The area-based approach

plan of the chapter

references

European Commission Notice to the Member States

LEADER+
ref. 2000/C139/05
Commission Notice to the Member States of 14 April 2000 laying down guidelines for the Community Initiative for rural development (LEADER+)

LEADER II dossiers

Innovation notebooks
No. 4: Assessing the added value of the LEADER approach (1999)
No. 6: Creating a territorial development strategy in the light of the LEADER experience – Part 5: Global competitiveness of rural areas (2000)

Guides
Methodology guide for the analysis of local innovation needs (1996)

LEADER MAGAZINE
No. 24 Unifying theme(s), integrated territorial development (Autumn 2000)

references

LEADER I dossiers

Technical dossiers
Launching and managing the local development project:
the experience of LEADER I (1995)

Examples

"Innovative actions" factsheets
E10 - E23
M02 - M06 - M14 - M18 - M25 - M26 - M27 - M28 – M38 - M39 - M47
P03 - P04 - P17 - P22 - P23 - P37 - P52 - P53
S26 - S32
T01 - T06 - T09

The area-based approach

The area-based approach

III / 1

This is one of the key points of the LEADER approach. Unlike the sectoral approach, the **area** is considered as a socio-economic **whole** comprised of people, resources, know-how, etc.

The area-based approach takes a new **"global"** view of the area of intervention, providing a basis for defining a **local action plan** suited to the area's specific needs.

Once this **"area project"** has been defined, the area's **profile** must be established by assessing its **"capital"** and making an **analysis**. Next a suitable **development strategy** can be defined.

The LEADER area: criteria
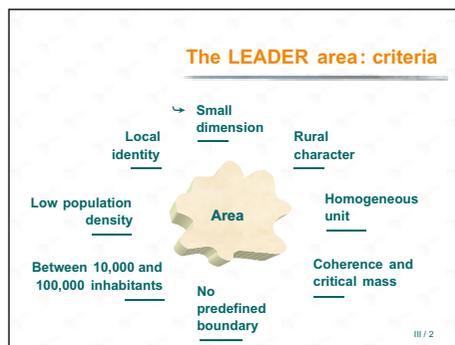
The text of the European Commission Notice to the Member States of 14 April 2000 laying down guidelines for the Community Initiative for rural development (LEADER+) defines the area concept as follows:
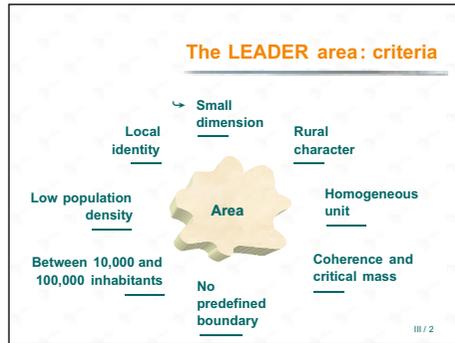
"The LEADER+ Initiative is intended for **small rural** areas which form a **homogeneous unit** in physical (geographical), economic and social terms.

The areas selected must in all cases have sufficient **coherence and critical mass** in terms of human, financial and economic resources to support a viable development strategy.

Applying these criteria may result in areas being defined which **do not coincide with a national administrative area or with zones established** for the purpose of eligibility under Objectives 1 and 2 of the Structural Funds.

To ensure the local and rural nature of the areas selected, the population must as a general rule not number more than 100,000 in the most densely populated areas (around 120 inhabitants/km^2) and in general not number less than about 10,000. However, in areas with a high or low population-density, such as some areas of northern Europe, properly justified exceptions to these criteria may be accepted.

In all cases artificial divisions of areas which could undermine the coherence requirement referred to above will be rejected."

III.5

The LEADER area: criteria

Small dimension
Local identity
Rural character
Low population density
Area
Homogeneous unit
Between 10,000 and 100,000 inhabitants
No predefined boundary
Coherence and critical mass
III / 2

To complete the picture, with reference to the development strategy to be devised by local action groups as part of their development plan based on a unifying theme, the **"local identity"** aspect has been added to the figure in slide 2.

Neither universal nor static, the **"area"** concept is a collective one based on the integration of geographical, economic, social, cultural, political and other factors. The area is both the product of its history and a reflection of its present, whilst at the same time harbouring the conditions for its own future. Its **identity** is conveyed by its inhabitants (sense of belonging) and by exchanges with the "outside world", which in turn reflects back a certain **image** of the area.

The concept of an area-based approach

The concept of an area-based approach

Global approach

Area-based approach

Concertation

Endogenous resources

III / 3
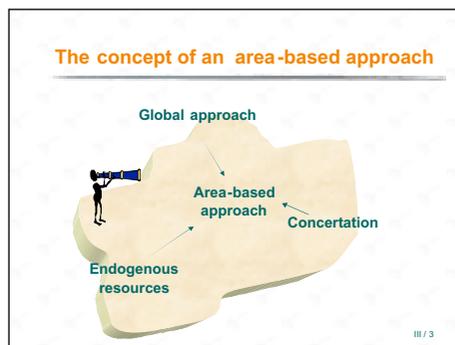
The "area-based" approach allows local players to define a development policy based on the area's particular circumstances, assets (strengths), constraints (weaknesses), needs and opportunities.

It relies on a **global concerted approach to the area**, and on a bid to integrate (endogenous) local resources.

1. The global approach

Defined in opposition to the sectoral approach, the global approach involves considering the diverse components of the area's particular environmental, economic, social, cultural, political and other features. This approach sets out to explore all of the area's existing and potential resources. For example, it will take into account sectors of the population that are generally excluded or it will strive to reintegrate traditional empirical know-how, etc.

VII/3-4

M18, M38, P22

III.7

The concept of an area-based approach
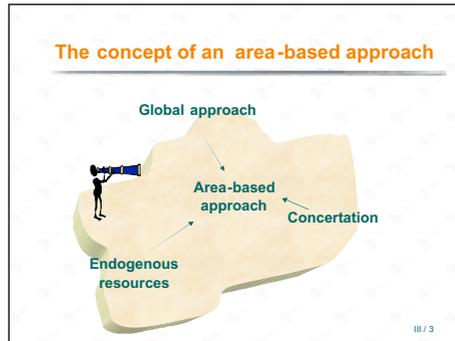
2. "Concertation" (local partnership and bottom-up approach)

The area-based approach invites public and private players, organised into a local partnership, to devise a development programme for their area jointly with local communities and to negotiate it with the regional or national public authorities responsible for the area.
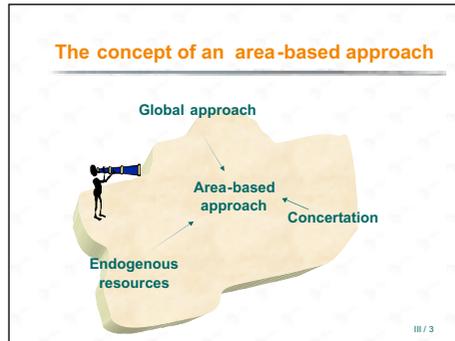
A global vision of the area, shared by all local players, is gradually created. The organisation of a representative **local partnership** of "prime movers", public authorities and collective forms of organisation is crucial to its success.

Likewise, the area-based approach advocates a new type of relationship between the community and the development project by encouraging **engagement, consultation and "concertation" (partnership-working)**. In order to foster such support, "participatory democracy" and "bottom-up" approach methods are implemented locally. They make ample use of local "animation", information circulation, the creation of forums for exchanging ideas and information, training, "trawling" for and encouraging the setting up of projects, etc.

V/3,9

M02, M06, M26, M28, M39

III.8

The concept of an area-based approach

Global approach

Area-based
approach

Concertation

Endogenous
resources

III / 3

3. Integration of local (endogenous) resources

The choice of an area-based approach is linked with the importance of **"endogenous" (local) resources** in sustainable development. Such **endogenous resources** may be physical, environmental, cultural, human, economic and financial, as well as institutional and administrative. Note that it is not only "exceptional" resources that can be developed, quite the reverse. In most cases, it is an "ordinary" local heritage or one that seemed "unremarkable" that is considered to be worth reviving. This has particularly been true of ancient skills (embroidery in Portugal, the preparation of traditional food products in Greece and Italy, etc.) which, when reintroduced and professionalised, become sources of new business and added value.

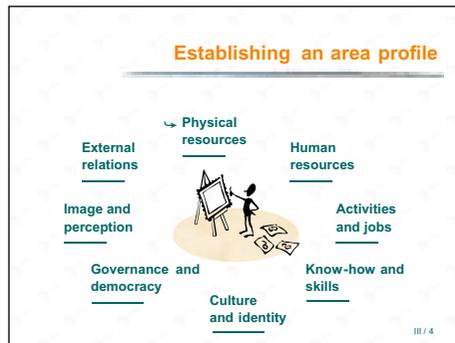This approach converges with the definition of **sustainable development.**

VII/2-3

E10, P04, P23

VII/9

III.9

Establishing an area profile

Establishing an area profile

By refining these three dimensions, it is possible to **identify the area's profile** based on **eight components,** each of which can be developed further, depending on the specific situation or expectations:

1. **Physical resources** and their management (in particular natural resources, facilities and infrastructure, historic and architectural heritage, etc.).

2. **Human resources** (the people living in the area, who set up home there or who leave it; the demographic characteristics and social structure of the community).

3. **Activities** (**enterprises**, their sector, position in this sector, size, degree of geographical concentration, etc.) and **jobs** (structure, stability, employment conditions, etc.).

4. **Know-how and skills** (implicit and explicit, command of technology, research and development capabilities, etc.).

III.10

Establishing an area profile
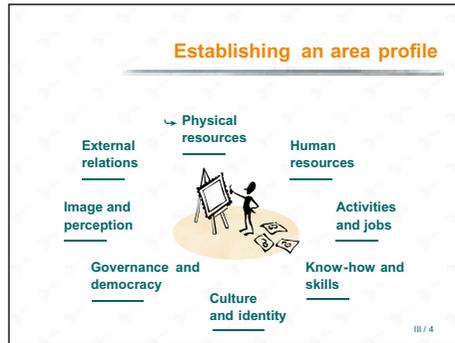
5. The area's **culture and identity** (values shared by local figures, their interests, outlook, attitudes, forms of recognition, habits and customs, etc.).

6. The level of **"governance"** (local institutions and administrations, the political rules of the game, collective bodies, the relationships between all of these players, the degree of autonomy in managing development, including financial resources) and of **democracy** (forms of consultation and participation).

7. The **image and perception** of the area (by the inhabitants themselves and by outsiders), local communication.

8. **External relations** (in particular the area's degree of integration in the various markets, its contacts with other areas, networks of exchanges, etc.)
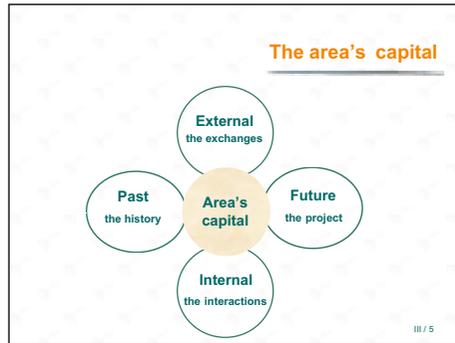
A set of tangible and intangible elements

The area's "capital" is not static but a dynamic concept. It is the product of these eight components and represents all of the area's available tangible and intangible elements, some of which may constitute assets and others, constraints.

The area's capital is what makes up the wealth of an area (people, activities, landscapes, heritage, know-how, etc.), not in the form of an "inventory" but of unique features that can be developed.

A complex whole within a space/time dimension

The area is a multi-faceted **living entity** that evolves over time. Each rural area is the result of a **link between the past, the present and the future**. Far from being inexorably defined by its past, the area is nurtured by examining its past, by comparing what is happening now with what is happening elsewhere, by analysing successes and failures, by anticipating the future based on an analysis and through the shared determination of local players.
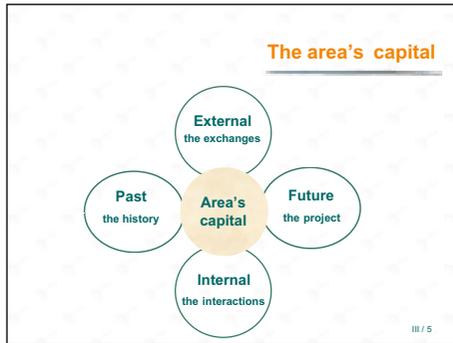
The area's capital can therefore be depicted as a sphere located at the point where the two axes intersect (past/future and internal/external). This sphere is continually evolving. It is enhanced and further defined by elements drawn from the past (history), the future (the project), factors internal to the area (interactions between players, institutions, local networks) and in its relations with the outside world (exchanges with external markets, institutions and networks).

The methodology for analysing the area's capital, which makes it possible to go on to actually develop an area project, must include the stages of **initial analysis** and **interim analyses**.

The initial analysis

The initial analysis

- Beyond a simple snapshot of the situation
- First stage of involving local communities and engaging key players
- Use of participatory methods
- Creation of alternative scenarios

III / 6

M02, M06, M18, T01,T09
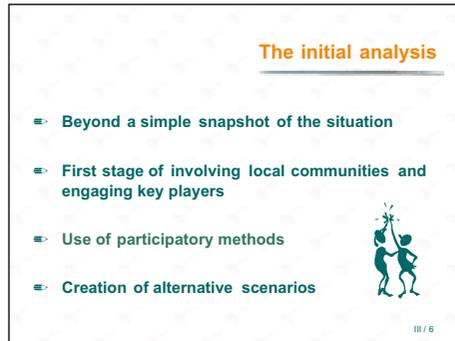
Producing a thorough **"analysis"** of the area is one of the main prerequisites for the success of the rural development approach.
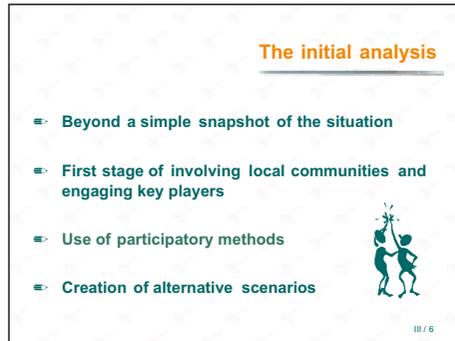
Beyond a simple snapshot

The analysis is not confined to a simple snapshot of the situation, but takes into account the strengths and weaknesses of an area and possible means for triggering or reinforcing a local development dynamic. It highlights developments and problems - both current and future - by revealing factors on which action can be taken and behaviour that is conducive to developing a project.

The analysis often provides the first opportunity to involve local people and engage key players

Producing an analysis is the first opportunity to involve local people - through various different forms of consultation - and to engage the main socio-economic players concerned.

The initial analysis

- Beyond a simple snapshot of the situation
- First stage of involving local communities and engaging key players
- Use of participatory methods
- Creation of alternative scenarios

III / 6

Using participatory methods = an advantage

The use of participatory methods ("animation", information, training, "trawling" for potential projects, etc.) right from the analysis stage will promote local ownership of a development approach and, later, the building of consensus around the planned support measures.

Creating alternative scenarios

By analysing the links that exist between sectors of activity, players and areas, the analysis leads local players to discover a host of different and often unexpected possibilities for injecting new dynamism into their area. Exploring alternative scenarios provides clues to the risks and long-term opportunities, by revealing a number of possible courses of action. At this stage in the approach, the participation of a wide range of local interests is crucial.
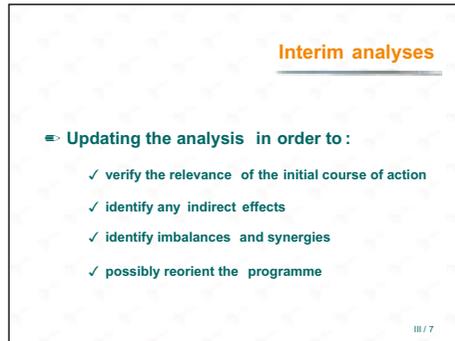
Interim analyses

Interim analyses

➥ **Updating the analysis in order to :**

  ✓ **verify the relevance of the initial course of action**

  ✓ **identify any indirect effects**

  ✓ **identify imbalances and synergies**

 ✓ **possibly reorient the programme**

III / 7

In order to assess how the rural development approach and attitudes are pro-gressing, it is useful to set up a **monitoring system** in the form of **interim evaluations and analyses**.

Indeed, while the initial analysis is paramount in launching a project dynamic, it is but one stage in the "development/launching" process. The next stage must be to periodically **update the analysis by carrying out interim analyses.**

This makes it possible to:

> **Continually capitalise on** the actions undertaken and **verify the relevance of the initial course of action**;

> **Identify any** foreseen or unforeseen **indirect effects** of the actions con-cerned and to reposition them within the global approach;

> **Identify possible imbalances and synergies** - The evolution of a project is a series of "small victories" or relative failures; new ideas and actions emerge from these stages;

> **Shift the focus of the local development programme** during the course of implementation, **keeping within the financing constraints** (in fact, once the programme is under way, such financial constraints generally mean that only peripheral adjustments can be made).
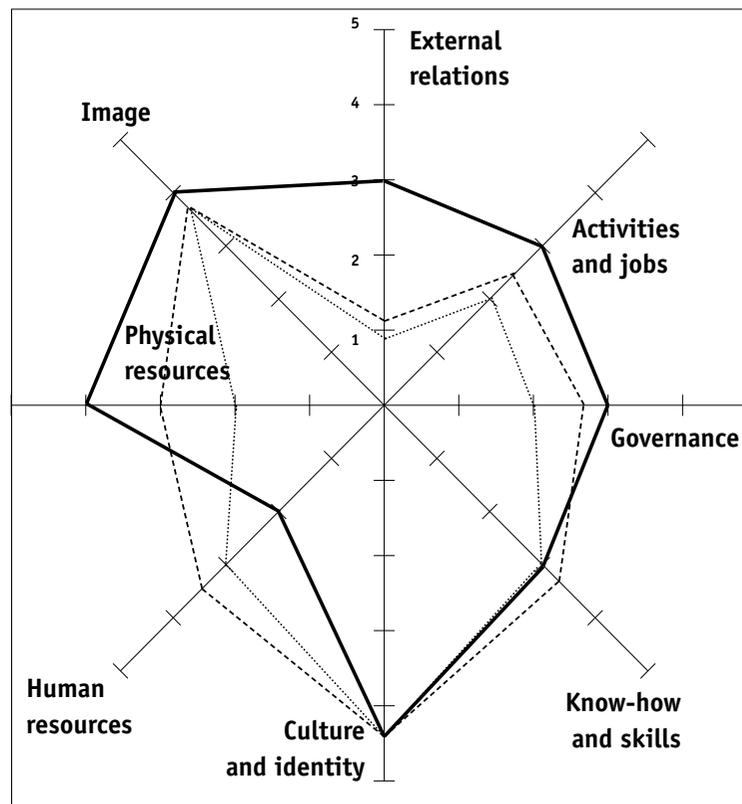
The area profile: a tool for "animation"

Source: AD-ELO, Associação de desenvolvimento local da Bairrada e Mondego, Auto-avaliação dos Grupos LEADER, Portugal, October 1999.
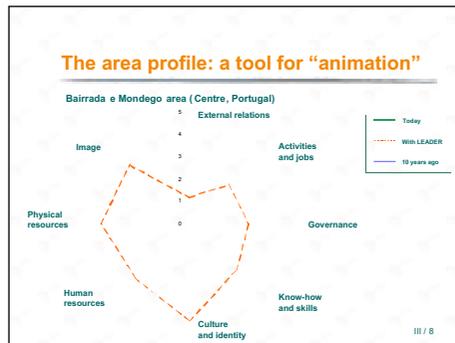
In order to formally establish an overview of an area's situation prior to analysing it, it may be useful to examine each of the characteristic components of the particular area at a given point in time. Based on a graphic representation, this makes it possible to view the area's development over a given period, to review each of the area's components (strengths/weaknesses) and to gauge the resources available for a future project.

In the diagram, a score of 0 to 5 is attributed to each component, on a scale of "useless" (0), to "very bad" (1), "bad" (2), "average" (3), "good" (4) and "very good" (5). These different scores are then projected onto an eight-pointed graphical representation depicting an image of the area, or "area profile".

The objective value of such a profile is of course limited, but it does allow groups of local players to define and compare their vision of the area. The profile should be considered first and foremost as a **tool for "animation"** that allows individual views to be compared and complemented, leading to a collective assessment enhanced by knowledge of the area's situation.

The area profile: a tool for "animation"

Bairrada e Mondego area (Centre, Portugal)
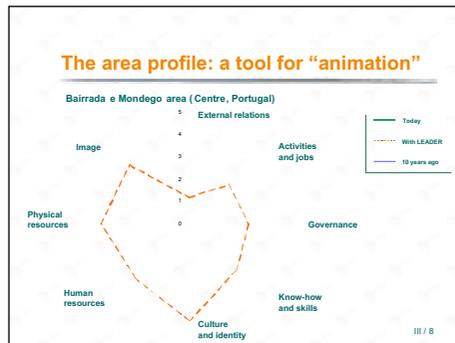
Next, by comparing the profiles produced at the different stages, it is possible to highlight the changes that have taken place and to identify the area's "losses" or "gains". For instance, an area profile can be created for the situation that existed 10 years previously and this profile can be compared with the current situation. It is even possible to compare the area's likely development with and without LEADER intervention.

In all cases, one of the main advantages of this tool is to encourage **views to be expressed and compared**. Using it as an "animation" aid helps to sustain the participatory dynamic and concerted management of the area's development.

III.19

From analysis to strategy

From analysis to strategy

☞ **Share the results of the analysis**

☞ **Give priority to an integrated approach**

☞ **Choose one or more unifying themes**

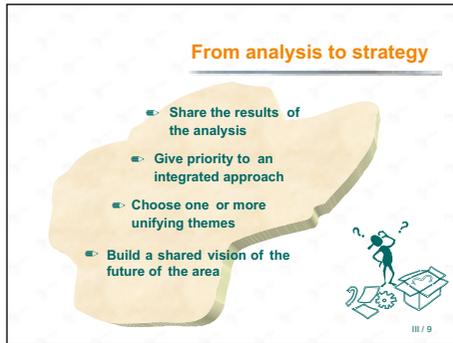☞ **Build a shared vision of the future of the area**

III / 9

T01-09
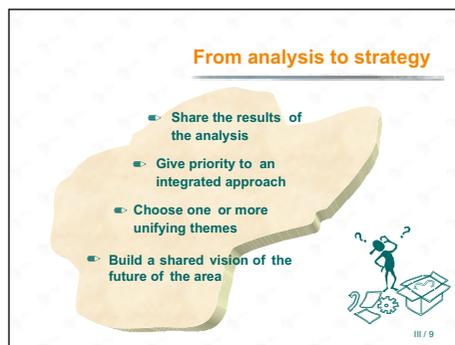
The full importance of analysing the area's capital comes to light when the local rural development programme is developed.

This involves **four priority aims**:

> **To share the results of the analysis,** which have pointed to a number of major innovation needs for the area - This stage follows on from engaging the community and involving local players.

> **To give priority to an integrated approach** (which will impart overall coherence and make it possible to identify what is a priority and what is less so and to rank the objectives and actions). This integrated approach helps to identify and consider **existing geographical, economic, social, cultural imbalances and possible synergies** in order to take into account the relationships between the planned actions and to develop solutions over time. The integrated approach serves as a main thread running through the entire process.

III.20

From analysis to strategy

From analysis to strategy

☞ Share the results of the analysis

☞ Give priority to an integrated approach

☞ Choose one or more unifying themes

☞ Build a shared vision of the future of the area

III / 9

M18

T06,P03

> **To choose one or more unifying themes** that both respond to innovation needs and offer longer-term prospects. The unifying theme acts as the core structural principle of a project. The quality of a unifying theme depends on its ability to serve as a **lever** for encouraging the emergence of initiatives, whilst at the same time matching identified needs.

> **To build a shared vision of the area's future** - Creating this shared vision on the basis of a unifying theme calls for a certain amount of blind faith, combined with the ability to adapt to concrete realities. These two approaches are often adopted by different people or even institutions, so it is a good idea to institute a wide-ranging public debate, which takes time.

III.21

Drawing up a strategy: the principles

A number of experiments conducted within LEADER serve as models for drawing up a strategy that espouses the principles of an area-based approach:

A common thread

Most LEADER areas have chosen to develop unique local features as their common thread. Only a small number are able to rely on "standardised", undifferentiated products or services (but for how much longer?). These unique features form the basis for creating unifying themes.

An approach focusing on the process and on an integrated vision of the whole

Taking this **step-by-step** approach allows the strategy to be positioned in time and space. The actions are gradually enhanced, following one another in a sequence as they become more and more elaborate.

Furthermore, the integrated approach commits development players to looking beyond "simple" forms of convergence towards "lever" forms of convergence, such as uniting the different types of player around a concerted process. This "systemic" vision widens the impact of each action.

M18, P22

M14, P17

III.22

Drawing up a strategy: the principles

Drawing up a strategy : the principles

- ☞ **Choose a common thread (unifying theme)**
- ☞ **Focus on the process and on an integrated vision**
- ☞ **Choose a single entry point or adopt a "sower" strategy**
- ☞ **Search for multiplier effects**
- ☞ **Set up a monitoring and assessment mechanism**

III / 10

A starting option: choosing a single entry point or adopting a "sower" strategy

There are several possible starting points for instigating an area strategy. It might be a **very specific form of intervention**, such as promoting the area's image, developing an alternative energy source, etc., or else a combination of several actions to diversify a single major economic sector or develop an aspect of the local heritage etc.

The **"entry point"** is chosen from among the key elements revealed by the analysis of the area's capital.

Conversely, the **"sower" strategy** consists of launching actions in a scattered fashion, in the hope that one or more will "germinate". This strategy is often adopted in areas where there is little capacity for initiative. Over time, once the capacity for initiative has been developed, the actions can be channelled into a more specific direction.

M02, M47

M28,S32

P52,S26,M28

III.23

M39

Systematic search for multiplier effects

Any process aimed at injecting added value into the area's capital will be based on seeking multiplier effects. Several types of actions can be envisaged for achieving this:

> Actions with a leverage effect on other projects (launch of a brand, creation of a tourist information centre, etc.)
> Actions to implement new practices or forms of organisation.

Setting up a mechanism
for monitoring and assessing current actions

The lessons learned from the successes or failures, the difficulties encountered and the solutions identified, further knowledge about the "area's capital" and make it possible to refine strategies. The aim is therefore to acquire the means for learning such lessons and to make sure that these lessons are useful in the future, by making use of the tools available (study groups, meeting forums, working papers, etc.) Monitoring and assessment form an integral part of the strategy.

In all cases, the strategy proposed in the development plans must demonstrate that it is not merely a collection of projects or sectoral measures, but an **integrated body of leverage actions.**

Create a collective dynamic centred on the "area project"

Create a collective dynamic centred on the "area project"

☞ make analysis and project preparation a tool for "animation" and consultation

☞ seek "win-win" strategies

☞ assess ability to undertake the action

III / 11

Associating all of the area's players (including public administrations) in the strategy is crucial to its success. There are several approaches for achieving this difficult aim:

> **To make analysis and project preparation an "animation" and concertation tool -** By associating local people, asking relevant questions and pinpointing interactions, it is possible to gradually enhance knowledge about the area. It can also make it possible to exploit the area's resources, without favouring the most powerful or best-placed players involved.

> **To seek "win-win" strategies** - Many players will not work towards change if they see no benefit to themselves. This is why it is particularly important to tackle local issues from a "win-win" perspective, either by seeking the largest common denominator among the players concerned or by providing compensation instruments for any "losers".

> **To assess the ability to undertake the action -** Experience has highlighted **three factors** in a local action group that are important to the success of the approach:

- The **representativeness** of the LAG (to guarantee quality and compliance with the chosen strategic options).

- Real **leadership** carried by forces of change.

- The group's **organisation** must be tailored to suit the recommended strategy.

IV/4-7

T06

V/7

III.25

Examples of strategic aspects

- Focus on complementarity
- Work on the fringes
- Promote integration
- Consolidate or diversify
- Recover and give renewed value
- Find a new balance
- Motivate and inject dynamism across the board
- Attract

In the field, the area strategy combines several of these aspects

III / 12

To a large extent the area's initial capital governs the scope of the strategic local development choices. Strategies which are relevant to areas where a development process is already well under way, can, however, prove ineffective in areas where everything needs to be started from scratch.

By taking into account only two components of the area's capital – "activities and enterprises" and "governance" – it is possible to outline eight types of strategy:

> **To focus on complementarity –** This strategy consists of focusing the action on a number of elements that can inject new dynamism into the ongoing process and consolidate it (e.g. intangible investments to enhance economic development or the creation of pilot micro-projects to test changes in selected sectors).

> **To work on the fringes –** This strategy is applied in cases where the local action group has little influence on the economic forces dominating the local development process. In this case, the LAG promotes "fringe" actions that can complement, or else re-channel work that is already being done, or redevelop neglected resources.

P17, P37

M47

III.26

Examples of strategic aspects

> **To promote integration –** In areas with no culture of collaboration, the dispersal of project leaders is a weakness. The area's competitiveness can be boosted by fostering links and collaboration between existing but thinly scattered development players or sectors. A cross-disciplinary unifying theme can often be used to support this strategy.

> **To consolidate or diversify –** In this case support is given to introducing new product lines in the sector/branch that is already dominant (**consolidation**), to improving the quality of current provision or else to conducting pilot experiments (introduction of new products and/or services) in new sectors (**diversification**).

> **To recover and give renewed value –** This is the most common strategy among LEADER groups, which often work in areas where resources and know-how are dying out. In this instance, the key is to determine whether the past harbours hidden resources that could lead to the launch of "modern" and competitive products to meet current demand.

> **To find a new balance –** This strategy is required where opportunities must also be provided to particularly vulnerable communities or those living in declining parts of the area.

M25

E23, P04, P37

E10, P22, P23, P53

M38

III.27

Examples of strategic aspects

Examples of strategic aspects

- Focus on complementarity
- Work on the fringes
- Promote integration
- Consolidate or diversify
- Recover and give renewed value
- Find a new balance
- Motivate and inject dynamism across the board
- Attract

In the field, the area strategy combines several of these aspects

III / 12

> **To motivate and inject dynamism across the board –** In general such strategies are aimed at restoring the confidence of local communities in the value of the area's resources and in their own ability to take action and innovate. Strategies like this often combine two types of intervention: giving a technical and/or financial "kick start" to the few innovative development players that exist and to reinject dynamism across the board, in cases where there is such a serious lack of project leaders that support is extended to "anything that moves".
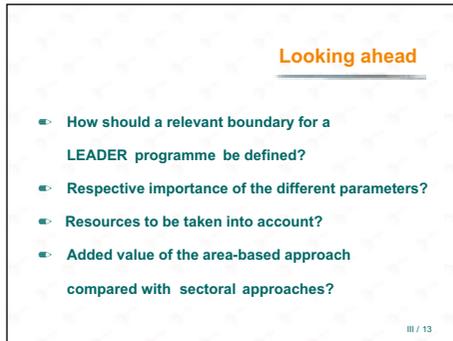
> **To attract –** In areas suffering from low population density and a lack of initiatives, it is possible to organise a policy of hospitality and to capitalise on all local opportunities for attracting new residents.

In practice **the area strategy is a combination of several of the above**.

M02, M28, M47

M27

III.28

Looking ahead

Looking ahead

- How should a relevant boundary for a
  LEADER programme be defined?
- Respective importance of the different parameters?
- Resources to be taken into account?
- Added value of the area-based approach
  compared with sectoral approaches?

III / 13

Which criteria are generally used to define the zone of intervention of development policies? Are these criteria satisfactory for making a global analysis of the area?

What should be the boundary for initiating or extending a LEADER approach? Should the current boundary be modified and, if so, why?

What is the relative importance of the following parameters for determining the area of a LEADER programme?
1. Pre-existence of an "area project"
2. Critical mass in terms of population and activities
3. Cohesion of development players and cultural identity
4. Other parameters

Which local resources are best suited to development?
1. Natural resources (water, quality of the environment, etc.)?
2. Farming, forestry or fishery resources?
3. Cultural and historic resources?
4. Economic and financial resources (business network)?
5. Human resources (qualifications of the population, presence of civic and voluntary associations, etc.)?
6. Institutional resources (organisational skills)?

III.29

Looking ahead

Looking ahead

☞ **How should a relevant boundary for a**
  LEADER programme be defined?
☞ **Respective importance of the different parameters?**
☞ **Resources to be taken into account?**
☞ **Added value of the area-based approach**
  compared with sectoral approaches?

III / 13

Which resources could be exploited better or more fully?

What specific contribution can the "area-based" approach make?
1. More clearly identified local problems and needs?
2. More clearly identified and exploited local resources?
3. Greater sense of belonging and of identity?

III.30