Hungarian), according to which the very necessary funding for LAG agencies was provided by the government until the closure of the 2007-2013 programming period. In the Balaton Uplands LAG the closure of the two branch Offices and laying down the personnel saved financial solvency during these years. The high quality of project management was more or less maintained, too, due to the diminishing number of applications in the final phase of the Programme.

As usually, the next programming period started late. The LAG intended to save the Agency through a targeted funding application, but the MA refused it. Thus from 2016, finances became unstable and further cutting of the staff was unavoidable. Immediate problems were solved through employing interns and public workers, however, this could not be a solution for the long run. Finally, in 2017 the top manager of the Agency also left the local development agency of the LAG and her deputy took over. The sharp shrinkage implied a huge wasting of accumulated rural development capacity and social capital embodied in the Agency. The LAG manager since 2017 is again an educated young woman, with a background in economics and with seven years of experience of working in the central Office of the Balaton Uplands. As a former deputy, she represents continuity with the "glorious past" of the Balaton Uplands LAG. In 2018, two young female interns who were employed as so called "cultural public workers"¹¹ worked besides her allowing the LAG to save on labour costs (The salaries of the assistant managers were supported by the Labour Office of the town of Sümeg).

Analytical Dimension 4: Autonomy, participation and engagement

Multilevel governance / policy /institutional dimension

The first dimension deals with the autonomy and level of empowerment of the LAG and its geographical area as a whole, in the context of 'urban-rural' inequalities and 'the central and the local sub-systems of rural development'. This is a crucial dimension, since it was in the heart of the concept of the LEADER Programme.

The policy/governance system of rural development has been centralised and autocratic from the beginning in Hungary. The possible options for using financial resources, deadlines, local actions, etc. were prescribed by the management authority (Ministry of Agriculture) and then strictly controlled and enforced by the Paying Agency (PA). At the same time, since the whole institutional system was just learning LEADER, there were many smaller and bigger mistakes, anomalies during the course of implementation.

Some examples for this:

- Strategic planning for the 2007-13 iteration started in 2009. It was prescribed and controlled by the MA to small details. The template provided for the local strategies was a in the form of a PowerPoint file, in which multiple choices and textboxes for free texts of limited length (2000 characters) served uniformity, easy control and chance for intervention (if something went wrong). The thematic scope of the strategies was much wider than the agenda of the LEADER Programme or even of rural development: a wide range of local problems had to be identified for which tailored solutions / measures of development paths were to be elaborated and then catalogued. The first local calls for projects by the LEADER LAGs were based on these catalogues.
- At the beginning of LEADER 2007-13, LAGs had a positive list of eligible expenses – meaning, that they could only pay for goods and services that actually appeared on the list. At first, many items were missing, for example certain kind of IT equipment, airplane tickets, etc. meaning that these items were not eligible for reimbursement. These mistakes were latter corrected, however, the 'positive list' of eligible expenses was a serious, unusual and unnecessary limitation, causing problems all the way.
- LAGs received their operating costs in a post-financing scheme. This brought various problems. First, they were NGOs, without any property or financial backup. The only way of acquiring pre-financing was through the participating local authorities (either through getting money or providing safety deposit for a significant rolling bank credit). This, in many cases, not in the Balaton Uplands, gave too much influence to the hand of the already powerful mayors and did not help the development of a balanced local partnership¹².
- Making regular financial reports (these were very detailed documents of several hundred pages every two month) required a lot of effort from the LAG management. The smallest mistake could cause the retention of finances, fines, etc., that could be catastrophic for the LAG agencies, living on rolling credits. On this way, the paying agency and the management authority could hold LAGs on a very short leash. As a result, independence and autonomy of LAGs could be seen as rather limited.

¹² In the case of the Balaton Uplands LAG, one of the local co-operative banks (also a LAG member) was very supportive. Based on a long-term contract, it not only provided pre-financing for management costs, but gave pre-financing to individual projects too with favourable conditions. Nevertheless, this solution was based on previously built good personal connections, networking and social engineering, and was not available for every LAGs.

- The whole LEADER Programme belonged under the Administrative Procedures Act, that intended to simplify administration, however, led to extreme inflexibility and red tape in practice.
- LAGs were not allowed to finance their own projects from local development resources – only from the central co-operation budget through a separate application procedure that was opened very late in the Programme.
- Intervening through project calls – determining the timing, duration, limiting rules, late payments, etc. were decisions made by the MA, that was one of the most important (and quite unnecessary) limitations on local autonomy. In case of the 3rd axis applications, there was no autonomy of the LAGs whatsoever. It was granted by the third (last) Call, when they were allowed to set criteria and decide upon the projects to be supported. In case of LEADER axis, regulations allowed more room for autonomous decisions from the beginning.
- Overflowing the LAG agency with administrative tasks, requirements for statements, accounts, data, etc.
- The co-operation budget / call was not open until the 5th year of the program, and most of it was aimed at and used for simply financing the operation costs of the LAGs when the above mentioned financial gap occurred, instead of actual co-operation.

These circumstances greatly limited the level of autonomy of the Hungarian LAGs and disempowered them to a certain extent. Many LAGs accepted the rules of the game, fulfilled central requirements, delivered state funding to their best knowledge and made little effort beyond this. Nevertheless, rules could be hijacked and alternative practices developed enabling local empowerment. The Balaton Uplands LAG was one of the most successful ones in this regard, finding ways to achieve the maximum possible autonomy within the system based on a number of factors:

- The main tool for this was developing an exceptionally strong human resource base within the local development agency of the LAG. The LAG manager and all the other employees were simply very good development practitioners, looking for solutions to be able to implement the LEADER method on the best possible way. The Agency accumulated expertise on a number of fields, the staff was committed, reflexive, innovative and hardworking.
- The LAG was part of a nation-wide, trust-based community of practice, the NATURAMA (a bottom up network of 7 Hungarian LAGs) continuously exchanging information and looking for solutions together. Together with this network they developed a number of international connections, co-operations too. This helped institutional and human resources to develop, exchange of good practices, and both learning and implementing the LEADER method, that equalled finding ways to increase autonomy.
- The LAG management developed and cultivated good relationship both with the Management Authority and the regional Paying Agency¹³. (The LAG manager became a member of an expert advisory board established by the MA; LAG advisors often worked together with Paying Agency stuff to work out possible ways of implementations of somewhat confused central regulations, etc.). Their working and communication style and exemplary achievements gave the LAG a somewhat special status where they could communicate with authorities in an (almost) partnership-like manner.

¹³ Until 2012, NUTS-2 regions were sites of a number of government services, including the regional branches of the Paying Agency. These branches ceased to exist when NUTS-2 level service provision was terminated in 2012. Part of the personnel was hired by the NUTS-3 level government offices, but many of them left the field. This is another instance of losing workforce knowledgeable in LEADER matters at an above level of government.

- The managers found ways to finance some important programmes and development directions (the ETQM, the GPS trails and the youth programme being the most important ones) aimed at social learning, creating networks and empowering the local community. These programmes became the backbone of the local development strategy and gave many opportunities for the LAG practitioners to do their local development work, meeting people, generating projects, etc. These programmes actually filled networking, meetings, social learning with valuable, useful content, created an inspiring communicative space where rural development practitioners, local entrepreneurs, authorities and other stakeholders could meet and work together.
- They developed and cultivated a large network of local stakeholders (more than 250 organisations and businesses) within the LAG area.

All these activities were not particularly supported (however tolerated) by the Hungarian management authority of the programme. They were only possible through the hard work, commitment and resourcefulness of the development practitioners of the LAG. Nevertheless, they created the bases for empowerment and successful local/rural development that, in turn, lead to a higher level of autonomy for the LAG.

Spatial justice – local level – territorial equalization

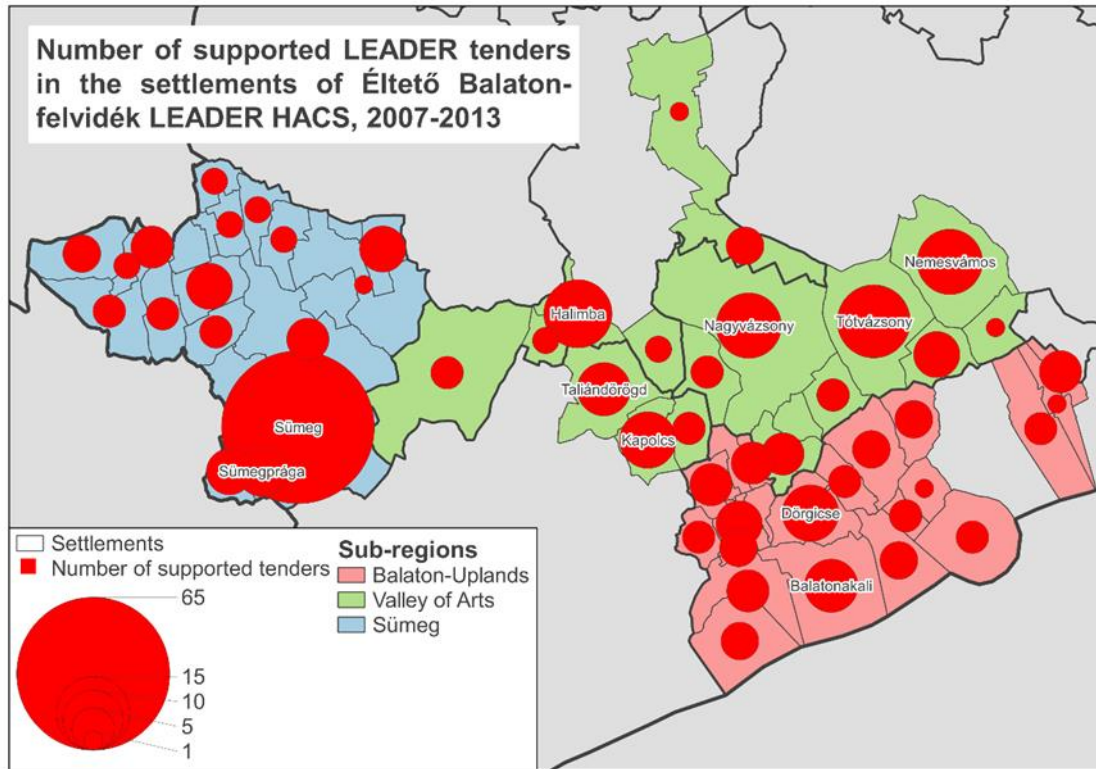
Territorial disadvantages were addressed through various provisions for ‘officially disadvantaged settlements’. Some 15 villages out of the 59 of the LAG territory fell into this group according to the official classification of the Central Statistical Office. From the beginning, applications of businesses from disadvantaged settlements enjoyed special treatment (extra score, higher support rate 65% instead of 60% of the investment), etc. Moreover, initially, 20% of all development grants were dedicated to supporting the applications submitted by stakeholders of disadvantaged villages. The intention of speeding up the process of development in lagging villages, however, proved unrealistic. Disadvantaged villages than had less applications than expected, therefore dedicated resources were made available for all settlements already during the second call of the 2007-2013 period (in 2010). At the same time, central requirements for “dedication” as a tool for preventing vulnerable villages from competition with stronger players was terminated.

Nevertheless, during local calls and aid schemes the Balaton Uplands LAG made special efforts to help those areas (and individual villages too) that were lagging behind in the absorption of rural development funding. The final assessment of the distribution of resources indicate a significant equalising effect of the distribution of resources: the disadvantaged villages managed to attract more funding proportionately (15%) than the share of their population (8%) due primarily to the 3rd axis project supports.

The LAG also made extra effort to generate projects, helping NGOs and local authorities from these settlements. As a result, although the original/natural absorption capacity was very different in the sub-regions within the LAG, there are no significant inequalities in the number of projects or the amount of funding received by them (see the relevant maps below and in the Annex 8.5). There are very few (4 out of 60) villages without winning any projects. The amount of money and also the number of winning projects was balanced between the three sub-regions, or rather favoured the most disadvantaged part a little bit.

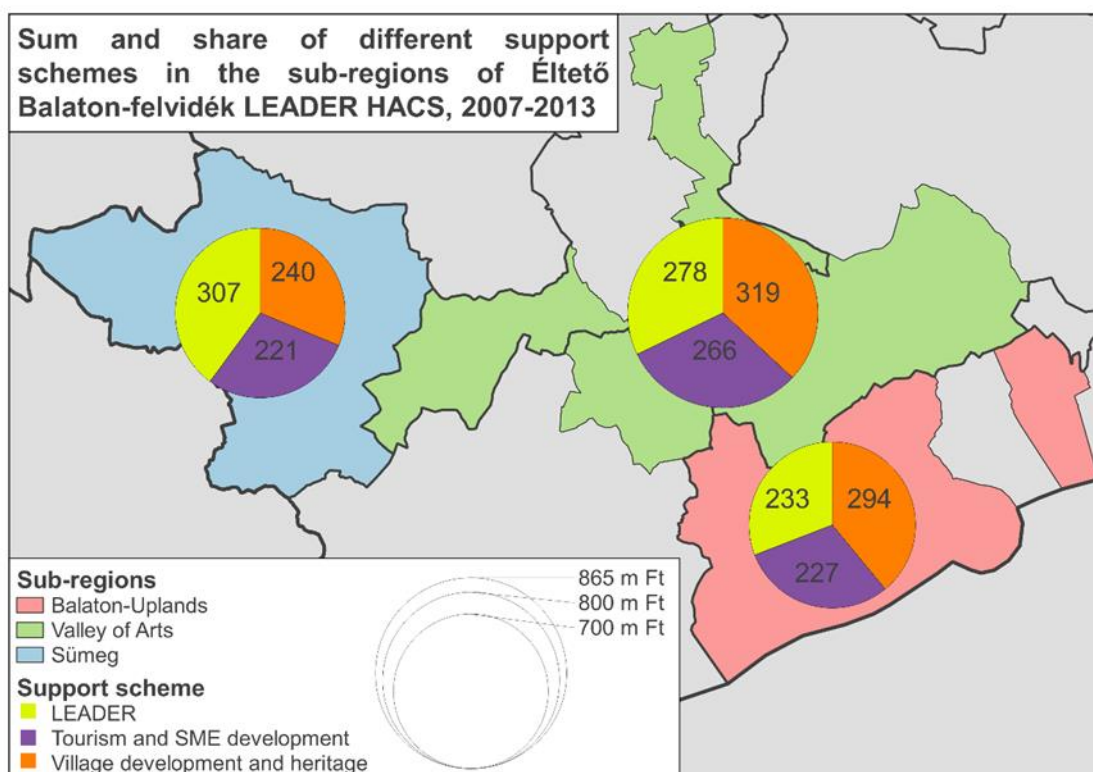
The most apparent imbalance concerns the strictly spoken LEADER applications, where Sümeg (the centre of the most disadvantaged sub-region) received a very high number (65) of projects. The reason for this was that Sümeg, having more than 5000 inhabitants, was not eligible for grants under the 3rd axis, thus all projects (including business development, cultural heritage, tourism, etc.) could only be considered under the LEADER measure (**Fehler! Verweisquelle konnte nicht gefunden werden., Fehler! Verweisquelle konnte nicht gefunden werden.** and Annex 8.5.c).

Keeping the balance between the three sub-region required careful social engineering all the way. Interests were harmonised, conflicts re-solved normally before public decisions, within the presidency, helped by bilateral agreements and discussions, often facilitated by the LAG manager. As a result, the general assembly normally accepted the well-prepared decisions without significant debate or opposing opinions.



Map 3: Distribution of supported LEADER applications

Source of data: Final Report II, Balaton Upland LEADER LAG



Map 4: Distribution of successful projects supported from 3rd and 4th Axes

Source of data: Final Report II, Balaton Upland LEADER LAG

Social equalization – treatment of disadvantaged social groups

LEADER was and is, in principle, a programme for bottom up economic and social development of a geographic area. This means it normally works with people and communities that are the best suited for supporting the local development process, have initiative, economic, human and social capital to invest. Thus, LEADER is not particularly geared up for treating social inequalities or working with disadvantaged social groups. The Balaton Uplands is one of the luckier regions of the country, where only very few settlements have comparably serious problems with poverty, social exclusion, etc. Thus, working with disadvantaged social groups has not been a priority here.

The only, but very important exception is working with rural youth that is the main area for social sensitivity in this LAG. Built on the work of some local activists, development professionals and volunteer work, a great tradition and impressive results are to be found here. Especially in the Valley of Arts sub-region there are a dozen well-functioning youth organisations; an umbrella organisation (the first in its kind in the country); international (and intercontinental) youth exchange programmes and many EU funded projects. There has been active youth participation in strategic programming, making inventories of local values and heritage; shaping regulations; etc. One of the youth organisations (Fekete Sereg) has been particularly important in dealing with social disadvantages given that almost half of its young members have had Roma ethnic origin. Youth programmes became one of the main strands within LAG work/strategy, and since it is based on many institutions and decades of co-operation between the most important actors, this sector seems to be the best surviving the general descent of the local LEADER programme, following the significant loss of human and financial resources in the current programming period.

During the current implementation period (2014-20), treatment of rural poverty deteriorated further. When the Call for establishing LAGs and writing strategies was published, some additional resources, entitled especially for social inclusion and the reduction of rural poverty, was connected to the Hungarian LEADER Programme through a coordinated action with the Human Resource Development Operational Programme (EFOP 7.1.), securing approximately EUR 400.000 for covering measures aimed at social inclusion of the LAGs. Consequently, many LAGs did not address social inclusion in the core of their rural development strategy and postponed such measures until the separate call would be published. The same thing happened in the case of the Balaton Uplands LAG. In the end, the government stepped back from the original plans, and the Call has never been published. As a result, social inclusion is not covered in most of the local strategies at all. This is another example of mismanagement at the national level.

Analytical Dimension 5: Expression and mobilisation of place-based knowledge and adaptability

The main instrument in case of a LEADER program to channel place-based knowledge and activate local energies is the development of a strategic plan based on local participation and bottom up processes. As mentioned above, the writing of the strategy of the Balaton Uplands LEADER LAG was a highly participatory establishing commonly agreed development directions and the actual work of the LAG for the coming years. The secret of shared agreement among all the parties was that each felt the strategy and the stemming measures well-tailored allowing village councils, micro-scale entrepreneurs or NGO-s to apply and get access to resources.

In 2009, required by the MA, a major revision of the first, very complex local development strategy had to be undertaken. Development directions had to be very precisely redefined in the framework of: situation-problem-solution-result (SPSR). This was quite a hustle first, however, it made the local agency and the LAG presidency to re-think and rework everything. The strategy became more area-focused and more practice-oriented at the end.

The next planning phase started in 2015 and aimed at the next programming period. Then a similar volunteer body to the first Planning Group (with many of the same members) was established, a collection of new project ideas was initiated and a number of local forums were held. However, the whole procedure was much less focused on participation and network building, for various reasons. First, the LAG did not want to raise too great expectations within the local community. It was clear that the budget will be greatly reduced (to some 25-30% of the previous programming period when two axes were managed by the LAGs), thus the manoeuvre of the local Agency and the budget for project applications had become very limited too. On the other hand, the 7 years' experience, developed networks, information channels made it easier to find out about new local aspirations and project ideas. Also, the three development directions of the LAG (sustainable tourism, local products and services with the 'Rural Quality' trademark, and the intensive youth programme) were very clearly focused, defined and worked out by then, there was not so much need for additional information to form a coherent strategy.

Nevertheless, the lack of the widespread participatory involvement did leave its mark on the whole process and could be considered as a missed opportunity to revitalise the Programme. This, together with the general disillusionment of local actors and the various set-backs of its implementation resulted in a much lower application activity then in the previous period.

However, as it became clear, in the new round human resources at the Agency had to be greatly reduced and the central management of the three development directions was becoming impossible based on the resources of the Agency. This was a very serious problem, since maintaining and improving the results of the three development directions definitely needed some support. The final aim was to make them independent, sustainable and even profitable on the long run, however, this could only be a long-term objective and on the short term some more management, organisational and marketing help, financed from development aid was inevitable. The

proposed solution was to create some local calls especially targeted on tasks helping the management of the development directions and hand over the responsibility and the resources to a network of strong NGOs¹⁴. This seemed to be the only possibility, since the LAG itself could not run any own project and its 2-3 planned staff was definitely insufficient for carrying out all the tasks of a much larger organisation that the Agency previously was.

The first working version of the new strategy, following the central requirement, had a chapter on social inclusion and enhancing territorial cohesion within the LAG. This meant some 120 million HUF earmarked for the most disadvantaged villages (listed in the statute) and specially targeted on excluded social groups. Since the LAG had little experience with such actions, the plan was to use some 20 million of this money to commission a local NGO with expertise in the area and the topic to analyse the situation, work out the strategy and the particular actions for social cohesion within the LAG area. In the final version of the strategy neither the action, nor its budget was included for the above-mentioned withdrawal of the government from a joint safeguarding of social inclusion with the Human Resource Development Operational Programme.

Youth strategy

As we mentioned above, Balaton Uplands, especially its middle sub-region had a very strong tradition in youth work and youth organisation that became one of the major elements of development work. The main organisers of the youth movement became key actors in the local LEADER Programme (two of them worked in the Agency, two became members of the presidency). They made considerable efforts to empower local youth, mobilize them and make their interests part of the local development strategy. An important tool for this was to create an alternative strategic development plan involving the young people of the area. They did it during both main planning periods (2008-9 and 2014-15) through conducting a questionnaire survey with young people all over the area. The outcomes of the survey were discussed in workshops and focus groups to fine-tune the results and creating a 'Juvenile LEADER Programme', as a coherent input to the strategic planning. The most important directions, suggestions then were actually built into the local development strategy, giving one of the three strategic development directions.

¹⁴ They had to be NGOs, since enterprises could only get some 50% of the investment. The LAG devoted a significant share, some 35% of all of its development resources to this kind of 'outsourcing management and marketing activities' from its all over budget.

5. Final Assessment: Capacities for Change

Synthesising Dimension A: Assessment of promoters and inhibitors (in regards to the action: dimensions 3 to 5)

The below assessment of promoters and inhibitors of enhancing distributional and procedural justice focuses on governance and management issues. In doing this, it relies on some specific aspects drawn from the conceptual framework of the project by Madanipour et al. (2017). Three sets of considerations could be discussed here from the concept of distributive and procedural (in)justice, namely:

- Has the LEADER Program contributed to diminishing spatial injustice via enhancing the accessibility of goods, services and opportunities for inhabitants of the LAG area in general, and disadvantaged villages in particular?
- Has the LEADER Program contributed to the empowerment of vulnerable social groups, thus promoting capacities for an enhanced level of spatial justice?
- What procedures, institutions, or decision-making mechanisms (power-relations) have helped achievements, and what barriers have reduced or prevented positive outcomes?

To answer these questions:

- Yes, the Balaton Uplands LEADER contributed to diminishing spatial injustice even in the disadvantaged areas: as compared to the 8% of population-rate of the villages concerned, they attracted 15% of development funding. The gap between the more and less developed areas was not closed, but the chance of being able to apply for funding successfully mattered a lot for them.
- Yes, it has contributed to the empowerment of vulnerable social groups, although only one of them was addressed directly, namely the youth. Empowerment was at work also when, for example the part-time mayor of a tiny village is provided with the esteem of being an equal and appreciated member of a prestigious LAG community being able to enjoy expressions of solidarity. (Interview quotation No 6. Annex 8.6.)
- The procedures, institutions, and decision-making mechanisms that *promoted* these achievements were as follows:
 - The multi-sectoral composition of the local action group (public, private, civic) gives opportunity to a more balanced development agenda and broader co-operation networks. Mutual learning is also automatically provided, which contributes to the LAG's capability of bringing consensual decisions. .
 - The same applies to the institutions of the LAG, the presidency and the body in charge of making decisions over the supported projects. All these bodies are organised along the same principles; *their composition is keenly balanced along geographical and sectoral aspects*. It has probably much to do with the advanced sense of social engineering of the practitioners of the Balaton Uplands LEADER.
 - The *hard-working, skilled and highly committed practitioners* were willing to operate the LEADER LAG along the classic principles and made the development process truly participatory and bottom up. They sincerely targeted to bring as much development to the LAG area as possible and tailor the strategy as well as its implementation to the local needs. (Interview quotation No 4.3. Annex 8.6.)

In previous chapter numerous problem-areas of LEADER administrative rules have been pointed out. These are complemented here with further *barriers* listed below.

- The investigated 2007-2013 period was the first programming period when national-level policy makers (left-wing that time) extended access to the LEADER Programme to all rural areas. The governance of the Programme was *top-down and strictly controlled*. Significant help was provided through decentralised offices that operated until 2011. The closure of so called rural development offices as deconcentrated organisations reflect the political vulnerability of the LEADER Program and the system of development as a whole: *each political shift and/or each programming period brought fundamental reorganisations, shrinking of institutional and human capacities, and a troublesome as well as long transition* from one iteration of the Programme to the other. The current period was the worst ever, when the Paying Agency lost its institutional autonomy and was subsumed under the Treasury; its regional branches were closed down, and its IT system was completely renewed which caused intolerable delay.
- If we go back in time to the start of the former programming period, 2007-2008, the shift to full coverage of the Programme induced huge gap of administrative capacities in the Paying Agency. Therefore out of a sudden, administration was pushed from central to LAG level. LAG agencies were fully unprepared and totally overloaded with this move for about a year.
- *Administrative burden and complexity of the applications* seem to be attached to the LEADER Program rooting in EAFRD rules; LEADER as an area-based complex program which does not suit an administrative system shaped for managing direct payments and individual investments.
- To bridge the gap between two phases of the Programme was always difficult; it is one of the “systematic failures” of implementation. The last transition was particularly difficult for the Hungarian LAGs: unlike in the previous period when they managed two axes of the RDP, only the LEADER measure is operated in the current phase resulting in a huge drop of funding (to one fourth in case of the Balaton Uplands LAG). *Such fluctuation of delegated tasks and resources hinders the stabilisation of development capacities in rural spaces.*
- All these negative trends affected the prestige of the LEADER Programme unfavourably, which has just become unimportant for policy-makers. No services are provided by the National Rural Network (the last LEADER contact Point was closed in 2009) and activists are simply disregarded. (Interview quotation No 7.1. Annex 8.6.)

Synthesising Dimension B: Competences and capacities of stakeholders

In the Hungarian context, competencies and capacities of the Balaton Uplands LAG management as well as that of the Board was outstanding in the 2007-13 period, when the 60 settlements of the LAG area were managed by 10-12 employees in three offices at peak. Practitioners were very successful in grassroots activation of local stakeholders, generating project ideas and helping to implement them. It might be considered as a limitation that awareness-raising process mostly reached middle class to lower middle class layers of the population, mainly those with some social capital and financial means to invest. (See also for the middle-class bias Shucksmith 2000)

Civic self-organising capacities were particularly intensive in the central part of the LAG area, where a number of strong youth organisations with an umbrella organisation above them have operated for many years. A large rural cultural festival (Valley of Arts), looking back to some 30 years of history, at its peak involving seven villages, intense local organisation and attracting

tens of thousands of visitors each year, also greatly enhanced capacities for co-operation and working in partnership. Those actors, educated in civic activism had a major role in generating locally tailored projects with ambitious community values, indicating the importance of human capacities and competencies in rural development. (Interview quotation No 4.1. Annex 8.6.)

Outstanding managerial skills, networking, and the hard work of the rural development practitioners of the Agency resulted in high absorption capacities of the LAG and a shared sense of common achievements, even within a quite hostile political and administrative environment. (Interview quotation No 8. Annex 8.6.) *Human and institutional resources* (skills, procedural knowledge, self-confidence, high level of trust) coming into being and embedding into social networks, entrepreneurial and co-operation cultures and capacities of stakeholders and practitioners were *as valuable outcomes of the process of development as tangible outputs*. (Interview quotation No 3. Annex 8.6.) However, as it has mentioned in the earlier chapters of this case study report, a substantial part of the human capacity had vanished by 2017, the rest was threatened with vanishing because of the structural failures of the LEADER Program at EU and national levels (long duration of the transition period from one iteration to the other, shortage of capacities, lacking continuity.)

Synthesising Dimension C: Connecting the action to procedural and distributive justice

The LEADER Program had a very important role in shaping the “culture of development” across Hungary from its first appearance in the pre-accession period up until the present. The basic LEADER principles (area based cross-sectoral partnership, bottom up, participative strategy building and implementation, networking/co-operation, innovation) established a new style of governance in rural areas. As it is mentioned above, procedural justice was enhanced by the fairness of procedures LEADER principles entailed. Multilateral consultations and consensus-building had become the norm of the operation that prevented direct political intervention. *Fairness* of the decision-making was a primary goal of all participants and helpers of the selection process, thus distributive justice was impacted positively, too. One of the managers celebrated the feeling of living and working in *local democracy* inspired by the local community and the excellent team the Programme brought together. (Interview quotation No 4.2. Annex 8.6.)

The local development agency which played a key role in building a carefully planned, place-tailored, community-owned, bottom-up strategy, took care of the LEADER-like and fair implementation of each step of the development process. Making LEADER principles into practice in 2008-10 established a durable course of development valid at least for two programming periods.

Since LEADER addresses primarily development of the local economy, therefore *social equality claims are not directly targeted*. Nevertheless, providing funding for the disadvantaged villages and thus help closing the gap between the poorest and richest parts of the LAG area was one of the main goals of the LAG which was successfully achieved. Spreading information, activation and animation as elements of a proper LEADER appraiser were key to encourage disadvantaged municipalities and uninformed citizens to apply for funding despite the complexity of the proposals. To enhance distributive justice, services were brought closer to the potential clients through the three offices of the Agency (peak time) where advice was given for the applicants. The managers themselves did not deal with writing proposals, rather, a network of local experts was organised so that applicants get help at a decent price.

When the LAG area was established, a soft space was being created with the definite target of generating cohesion, secured through co-operation schemes made mandatory between projects benefiting from LEADER funding. Co-operation projects, shared and strengthened identity contributed to place-making directly and indirectly, too.

The management of the Balaton Uplands LAG was always active in building networks beyond the LAG. They developed good working relationship with experts of the managing authority nation-

scale and the regional branch of the Paying Agency; the regular two-sided help provided contributed to moderating the rigidity of the administrative rules and gave way to mutual learning of the local and upper-scale experts. The Balaton Uplands LEADER LAG was a founding member of the NATURAMA Alliance, a learning association of seven Hungarian LAGs, a key member of the Alliance of Hungarian LEADER LAGs, and maintained strong connections with Spanish and Italian LAGs, too. Exchanges and the transmission of knowledge were always part of the working culture here, delivering experiences across places. The LAG's most successful programs will hopefully become self-sustaining and continue to work for a long time. It is most likely in case of the Balaton Uplands Trademark (A Vidék Minősége – Éltető Balaton Védjegy) which had got stronger even during the transition period having 103 members by 2018.

6. Conclusions

The LAG area, being a rural region with scattered settlements, worse infrastructure, and weaker human as well as economic resources compared to urban centres, is, in a situation of spatial disadvantage in general. One of the most important aims of the LAG was to counterbalance these inequalities, creating structures for delivering financial and professional help to ensure the efficient use of local resources and empower rural society and economy as a whole. This aim has been fulfilled through the LAG strategy that was built on specific assets of its three divergent sub-regions, the shore area next to the Balaton, the industrial, suburban zones in city neighbourhoods (Veszprém and Ajka) and the less developed, even disadvantaged “in-land” areas. Strong bottom-up, participatory development processes during the planning and the implementation of the local development greatly enhanced the empowerment of local community and development. The LAG was dedicated to a strategic, day-to-day development of social networks, through social engineering, developing important platforms for interaction, creating common goals and projects and institutionalising networking within the local strategy (making it mandatory for project applicants). All this strengthened social ties and business relationship, raised awareness about valuable assets of the larger area within a friendly development context. In this context, stakeholders pulled together and developed a strong “Éltető” identity (the short name of the LAG in Hungarian).

The Balaton Uplands LAG, according to many indicators, including a high level state recognition for their work, has achieved more or less the best possible results within the given political, financial and cultural context through careful social and spatial engineering delivered by its local development agency. During this period, the LAG significantly exceeded its original commitments. Originally it was allocated a budget of 1.8 billion HUF for axes 3rd. and 4th. (Appr. EUR 6 million), however, this amount was topped several times by the government (using money that other less successful LAGs could not spend) and they finally spent 155% of their original budget.

The ambitious, honest, hardworking staff of the agency was led by a skilled and determined young woman who was brave enough to establish networks not only locally but also nationally with advisors, paying agency experts. She worked jointly with colleagues, local and national experts, to establish collaborative learning relationships such as the NATURAMA Alliance of seven Hungarian LAGs, mainly involving, the lead management of the concerned LAGs. Through social learning NATURAMA provided its members with a learning community of EU LEADER knowledge and practices. The Balaton Uplands LAG was deeply involved in intense communication and managed to build capacity and knowledge base for social innovation, turned latter into concrete projects and actions. The most significant of these actions was the establishment of the Hungarian version of the European Territorial Quality Mark (ETQM), an umbrella for community owned local branding systems with high quality rural services, crafts and food products. This action, created a sophisticated, strategic framework for the ‘development of local products and services’ – an important objective, already included in the first strategic plan – placing huge emphasis on co-operation, knowledge sharing and the development of economic and social networks.

These important achievements impacted both spatial and social (in)justice significantly through community building and well-placed investments. The LAG very much recognised the spatial differences within its area and, as it is clearly stated in the local strategy, intended and indeed used differences as resources to fuel the overall development of the region. Empowerment of disadvantaged social groups, at the same time, were only specifically addressed in the field of rural youth in the 2007-2013 programming period, as part of the general rural development agenda. Other disadvantaged social groups, if at all, only received support through knock-on effects of local development.

Future outlooks are highly uncertain. Hungary is one of the scarce countries where LEADER implementation in the current programming period has been heavily delayed; in the Balaton-upland LEADER LAG, at the time of finishing this report (February, 2019) calls were yet open, selection of the projects were postponed. Delay was explained by the lacking capacities at national

level to develop IT support on time. Such a huge delay counted exceptional even in the rather problematic implementation of LEADER in Hungary which reflects the lack of care, interest by policy makers toward the LEADER as such. If LEADER will not be a mandatory element of the post 2020 rural development program, there is a real danger that the Hungarian government will eliminate it from the national policy system.

7. References

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8. Annexes

8.1 List of Interviewed Experts

Nr.	Code	Description	Role	Length hours: minutes	Documen- tation	Au- diorec.
1.	Interview_K1	Two leaders of the Balaton Upland LEADER LAG. They were interviewed on 28th May by Katalin Kovács and Gusztáv Nemes.	Key players: former and current chief managers of the LAG	0:55	field notes	yes
2.	Interview_K1_a	Member of the Balaton Upland LEADER LAG. She was interviewed on 3rd of December by Katalin Kovács	Key player: former chief manager of the LAG	1:44	transcribed	yes
3.	Interview_K1_b	Member of the Balaton Upland LEADER LAG. She was interviewed on 3rd of December 2018 by Katalin Kovács.	Key player: current chief manager of the LAG	1:24	transcribed	yes
4.	Interview_K2	Member of the Balaton Upland LEADER LAG. He was interviewed by Katalin Kovács on the 21st of June 2018.	Key role, former manager of the LAG	1:49	transcribed	yes
5.	Interview_K3	Member of the Balaton Upland LEADER LAG. Interviewed by Katalin Kovács on 21st of June 2018	Key role, vice president of the LAG	1:35	transcribed	yes
6.	Interview_K4	Member of the Balaton Upland LEADER LAG. Interviewed by Katalin Kovács on 4th of December 2018	Key player: President of the LAG	0:40	transcribed	yes
7.	Interview_K5	Member of the Balaton Upland LEADER LAG. Interviewed by Katalin Kovács on 7th of February 2019	Key role, former manager of the LAG	1:45	transcribed	yes
8.	Interview_K6	Chief administrator, outsider, interviewed by Katalin Kovács on the 21st of February, 2019	Head of Department in the Paying Agency	2:04	transcribed	yes
9.	Interview_K7	External expert-1 interviewed by Katalin Kovács on 23rd of December	External expert	1:50	transcribed	yes
10.	Interview_K8	External expert-2 interviewed by Katalin Kovács on 22nd of February, 2019.	Current manager of another LAG	2:20	transcribed	yes
11.	Interview_K9	Chief administrator, outsider, exchanges with Katalin Kovács on the 18th of February, 2019	Chief officer in charge of RDP 2014-2020	does not apply	E-mail exchanges	no
12.	Interview_K10	External expert-3 - exchanges with Katalin Kovács 11st of February, 2019	Expert, ex-post evaluation of the 4th axis (LEADER, 2016)	does not apply	E-mail exchanges	no
13.	Interview_C1	Member of the Balaton Upland LEADER LAG. She was interviewed by Katalin Kovács on May 28th 2018	Leader of a Youth Organisation	0:48	field notes	yes

Nr.	Code	Description	Role	Length hours: minutes	Documen- tation	Au- diorec.
14.	Interview_C2	Member of the Balaton Upland LEADER LAG. She was interviewed by Katalin Kovács on the 22nd of June 2018	Leader of a Youth Organisation	0:48	transcribed	yes
15.	Interview_E1	Member of the Balaton LEADER LAG. Interviewed on 12nd of June 2018 by Gusztáv Nemes	Micro-entrepreneur	0:31	field notes	yes
16.	Interview_E2	Member of the Balaton LEADER LAG. Interviewed on 3rd of June 2018 by Gusztáv Nemes	Micro-entrepreneur	0:57	field notes	yes
17.	Interview_E3	Member of the Balaton LEADER LAG. Interviewed on 12nd of June 2018 by Gusztáv Nemes	Micro-entrepreneur	0:39	field notes	yes
18.	Interview_E4	Member of the Balaton LEADER LAG. Interviewed on 3rd of June 2018 by Gusztáv Nemes	Food-producer	0:40	field notes	yes
19.	Interview_E5	Member of the Balaton LEADER LAG. Interviewed on 3rd of June 2018 by Gusztáv Nemes	Food-producer	0:36	field notes	yes
20.	Interview_E6	Member of the Balaton LEADER LAG. Interviewed on 3rd of June 2018 by Gusztáv Nemes	Micro-entrepreneur	0:59	field notes	yes
21.	Interview_E7	Member of the Balaton LEADER LAG. Interviewed on 3rd of June 2018 by Gusztáv Nemes	Micro-entrepreneur	0:44	field notes	yes
22.	Interview_M1	Member of the Balaton LEADER LAG. Interviewed on 3rd of November 2018 by Katalin Kovács	Mayor of a disadvantaged village, member of the Board of the LAG	1:28	transcribed	yes
23.	Interview_M2	Member of the Balaton LEADER LAG. Interviewed on 3rd of November 2018 by Katalin Kovács	Mayor if a disadvantaged village	1:20	field notes	yes
24.	Interview_M3	Member of the Balaton LEADER LAG. Interviewed on 4th of November 2018 by Katalin Kovács	Mayor if a disadvantaged village	0:49	field notes	yes
25.	Interview_M4	Member of the Balaton LEADER LAG. Interviewed on 4th of November 2018 by Katalin Kovács	Mayor if a disadvantaged village	1:00	field notes	yes
26.	Interview_M5	Member of the Balaton LEADER LAG. Interviewed on 4th of November 2018 by Katalin Kovács	Mayor of a disadvantaged village, member of the Controlling Committee	0:37	transcribed	yes

Nr.	Code	Description	Role	Length hours: minutes	Documen- tation	Au- diorec.
27.	Interview_M6	Member of the Balaton LEADER LAG. Interviewed on 4th of November 2018 by Katalin Kovács	Mayor of a disadvantaged village, member of the Controlling Committee	1:15	field notes	yes
28.	Interview_M7	Member of the Balaton LEADER LAG. Interviewed on 6th of February, 2019 by Katalin Kovács	Mayor of a village	1:29	transcribed	yes
29.	Interview_M8	Member of the Balaton LEADER LAG. Interviewed on 6th of February, 2019 by Katalin Kovács	Mayor of a village	0:29	field notes	yes
30.	Interview_C3	Leader of a Civic organisation, non-member of the LAG interviewed by Katalin Kovács on the 6th of February, 2019	Leader of an Association of Large Families	1:20	field notes	yes

8.2 Stakeholder Interaction Table

Type of Stakeholders	Most relevant 'territorial' level they operate at	Stakeholders' ways of involvement in the project (What do we gain, what do they gain)
Local politicians	Local level. Mayors of selected localities	Have taken part in individual interviews (9)
Local administration		
Associations representing private businesses		
Local development companies/agencies	Sub-regional: former and current LAG leaders / managers	Have taken part in individual interviews (5)
Municipal associations		
Non-profit/civil society organisations representing vulnerable groups	Local level, associations	Have taken part in individual interviews (3)
Other local community stakeholders	Local level: ordinary members of the LAG (entrepreneurs)	Have taken part in individual interviews (7)
Local state offices/representations		
Regional state offices/representations		
Ministries involved in (national or EU) cohesion policy deployment	National	Exchanges on former and present policy implementation (1)
Cohesion Policy think tanks (national/EU-level)		
Primary and secondary educational institutions		
Colleges and universities		
Social and health care institutions		
Cultural institutions and associations		
Media		
Others	National	Association of LAGs, exchanges on former and present policy implementation (2) Paying agency expert, exchanges on former and present policy implementation (1) Evaluation expert (1)

8.3 Pre-history – local organisation, the preparation of the local society (2005-07 and before)

There were a number of rural development organisations and various antecedents of the Balaton Uplands LAG in the region. The most important one was the implementation of the LEADER+ Programme in the Sümeg area. This was a preliminary/introductory programme, aimed as preparation for the 'real CAP RDP', started after Hungary gained EU membership. The Programme ran for 2 years (2005-2008), in the Sümeg area (one of 76 small rural region that received the funding) it included 22 villages and had a budget of approximately EUR 400.000. In Sümeg it was run by a local NGO, the Famulus Association. Famulus was led by a young woman, having background in economics, project management and regional development, being very well connected with both, local authorities, entrepreneurs and NGOs. The Programme was very well organised and concentrated largely on developing entrepreneurial and social networks¹⁵ and building institutional capacity for rural development. It was viewed as a very successful exercise by the most important local actors, and prepared the ground (approaches, understanding, networks, human and institutional capacity, etc.) for the coming programming period¹⁶.

Around the *Valley of Arts* sub-region there were various failed attempts, separately, both, the eastern part (around Nemesvámos) and the western part (the mining/industrial area) of the region applied for the LEADER+ Programme unsuccessfully. However, at least in the mining area even the failed attempt had very positive consequences. As a result, some young mayors started to think and plan development projects together. Instead the LEADER+ funding they got an INTERREG project and various funds for infrastructure, human resource development, etc¹⁷. This, again, enhanced the culture of co-operation and strategic joint action.

The Valley of Arts region had an even much longer history of co-operation and rural development action. Back in the early 1990's, some important actors of the emerging Hungarian sustainability movement created an educational and development hub in the region with the help of a Swiss NGO. They, together with local actors, build up considerable knowledge, human and institutional capacity, including a 'folk college', environmental assessment, a local development strategy, and a way of "locality and environment focused thinking. (Interview quotation No 4.1. Annex 8.6.) Through this, a number of local actors (mainly young people) were educated in the spirit of endogenous, sustainable development philosophy. This (not accidentally) coincided with the creation of strong youth organisations in the region, and in a later stage, with the Valley of Arts festival, that, over the years, became an organic part of local life and culture.

The Balaton area had had probably the least preparation for rural development organisation and the lowest level of co-operation culture in general. There was a failed LEADER+ attempt here too, involving mainly some rich villages. The most important rural development experience emerged through a state-run scheme, aimed at developing local development strategies and delivering some state aid within the statistical micro-region.

¹⁵ They for example, created the association of Sümeg Area SMEs, that latter became the basis/prototype of the entrepreneurial network of the Balaton Uplands LAG.

¹⁶ The small LEADER+ office latter became the headquarter of the LAG and the 'young women' its CEO.

¹⁷ They built a cycling road, connecting their villages, organised a 'mayors' academy'

8.4 Self-induced and managed programmes/projects of the Balaton Uplands LAG

One of these was taking part in a national co-operation project, the NATURAMA Alliance. NATURAMA was part of an action research project, and was created in 2009 February, as an informal network of 7 Hungarian LAGs, mainly involving, the lead management of the concerned LAGs, some 15 people. The most important NATURAMA activity at the start was social learning through internal discussions, sharing knowledge and good practices, and helping each other through Rural Development Regulation under the Common Agri-cultural Policy (RDR) implementation. As well as intense virtual communication, LAG managers held two day workshops every other month and soon formed a strong community of practice (COP), developing mutual trust, shared understanding, practices and repertoires. As it developed, NATURAMA quickly became a professional trust community for LEADER LAG managers: an intimate network in a hostile environment, where both personal, psychological support and practical, procedural information were available – crucially important benefits. Another type of social learning involved acquiring international LEADER experience, through training and study tours to other countries. Thus, NATURAMA provided its members with a learning community, bringing in EU knowledge and practices. The Balaton Uplands LAG was deeply involved in all these and much of the capacity and knowledge base for social innovation, turned latter into concrete projects and actions, originated from the NATURAMA experience.

The most significant of these actions was the establishment of the Hungarian version of the European Territorial Quality Mark (ETQM), an umbrella for community owned local branding systems with high quality rural services, crafts and food products. This action created a sophisticated, strategic framework for the ‘development of local products and services’ – an important objective, already included in the first strategic plan – placing huge emphasis on co-operation, knowledge sharing and the development of economic and social networks.

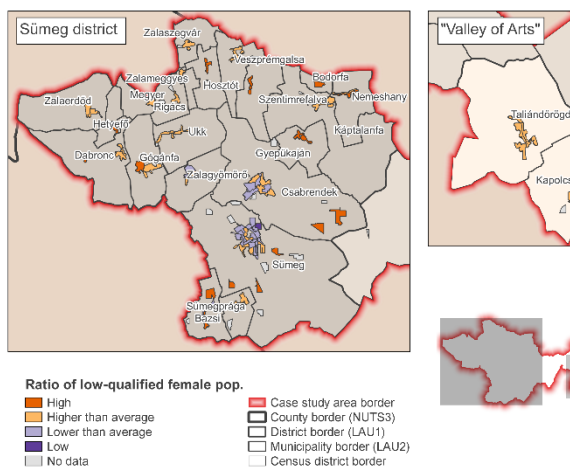
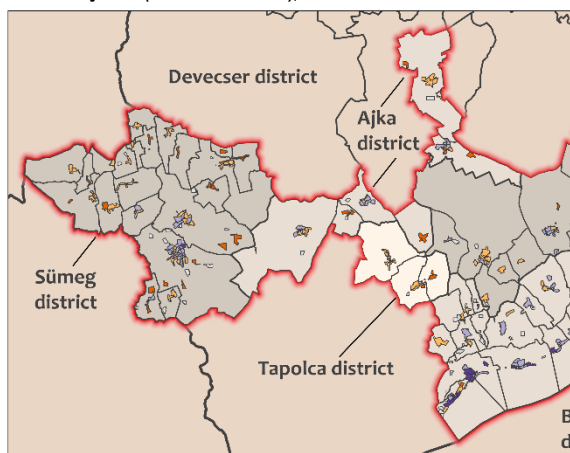
Another one of the LAG’s important own projects was the ‘Collaboration and awareness-raising for sustainable and meaningful tourism’, that was called the ‘**GPS Project**’ locally. The Balaton Uplands was rich in natural resources and sustainable tourism was in the centre of its development strategy. At the same time, to capitalise on these potentials, there was an urgent need to connect both relevant local actors with each other, and the region with the outside world, as a destination for rural tourism. This project intended to meet these fundamental social needs through the community-based development of tourist trails, made available through an innovative GIS system and smartphone applications for the tourists. The LAG organised (at least one) local workshops in all the 60 settlements, during which local attractions were gathered, placed on a large printed map and organised into three trails designated in each village. This occasion also provided a neutral communicative space for discussions, finding possibilities, building networks and contacts for local entrepreneurs, local authorities, NGOs and local enthusiasts etc. After the workshops a LAG employee accompanied by local people walked along the trails, recorded the GPS tracks, took photographs, collected stories etc. Then a GIS database was built (using new technologies), smartphone applications were developed and innovative tools, including Google™ advertisements, Facebook™, printed leaflets and digital information boards were used for the marketing of the results (marketing tool).

During the process of developing the GIS database, community mapping and so on, there were many tangible, positive effects of the project. Several new co-operations, joint strategic thinking, planning in the field of rural tourism were identified, and local networks were significantly developed. The process also provided a very efficient interface for the LAG development agency to meet local people, collect and spread information, innovation etc. The development of social networks and improved information flows have enhanced the development capacity of the whole region, thus benefitting everyone. However, the main beneficiaries of the project were those connected to rural tourism in some way (service providers, local producers, local authorities, tourists etc.).

8.5.b. 1-2)

1

Ratio of female population with low qualification (ISCED 0-2) in Balat case study area (Balaton LEADER), 2011

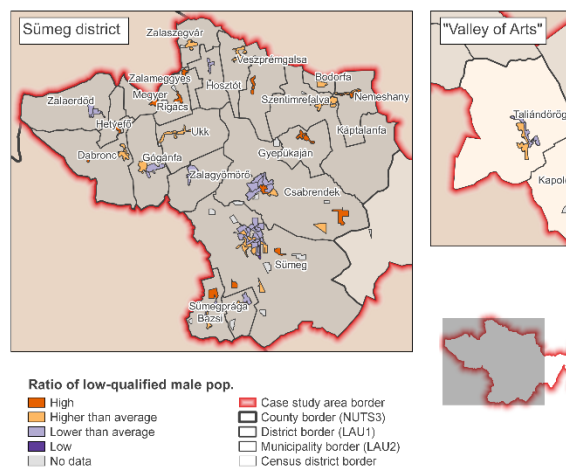
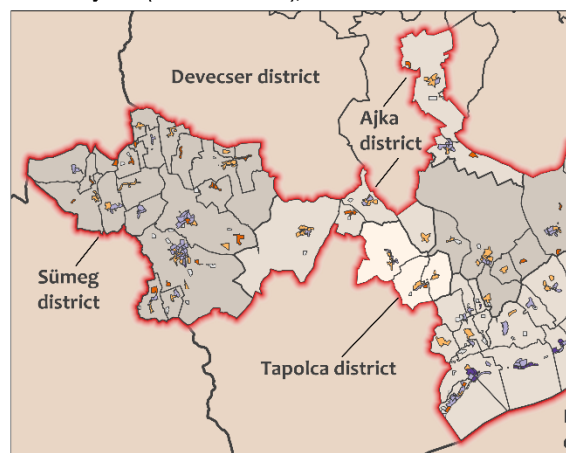


MTA KRTK 2016, Data: HCSO Census 2011, ©

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2

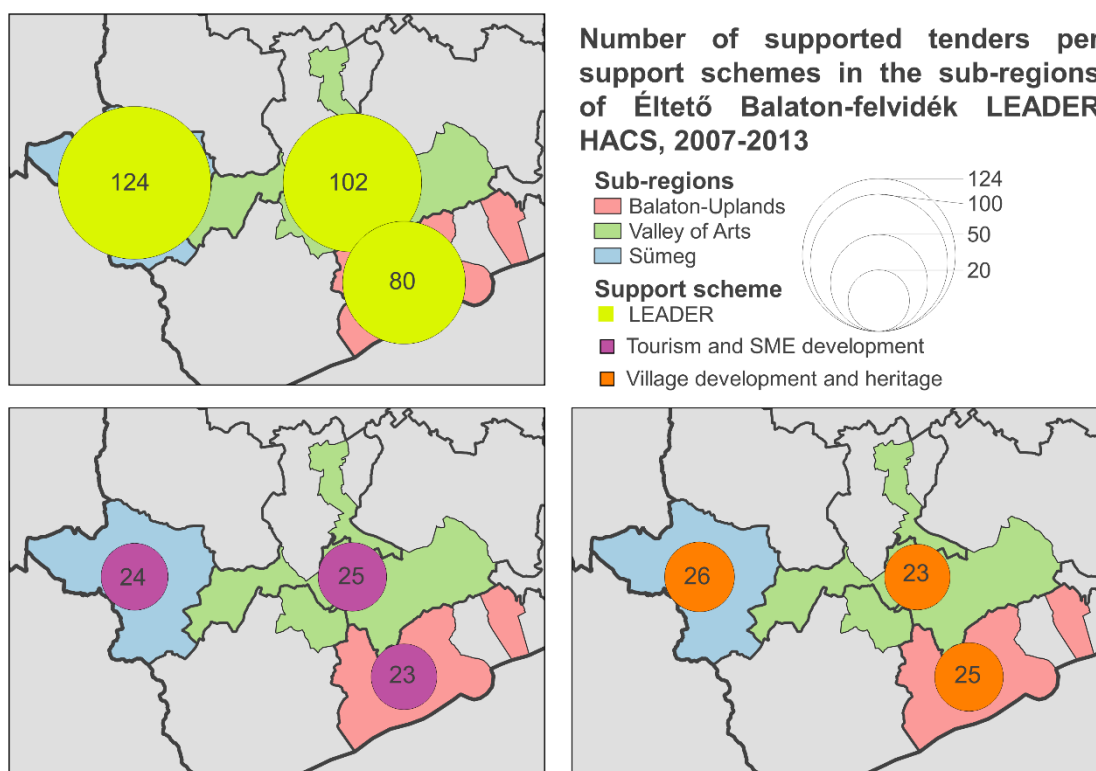
Ratio of male population with low qualification (ISCED 0-2) in Balat case study area (Balaton LEADER), 2011



MTA KRTK 2016, Data: HCSO Census 2011, ©

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8.5.c



8.6 Selection of interview quotations

1. (Interview_K1_b)

In the previous budget cycle each element of the local rural development strategy was achieved. It was particularly great that we could manage even during the transition period when there were no calls; in fact, it was in this period that we managed to strengthen the trademark project while the members remained active.

2. (Interview_K3)

2.1 ...there were some who did not submit any application. When we approached them, they let a [professional] application-writer prepare an application for HUF 26mn for a playground in a village where there were 26 children altogether. I called the mayor and told him that you either withdraw or won't be funded. (...) They later applied for a reduced sum and ended up having a nice playground for 8 mn forints.

2.2. ... Politics had less of an influence here; it is a much more democratic system. Since we chose the management ourselves, with whom we collaborate (...) It was crucial that we cooperate well and take consensus-based decisions.

2.3. ... There are some 'sourdough persons' ... I usually say that in such a small village a 'sour-dough person' is necessary – a charismatic person who is gathered around, listened to and followed –, whether the choir leader, the mayor, the parish priest, or the head of the local militia. Someone who is able and ready to guide people.

2.4. ... We've got an increased entrepreneurial activity now; I know and collaborate with more persons at Leader, our relationship is as good as friendly now. This friendly relationship is also

supporting our economic operations. For instance, X is very good at lodging, an activity we just started ourselves and with which he is ready to help. As far as I can see the trademark-producers are all devoted to both the community and the quality they are providing. We share the same way of thinking.

3. (Interview_C2)

... LEADER has helped a lot in networking, so we regularly meet those with whom we share values. We subsequently end up in the same group (with these people). It is also thanks to our work that in our Leader group youth labour is an accentuated field. We lobbied for this with X and Y and the 59 villages have come to believe that this is important. We are all working to avoid the emigration of the young. ...

4. (Interview_K5)

4.1. Folk college: the Swiss (i.e. the foundation supporting the folk college) have come to realise (that local decisions are good) and have transformed the program. Tree alleys were planted, landscape value was saved, streams were cleaned. ... The decisions were indeed taken here. It wasn't a lot of money: 20, 30, 40 thousand forints for plants and cleaning streams. But they were significant for the individual farmer whose little domain could be planted around. It became clear that when decisions can be taken here on spot, they can be much more efficient. This is why I believed in LEADER, which pointed into just this direction.

4.2 ... Here we could make a working climate where one could really experience democracy. Where one had the feeling 'This is it; we can speak openly, discuss and clash arguments' – ending up with a shared consensus and the whole thing is working. It was wonderful to live through the entire process.

4.3. ... We were able to develop such an incredibly good human capacity, the region and its brains were so successfully addressed, and such a good planning-coordinating workgroup was developed that we couldn't even dream of. Neither did we know of the existence of this capacity. Without Leader these people would never have come together. It is unbelievable how much we could learn from each other during that period. ... Everyone was serious about getting rid of inequalities here! That we think through the necessary developments and move in their directions.

5. (Interview_K1_a)

... They were forcing some things (from above), but we never interpreted these so that we would stand in front of the group and say, 'The managing authority said this and now we are angry at the managing authority'. We did not want to block the group by lamenting tough rules or the challenging nature of our work; instead we said, 'This is the situation, and this is how it can be managed'. And the solution emerged how to do what.

6. (Interview_K5)

... A concrete example of cooperation: our association is also applying [for LEADER calls]; we have purchased a building which we are now renovating, using our own resources as well. As financing occurs in advance, we were in need of liquid capital. I asked the mayors how they felt about this. There is a big gap [in affluence] between the settlements along Lake Balaton and the ones in the hinterland. Those along the shore asked how "much money would be needed" and assured to provide it. The settlements in the hinterland said they weren't in an economic position to lend but would contribute with administrative or other tasks as this program is so important for them.

7. (Interview_K7)

7.1 ... last year, just in order to host a two-day event I wrote three letters – first in February, then in May, then sometime in September – to the head of the managing authority and also to the

minister, but I have not received any answer. Neither has the secretary general of MNVH (National Rural Network). This is not a technical issue. ... we are not alone in this: the current Hungarian government treats us and any partners as nothing, zero. ... We aren't able to achieve any big things as we aren't treated as partners.

7.2. We signed a strategic agreements with MNVH (National Rural Network). There are those X billion forints there, which I think was promised somebody else and that's why we aren't getting them. The situation is so bad that we weren't allowed to spend anything. They would not let us spend anything from that money. If we take a look at Western European practices, we see that 70% of resources of rural development networks go to Leader.

8. (Interview_K8)

Since 2014 (third Orbán government) political loyalty overrides professional competencies.

8.7 Additional information

Info-sheet used at fieldwork

RELOCAL - Resituating the Local in Cohesion and Territorial Development

A „Resituating the Local in Cohesion and Territorial Development” (A „helyi” szint szerepe a területi kohézióban és fejlesztésben”) című projektet az Európai Unió H2020 keret-programja támogatja. A 2016 őszén kezdődő, és 2020-ban záródó kutatásban 11 európai országból összesen 13 partner vesz részt. A konzorcium magyarországi tagja a Magyar Tudományos Akadémia Közgazdaság- és Regionális Tudományok Kutatóközpontja. A kutatás fő kérdése az, hogy a vizsgált országokban az EU által vagy más forrásból finanszírozott területi alapú fejlesztési projektek mennyiben tudják megvalósítani a térbeli és társadalmi igazságossággal kapcsolatos szakpolitikai célkitűzéseket. A kutatás nem csak az elmúlt évek területi alapú fejlesztési beruházásainak a tanulságait fogja elemezni, hanem megpróbál olyan szakpolitikai javaslatokat megfogalmazni, amelyek a jövőben növelhetik a hasonló beavatkozások hatékonyságát.

Kutatási kérdés és motiváció

Az utóbbi években az EU közép- és hosszútávú célkitűzései között egyre hangsúlyosabb szerepet kapott a területi kohézió, és a területi egyenlőtlenségek csökkentése. Ugyanakkor a 2008-as válság során, illetve az ezt követő megszorítások időszakában az EU által finanszírozott, területi alapú beruházások ellenére az egyenlőtlenségek a legtöbb esetben nem hogy nem csökkentek, hanem adott esetben nőttek is. A kutatás legfőbb célja, hogy ezt az ellentmondást minél jobban megértse, és a fejlesztési beavatkozások sikeréhez vagy kudarcához vezető tényezőket feltárja.

A kutatás rövid bemutatása

A kutatás két legfontosabb kulcsfogalma a területi igazságosság és a lokalitás, a HELY.

A területi igazságosság vizsgálata során kíváncsiak vagyunk a kiválasztott kutatási terepeken való megnyilvánulására vagy éppen hiányára, arra, hogy a helyi döntéshozók milyen lépéseket tettek illetve tesznek a javak és erőforrások igazságosabb térbeli eloszlásának érdekében.

A lokalitás középpontba helyezése azt a célt szolgálja, hogy a kutatás során végig előtérben maradjanak a helyi igények, a helyi lehetőségek és a tágabb folyamatokról alkotott helyi perspektívák. A vizsgált területi egységek léptéke az egyes esettanulmányok esetében eltérő (pl. városnegyed szintű fejlesztések, járási szintű fejlesztések, stb.), illetve ezeknek az egységeknek a határai sem mindig egyértelműen meghatározhatóak, a „helyi” szempontok és értelmezések vizsgálata a projekt eredményességének záloga.

A kutatás egyik célja, hogy az EU elméletben területi igazságosságra törekvő Kohéziós Politikája és a helyi sajátosságok közötti távolságot minél inkább csökkentse. Bár az el-képzelhetetlen,

hogy a sokféle helyi sajátosságra (fejlesztési igényre, intézményi berendezkedésre, történeti és kulturális sajátosságokra) egységes választ tudna adni a Kohéziós Politika, de a helyi és uniós folyamatok közötti szakadék csökkentése elengedhetetlen lépés a területi igazságtalanságok mérsékléséhez.

Esettanulmányok és módszertan

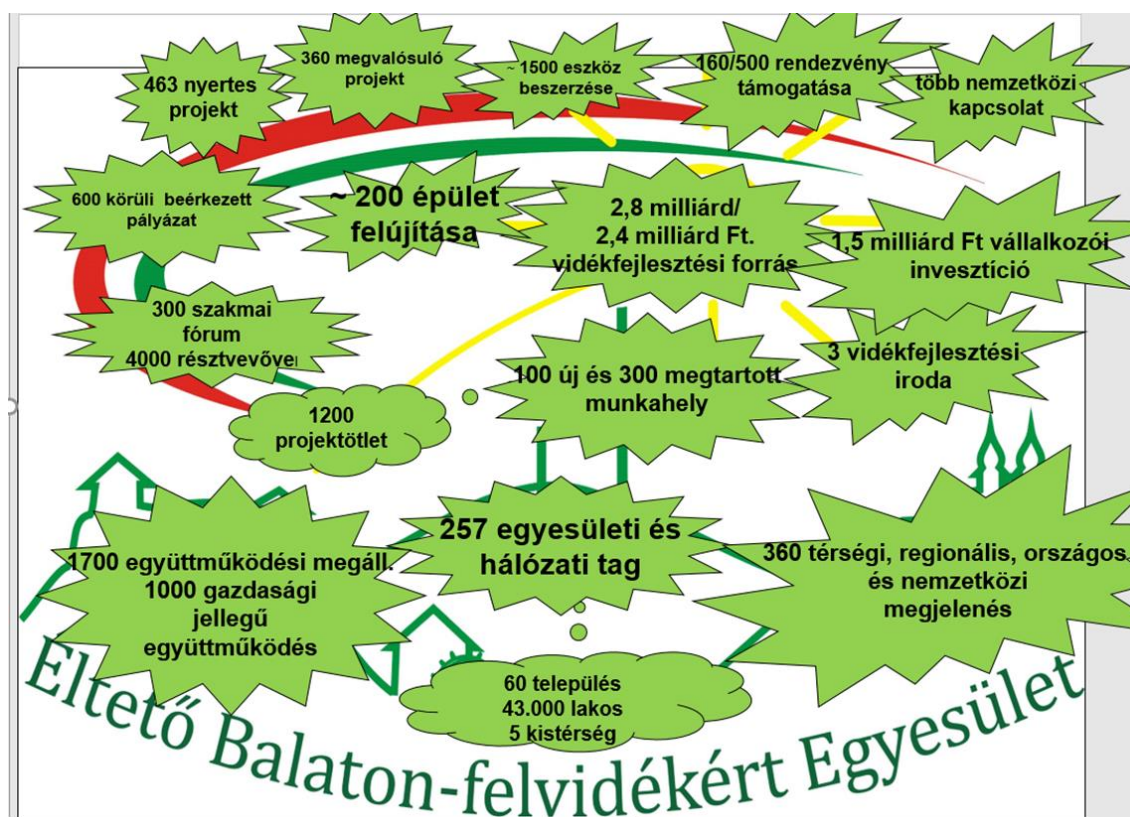
A kutatás során a 13 konzorciumi partner összesen 33 esettanulmányban vizsgálja a fenti kérdést – ebből intézetünk négy magyarországi esettanulmány elkészítéséért felelős. Egy esettanulmány során a kutatók egy adott szűkebb területen zajló fejlesztési beavatkozást (vagy beavatkozások sorozatát) elemeznek, majd következő lépésben adott szempontok szerint ezeket az esettanulmányokat hasonlítjuk egymáshoz.

A kutatás módszertana sok elemből tevődik össze. Részt képezik az esettanulmányok helyszíneit leíró társadalmi, gazdasági és területi statisztikai adatok elemzése; a fejlesztési projektekre hatással lévő szereplőkkel készülő interjúk kvalitatív elemzése; az esettanulmányok helyszíneit jól ismerő szereplőkkel történő fókuszcsoportos beszélgetés a terület múltjáról, jelenéről, és a lehetséges jövőbeli scénáriókról. A módszertan fontos része a „helyi” és a nagyobb léptékű (regionális, nemzetállami szintű, uniós léptékű) folyamatok egymásra hatásainak a vizsgálata.

A magyarországi vizsgálati terek

A négy esettanulmány különböző léptékű területi egységeket és különböző típusú beavatkozásokat vizsgál: a pécsi kutatás az egyik legnagyobb szegregátumban, a György-telepen megvalósult telep-programok hatásait és ellentmondásait tárja fel; az Encsi járásban folyó vizsgálat az immáron negyedik generációs Gyerekesély Program kapcsán próbálja megválaszolni azt a kérdést, hogy beváltja-e a Program a hozzá fűződő társadalmi inklúziós reményeket. Míg eme két esettanulmány a már bekövetkezett, megcsontosodott szegénységből való kilábalás esélyeit kutatja, a másik kettő a prevenció lehetőségeit vizsgálja („Éltető Balaton-felvidék LEADER, Szentes-központú TÉSZ.)

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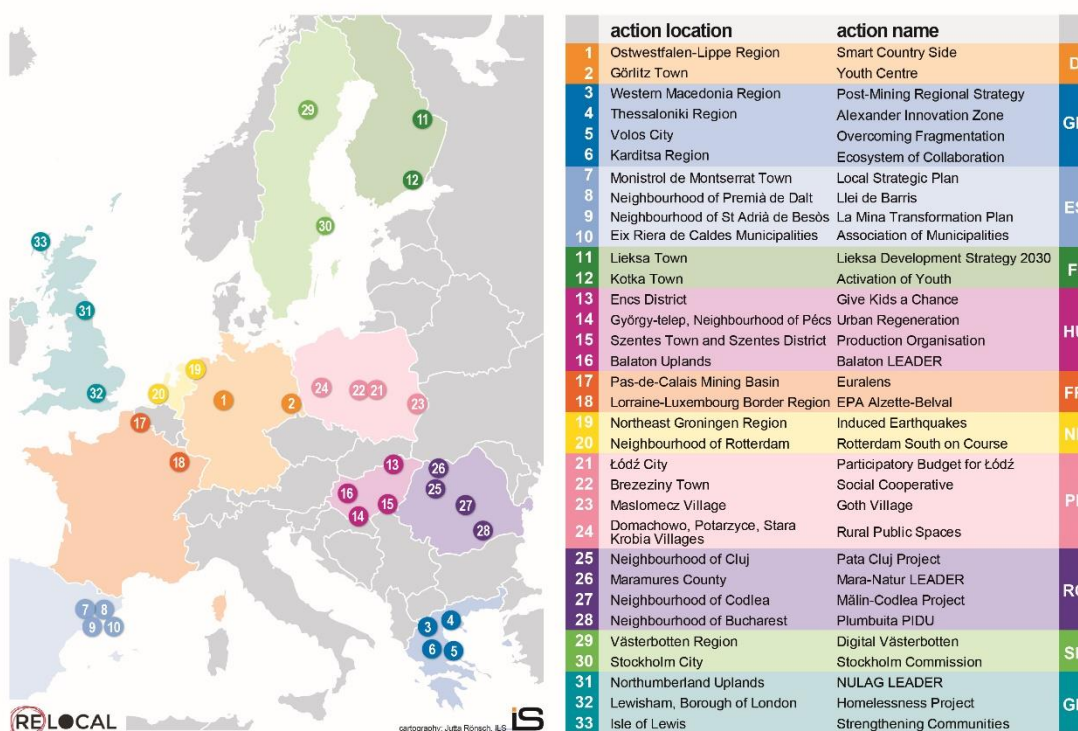


The RELOCAL Project

EU Horizon 2020 research project '**Resituating the local in cohesion and territorial development**' –RELOCAL aims to identify factors that condition local accessibility of European policies, local abilities to articulate needs and equality claims and local capacities for exploiting European opportunity structures.

In the past, especially since the economic and financial crisis, the European Social Model has proven to be challenged by the emergence of spatially unjust results. The RELOCAL hypothesis is that **processes of localisation and place-based public policy** can make a positive contribution to spatial justice and democratic empowerment.

The research is based on **33 case studies in 13 different European** countries that exemplify development challenges in terms of spatial justice. The cases were chosen to allow for a balanced representation of different institutional contexts. Based on case study findings, project partners will draw out the factors that influence the impact of place-based approaches or actions from a comparative perspective. The results are intended to facilitate a greater local orientation of cohesion, territorial development and other EU policies.



The RELOCAL project runs from October 2016 until September 2020.

Read more at <https://relocal.eu>

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