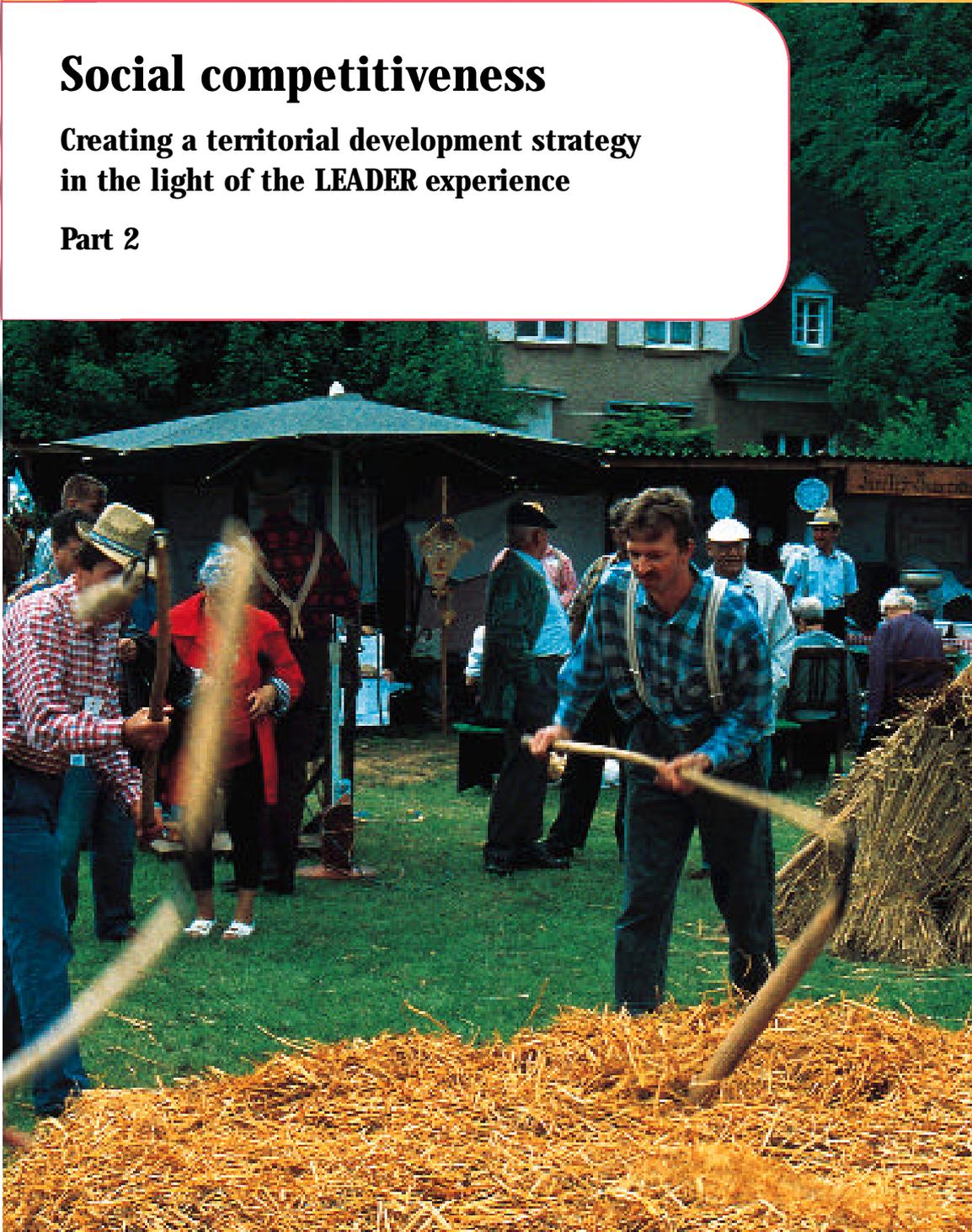




## Social competitiveness

Creating a territorial development strategy  
in the light of the LEADER experience

Part 2



LIAISON ENTRE ACTIONS  
DE DÉVELOPPEMENT  
DE L'ÉCONOMIE RURALE

LINKS BETWEEN ACTIONS  
FOR THE DEVELOPMENT  
OF THE RURAL ECONOMY



COMMISSION EUROPÉENNE  
DIRECTION GÉNÉRALE  
DE L'AGRICULTURE

EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
AGRICULTURE

# **Social competitiveness**

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in the light of the LEADER experience**

**Part 2**

**“RURAL INNOVATION”**

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# Territorial approach to rural development

In the face of the crises experienced by many of Europe's rural areas, there is no doubt that the LEADER Community Initiative has mapped out new paths of development which can now be seen as an important initial response to the need to revitalise and develop rural areas to the full.

The question remains as to whether the paths mapped out by LEADER can be consolidated to allow rural areas to acquire a genuine "territorial competitiveness".

This matter has become all the more crucial now that LEADER II is nearing completion and making way for LEADER+. The transition to the new LEADER phase, which is expected to provide a "plus" in relation to the previous Initiative, could offer an opportunity for the qualitative leap forward. This will require each area to draw up its own "territorial project" aimed at achieving what we term "territorial competitiveness".

## What does "territorial competitiveness" mean?

The usual meaning of the term competitive is "to be able to withstand market competition". On the face of it then, the term territorial competitiveness has a strictly economic sense. Yet can an area that, for example, produces agricultural raw materials very cheaply, but under deplorable social conditions and with no concern for its environment, really be described as competitive? Such considerations have led us to attribute a broader meaning to the term competitiveness, as expressed by the concept of territorial competitiveness: an area becomes competitive if it is able to face up to market competition whilst at the same time ensuring environmental, social and cultural sustainability, based on the dual approach of networking and inter-territorial relationships. In other words, territorial competitiveness means:

- > *taking the area's resources into account in a bid for overall coherence;*
- > *involving different players and institutions;*
- > *integrating business sectors into an innovation dynamic;*

- > *cooperating with other areas and linking up with regional, national and European policies as well as with the global context.*

The aim of developing a territorial project is therefore to ensure that local players and institutions acquire four types of skills: the skills to assess their environment, to take joint action, to create links between sectors by ensuring that maximum added value is retained, and lastly to liaise with other areas and the rest of the world.

These four skills can be linked with what we call "the four dimensions" of territorial competitiveness, which will be combined differently for each area. They are:

- > **"social competitiveness"** – ability of the players involved to act effectively together on the basis of shared conceptions about the project, and encouraged by cooperation between the various institutional levels;
- > **"environmental competitiveness"** – ability of the players involved to make the most of their environment by making it a "distinctive" element of their area, whilst at the same time ensuring that their natural resources and heritage are preserved and revitalised;
- > **"economic competitiveness"** – ability of the players involved to create and retain maximum added value in the area by strengthening links between sectors and by turning their combined resources into assets for enhancing the value and distinctiveness of their local products and services;
- > **positioning in the global context** – ability of the players involved to find the area's role in relation to other areas and to the outside world in general, in such a way as to develop their territorial plan to the full and to ensure its viability within the global context.

In many areas the processes we describe have already begun. However, the crux of the matter now is to ensure that they form part of a long-term approach that is at the core of each area's development strategy.

In presenting this five-part publication, the European LEADER Observatory draws on the experience of LEADER I (1991-1994) and LEADER II (1994-1999) with a view to fuelling the debate among Europe's rural players who are seeking a new form of territorial competitiveness founded on consultation and cooperation.

Part 1 takes the starting situation as the focus for developing a territorial strategy; part 2 tackles "social competitiveness"; part 3 concerns "environmental competitiveness" as an element of this strategy; part 4 deals with "economic competitiveness" and part 5 addresses "competitiveness on a global scale".

Each part reviews one aspect of territorial competitiveness, in the following manner:

- > analysis of the context;
- > lessons learned from LEADER and from the experience of local action groups (LAGs);
- > proposed tools and methods;
- > presentation of possible strategies.

Many of the examples used in the different parts of this series refer to measures, activities or enterprises which are presented in more detail in the directory "**Innovative actions of rural development**", published in seven languages by the European LEADER Observatory in 1997 and available in six languages on the "Rural Europe" Internet site (<http://www.rural-europe.aeidl.be>).

This site also contains a great deal of relevant information about the LEADER rural development Community Initiative, as well as most of the publications produced by the European LEADER Observatory.

## **Chapter 1**

# **Social competitiveness in the territorial approach**



# Social competitiveness in the territorial approach

**Social competitiveness, or what many authors refer to as an area's "social capital", can be defined as the ability of the various players and institutions to take joint and effective action at area level. It is a mindset, a proper "culture" that relies on mutual trust, as well as on the willingness and ability to recognise, express and link together individual and collective interests.**

Social competitiveness is an essential element of any territorial approach. It concerns the organisation of local players and the relationships between people, between players and institutions and between the institutions themselves.

Social competitiveness turns the physical proximity of the players and institutions working at local level into an advantage for building up "collective intelligence" around a territorial project. It helps to make the area more competitive with the outside world, whilst at the same time enhancing the area's internal ties of solidarity.

## Brief background

### 1.1 Diverse situations in terms of social competitiveness

The ability of local players and institutions to act jointly and effectively varies considerably from one rural area to another. In some cases they do so, but in others conflict and mistrust make consultation and collective action difficult.

To a large extent such differences are a legacy of the past. The shared work practices customary in traditional societies, which bound the community together to some degree, have for the most part disappeared. However, in some places they have survived, changed and continue to mark local life (as in the industrial clusters of northern and central Italy).

Rural areas that have suffered large-scale depopulation, particularly of young people, have found themselves stripped of the social/inter-generational fabric that formerly bound them together.

Nevertheless, as the rural world has changed, new practices of consultation and collective action have emerged, notably as a result of:

- > Developments in agriculture that have often induced farmers to join forces to meet common needs: marketing, supplies, credit, etc. Also, there are many rural areas in which trade union, cooperative and civic movements have made a strong mark on the farming world by teaching people how to take collective action.
- > The strengthening, or in some cases relatively recent introduction, of democratically-elected local authorities, leading to the gradual generalisation of local consultation and decentralised decision-making practices.
- > The strengthening or introduction of new decision-making levels above that of the village or district, such as the *communautés de communes* in France, the *comarcas* in Spain, counties in the United Kingdom, groups of districts in Sweden, Belgium, etc. These new decision-making levels gradually make it possible to break away from the parochialism so often characteristic of rural areas, and allow the development of a broader view of the role of local authorities in territorial development.
- > The arrival of new populations, which is very often a factor in reviving community and public life and in diversifying production activities and services.

This brief overview shows just how diverse are the factors determining how the social fabric of Europe's rural regions is made up and how, when combined, such factors tend to produce differing, and even contrary, effects. It is this that has led to their extreme diversity.

What is there in common, for example, between the isolated mountain areas of the Iberian peninsula (whose democratic revival dates back less than one generation and, since the 1950s, have been drained by rural depopulation), the areas north of the Parisian basin (characterised by intensive, but not very labour-intensive, farming), the rural areas on the outskirts of urban areas (which very often serve as dormitory areas with no local life) and areas marked by economic and religious con-

flict, such as Northern Ireland? In each of these areas, the problem of social competitiveness inevitably takes a different form.

A look further back into the legacy of the past reveals still more elements of differentiation. Of course, social behaviour and shared values differ radically between, for example, regions that for centuries have been dominated by large-scale land ownership and agricultural paid labour (as still exist in the southern Iberian peninsula, eastern Germany and Scotland) and regions dominated by small family farms and a strong attachment to individual land ownership, especially in terms of entrepreneurial spirit, risk-taking (whether or not an enterprise culture exists) and spatial relationships.

Nevertheless, it is possible to draw out from this extreme diversity a few broad categories of rural area, such as:

- > Some areas have become socially de-structured today. Having remained isolated, and hence removed from modern social movements, they have also lost their traditional forms of organisation.
- > Other areas are marked by a lack of confidence in public and civic institutions.
- > Yet others suffer from deep rifts as a result of past conflicts and unhealed blows to morale.
- > Still others are handicapped by the lack of an enterprise culture.
- > Certain rural areas situated on the outskirts of large urban areas are “other-directed” and have no real local life.
- > Yet other areas which, on the contrary, have developed local forms of socio-institutional consultation, are gaining increased powers to act independently in accordance with their own interests.

All of these examples show how important it is for any LEADER local action group (LAG) to meticulously analyse the area’s situation in order to determine how much “room for manoeuvre” exists for (re)building or strengthening social competitiveness.

## **1.2 (Re)building the social competitiveness of rural areas**

The situation of rural areas that are to a greater or lesser extent de-structured, other-directed, torn apart, or have no capital of trust would not necessarily cause concern if the market economy alone could ensure their development by integrating individual producers into the market. That is how many areas worked in the past and some continue to do.

However, things are now changing:

- > For businesses, economic globalisation and stiffer competition make access to lucrative markets increasingly harder to achieve. For small-scale producers, restoring the viability of businesses, especially agricultural ones, by integrating them into the right markets (quality products and regional produce, for instance) often calls for collective action.
- > In most cases, the handicap of scattered communities, services and businesses in rural areas can only be overcome by different forms of grouping within a single sector and between sectors themselves (links between agricultural producers, local processors, craft workers, hotel keepers, restaurants, tourist operators, etc.). In order to make businesses viable, it is becoming essential to put public and private sectors in touch with each other and to ensure consultation among public institutions which in the past were responsible for policies that were chiefly sectorial in nature.

These developments have exposed the limitations of the local dimension and the growing need for links between rural areas. The promotion and marketing of rural tourism often involves, for example, the creation of products from a number of associated areas. The “Turismo de Aldeia” network (village tourism) involves four Portuguese areas and the “Paralelo 40” network is a union of 20 Spanish and Portuguese areas promoting 800 business firms over the Internet.

### **1.2.1 Taking action to (re)build social competitiveness**

Taking action through consultation requires a number of preconditions. The players concerned must be convinced that in the long term it is more beneficial for everybody to act together than separately. The area should be at the heart of their plans for the future; they should feel an integral part of it and should encompass their future prospects within the area. Finally, the institutions involved in the area's development, especially the various public administrations, should back the idea of a concerted approach.

Social competitiveness is therefore achieved through a combination of a whole range of different strategies: participation, collaboration, consultation, conflict management and institutional and social adjustment to a changing environment.

It is difficult to measure how much of the added value is attributable to social competitiveness, but it cannot be disputed that it has an impact on the area's development.

### **1.2.2 Social competitiveness as a source of added value**

> **Social competitiveness can be an essential component of economic competitiveness.** The ability to take effective joint action significantly contributes to the development of profitable economic activities.

#### **EXAMPLE**

*In the Coteaux du Lyonnais area (Rhône-Alpes, France), four farmers are partners in a collective farm inn that has been in operation for 16 years. The habit of joint working and a very good understanding between the partners have therefore existed for a long time. In 1994, a severe hailstorm hit the orchards, ruining 95% of the fruit and made it impossible to sell. Several months before, one of the four farmers had set up a plant for processing unused fruit and he mooted the idea of inviting consumers to come to the farm to learn how to make apple tarts using damaged fruit, as part of a visitors' activity programme. Apart from making good use of the fruit, the main goal was to establish contacts with city-dwellers and to revive old traditions. An EIG of 19 farmers was then set up to achieve this goal. The result of all this was the "Sunday in the Country" project to boost the economic competitiveness of the farms concerned through a new marketing niche with considerable added value.*

### **> Social competitiveness as an important prerequisite for drawing up a territorial project**

This involves widespread consultation between players and institutions. Any territorial project that failed to include an important group of players (young people, women, the unemployed, groups in difficulty or certain ethnic minorities) would lose some of its legitimacy and long-term viability. Any territorial project that failed to include a state institution involved in rural development (regional planning and development, public amenities, educational institutions, etc.) would only be partially integrated and would as a result lose some of its force and impact.

However, it is not necessary for the consultation to be all-embracing right from the outset. Initially a territorial project is often built on a limited base and only gradually comes to include other players and institutions.

The LEADER experience provides a whole host of examples of this gradual process of bringing together different parties. Its experience of consultation between members of local action groups for implementing projects in certain sectors (tourism, craft-working, local products, etc.) has gradually revealed the need to expand to other sectors, other groups and other policies, a need that is starting to be felt more or less everywhere today.

> **Social competitiveness is a key factor of legitimacy for the area, its players and its representatives in dealings with higher decision-making bodies.** Not only because it makes it possible to secure funding and support, but also because it empowers players and institutions to negotiate the autonomy they need to implement a territorial project tailored to them.

#### **EXAMPLE**

*The Italian clusters provide a good example of social competitiveness. In the Cadore region (Venezia), social relationships between local players, businesses, institutions, etc., have been organised around the production of spectacles for more than a century. Nowadays this small mountain region is home to more than 600 local businesses, which control 60% of the world market and collaborate by sharing the various production phases.*

In conclusion, social competitiveness involves a complex set of interpersonal and institutional relationships that revolve around individual and collective interests and play a decisive role in the area's development.

### **1.3 Lessons learned from LEADER**

One of the key elements of the LEADER Community Initiative has been consultation and the creation of social competitiveness in rural areas. In this respect, several lessons may be drawn from the implementation of the LEADER Initiative.

**Lesson one:** preparing a territorial project makes it possible to **find solutions to offset the demographic dispersion that characterises the rural world.**

According to conventional approaches, features such as low population density, remoteness from urban areas and fragility of the social fabric, which characterise many rural areas have often been considered to be insurmountable obstacles making it impossible to maintain activities in rural areas. They therefore recommended closing down services to the population or grouping them in more populated centres, measures which led to the gradual de-vitalisation of rural areas.

This raises a number of questions:

- > Is demographic weakness really an obstacle to the development of rural areas?
- > By changing the concept of proximity (geographic proximity giving way to virtual proximity using networks), do advanced communication technologies make it possible to overcome the constraints associated with a dispersed population and, if so, under what conditions?
- > Does social demand in sparsely populated areas open up new development prospects for such areas?

The LEADER approach has made it possible to start supplying answers to these questions which, in the medium to long term, should provide inspiration for new rural development policies.

#### **EXAMPLE**

*The Maestrazgo LEADER group (Aragon, Spain), whose area of intervention has only 5.17 inhabitants/km<sup>2</sup> (the largest of the 43 districts has no more than 3,000 inhabitants), is seeking to make its area benefit from services and new activities through information technology. The electronic newsletter "Buenos dias Maestrazgo", which is available over the Internet and provides local players and external partners with information five days a week about activities in the area, the Intranet network linking local schools and the teleworking centre are all examples of a strategy aimed at offsetting demographic and geographic handicaps.*

**Lesson two:** by establishing contact with the community and bringing decision-making closer to local level, **LEADER has fostered social and economic integration in rural areas, as well as services to welcome new populations.**

The presence of technical teams in situ makes it possible to enter into direct contact with the inhabitants and provide them with the information and support they need to develop their activities. For instance, support has been given to "minor" project promoters who otherwise would never have been able to secure the support they needed.

#### **EXAMPLE**

*Numerous LEADER groups, such as Santa Maria de Leuca (Calabria, Italy), have established a pro-active relationship with minor project promoters, by helping them to put together their funding applications, rather than confining themselves to passively selecting from among the applications received. In the case of Santa Maria de Leuca this fostered a relationship of trust in a local context formerly dominated by mistrust of public and civic institutions.*

#### **EXAMPLE**

*At Pinhal Maior (Centre, Portugal), the LEADER group succeeded in providing financial support to illiterate project promoters by setting up technical groups at micro-local level in order to prepare funding applications.*

This local presence also makes it possible to organise services to welcome new populations.

### **EXAMPLE**

*The Espace Cévennes LEADER group (Languedoc-Roussillon, France) has developed the “RELANCE” project to identify farms and local businesses that are falling into a state of neglect and, by raising their owners’ awareness, to arrange for these entities to be transferred to city-dwellers wishing to move to the countryside.*

**Lesson three:** LEADER has made it possible to **strengthen the sense of belonging to an area.**

This has meant consolidating:

- > **links between players and the area**, in particular everything that binds the community to its environment: landscape, heritage, architecture, shared values, etc.
- > **links between groups of players**, especially
  - between public and private players, in order to ensure the viability of measures where success depends on the level of consultation;
  - between players from the same category (farmers, hotel keepers, restaurant-owners, women, young people, etc.), in order to carry out collective activities;
  - between different groups of players (livestock farmers and restaurant-owners, craftspeople and artists), in order to promote the creation of new cross-disciplinary interests, to revive skills, to propose new products and services and to encourage the emergence of other collective players;
  - between generations (passing down resources and know-how), in order to keep young people in the area and counter the risk of there being no heirs and to prevent knowledge specific to the area from dying out;
  - links that generate solidarity and mutual aid.

### **EXAMPLE**

*At Branda de Aveleira (Portugal), the LEADER group and the district council have offered the owners of mountain sheep farms the chance to participate in a project to renovate these buildings and revive the traditions associated with transhumance. This has led to the creation of tourist activities and the local population has got back into the habit of spending part of the summer in the “brandas”, reviving their traditional festivities.*

**Lesson four:** LEADER has highlighted the fact that **many significant local changes rely on the visionary force of a few individuals.** Any forward-looking inhabitant who is in touch with the past can become a resource person playing a key role in local development.

By forging closer links with the community, LEADER has increased the number of individuals and collective players able to exploit opportunities. By “spreading the net wide”, the programme has brought to the fore new community leaders away from the paths generally trodden by institutions or social groups already involved in development processes.

### **EXAMPLE**

*In the Zeulenroda LEADER area (Thuringia, Germany), a young joiner has restored an old house and set up an art gallery and cultural centre to which students, artists and craftspeople soon flocked, creating the association “ARTigiani”. Thanks to him, the small village of Zickra (120 inhabitants) is now a centre for cultural activities and training in building techniques using traditional materials.*

**Lesson five:** LEADER has demonstrated the **importance of coordination** in bringing together people, institutions and ideas.

In all of the above four instances, coordination proved to be an essential tool. It not only facilitated meetings between people and organisations in highly geographically dispersed areas, but has also provided the impetus to train new collective players.

In certain cases, coordination has been accompanied by setting up or reviving structures for encouraging meetings between different social groups. Where a collective and multifunctional forum existed, in many cases it played a key role in the exchanges.

In other cases, it is training which serves as the main coordination tool, by opening up to rural communities and its leaders access to new skills and forums of debate.

### **EXAMPLE**

*The Offaly LEADER group (Ireland), in partnership with the University of Galway (UGC), invited local community leaders to prepare a community development diploma. This training programme (25 participants in the first year, 16 in 1999) has had a significant impact on the involvement and social competitiveness of communities in the county of Offaly. Communities have participated actively in putting together projects that the trainees then had to present as part of the training course. Networks were created between participants and populations subsequently to extend the exchange of experiences.*

**Lesson six:** LEADER has highlighted the importance of forming broad local partnerships and links between the local action group and other organisations and local players.

One of the first tasks that LEADER set itself was to encourage collective and individual players to adopt the territorial approach by explaining what the programme was all about. Its first contribution to the acquisition of social competitiveness was therefore to set up a local partnership.

In some cases, the composition of the partnership reflects established interests, leaving out less well-organised social groups or players. However, in other cases, there are coordination activities to encourage the structuring of new social groups that can later join the partnership.

Often the partnerships set up by LEADER establish consultation relationships with certain institutions or certain local players in ways other than through a formal partnership. This has led to the creation of forums for dialogue that are key to the acquisition of social competitiveness: advisory boards, strategic planning boards, discussion forums, etc.

### **EXAMPLE**

*In the case of the Cavan-Monaghan group (Ireland) and other Irish LAGs, attention has focused on the social structure of the area and the integration of new groups into the LEADER partnership. A strategic council comprised of the various organisations concerned by the area's development was set up, making it possible to develop a global territorial project that incorporates a range of different measures.*

**Lesson seven:** LEADER has shown that the driving force behind the acquisition of social competitiveness at every level is consultation.

LEADER has inserted territorial development into processes of democratic consultation. New know-how has been forged as a result of organising measures.

### **EXAMPLE**

*The Margem Esquerda Do Guadiana LAG (Alentejo, Portugal) was set up as a local development association that includes a large number of the area's inhabitants (over one hundred), with the goals of becoming a "permanent local development forum". Apart from citizens, it includes representatives from the district councils and the area's leading public and private institutions. This new consultation practice, which is entirely new to the region, was then adopted by the districts, which went on to set up micro-local consultation groups called "local action cells".*

## **1.4 Finding room for manoeuvre for social competitiveness**

In some areas there is greater room for manoeuvre for social competitiveness than there is in others. In general, it is easier for a LEADER group to take action in places that already have a degree of social cohesion and consultation procedures regarding the way they are governed.

### **a) Reconciling the time needed to acquire social competitiveness with...**

In areas characterised by weak social structures, lack of trust, etc., there is much less room for manoeuvre; LEADER groups have had to slim down their strategy, often by relying on the time factor.

For example, it is possible to implement short-term measures that have a leverage effect (support for individual project promoters, demonstration initiatives, etc.). As a result of such measures, other more ambitious initiatives can be launched at a later stage, based on a more clearly defined local organisational structure.

### **EXAMPLE**

*In La Palma (Canaries, Spain), the local action group has based its LEADER I strategy on supporting individual project promoters (especially for renovating derelict houses for rural tourism and support for certain craftspeople), in order to recreate trust in a neglected rural region of the island. Under LEADER II, the LAG went on to support collective organisations that sprang from these early individual projects (such as an association of tourism-related small businessmen, collective points of sale for craftspeople, etc.), making it possible to tap into promising markets (promotion, central reservations office, etc.).*

### **b) ...the urgent need to acquire social competitiveness**

To what extent is the time needed to build social competitiveness compatible with the urgent need to achieve such competitiveness? In fact, in some cases the lack of social competitiveness is an obstacle to any process of economic development, making it a priority concern.

This is especially true of areas marred by serious conflict, where there is very little room for manoeuvre and the risk of failure is great. At the outset, the short to medium-term objectives should be fairly unambitious and the strategy relatively cautious.

### **EXAMPLE**

*For example, at Fermanagh (Northern Ireland, United Kingdom), the LEADER group's main goal was reconciliation, a task in large part achieved by building up the local partnership itself. This was the culmination of a process of negotiation to ensure that the partnership included and represented all of the diverse social, economic and political forces in a balance acceptable to all. This phase was vital to subsequently envisaging the launch of concerted development actions.*

The same applies to certain little-developed rural areas that have no form of collective organisation. In this instance, the priority is to structure the social fabric, which can be achieved relatively quickly through strategies to ally economic development with training in a collective approach.

### **EXAMPLE**

*In the Sierra de Ronda region (Andalusia, Spain), the LAG partially based its LEADER I strategy on structuring the local community. An association was created and one hundred people joined. Groups were set up for the various sectors of activity (agriculture, craft-working, trade, etc.), which went on to become trade associations represented on the association's management team. By making participation in this collective approach one of the project selection criteria, the LEADER group was able to combine economic development with the acquisition of the social competitiveness that was vital in the short term.*

By contrast, in places where social competitiveness has already reached a certain level, it is no longer a short-term obstacle and LEADER's task is more to reinforce such competitiveness over the long term. This applies to most rural areas where there are groups of producers or associations of citizens. In such cases LEADER steps in to create links and to enhance their perception of the area. This sometimes comes under a second phase of LEADER intervention. *In the Sierra de Ronda region, for example, once the groups of producers had been consolidated, the local action group encouraged the creation of second-stage organisations: federations of associations or cooperatives, etc.*

Finally, in areas marked by a concentration of power, LEADER's room for manoeuvre will depend on the players who hold the power. This is often the case with LEADER groups where the local authorities and/or public administrations are over-represented and the community is not much involved. In general, such groups often strive to consolidate economic development, without seeking to change the rules of the game in terms of participation. In cases like this, LEADER is very often considered merely as an extra source of funding. The acquisition of social competitiveness is not a concern, since it is not a short-term necessity either. However, such competitiveness cannot be ignored in a long-term economic development perspective.

The dichotomy between the time required and urgent action is therefore decisive in determining the possible room for manoeuvre and strategies.

**c) Conclusion: room for manoeuvre and strategies**

As we can see, the room for manoeuvre has a considerable impact on possible strategies. Understanding this room for manoeuvre requires an in-depth knowledge of the area. We shall therefore attempt to determine what elements of the area's capital have to be taken into account before considering possible strategies for rural areas to acquire social competitiveness.

## **Chapter 2**

# **Analysing an area's social competitiveness**



# Analysing an area's social competitiveness

In order to analyse an area's social competitiveness, it is necessary to take into account four of the eight components of the "territorial capital" presented in Part 1 ("*Territorial competitiveness*").

These components are:

- > **human resources**, including individuals, collective players and their relationships and project promoters;
- > the **culture and identity of the area**, in particular the ties forged as a result of certain values shared among players in the area;
- > **governance**<sup>[1]</sup>, especially relationships of interest, affinity or rejection, power management structures, tensions and conflict between players and the ability for cooperation and concerted action, both between the public and private sectors and among public institutions themselves;
- > **implicit/explicit know-how and skills**: this means not only the knowledge amassed through social and democratic management but also the ability to capitalise on it and acquire further knowledge.

The way in which the above four components of an area's capital evolve varies from one area to another and, in order to weigh up the losses and gains of each component, it can be useful to consider developments over time, in line with the methodology proposed in Part 1.

In this Part it is proposed to analyse the present, link together the various elements of the diagnosis, examine interactions and, if appropriate, to highlight a number of imbalances.

## 2.1 Human resources

By making a statistical analysis it is possible to draw up an initial "trend chart", providing indicators on such aspects as demographic composition, population distribution within the area and main changes in recent years.

This trend chart can be enhanced by examining social relations, by listing, for instance, the various forms of collective organisation (associations, cooperatives, pressure groups, etc.) and by analysing the relationships between the different social groups and such organisations. In many rural areas, it is also interesting to study the types of relationship between generations and the methods and/or problems with transferring businesses, knowledge and skills.

Going beyond this essential snapshot of the situation, LEADER groups have endeavoured to identify the key players in their area on the occasion of their many meetings, coordination activities and needs assessments, or even through a systematic search to pinpoint key players. LEADER's experience makes it possible to confirm that, in many cases, the dynamism of an association, municipal service, project, business and so on relies first and foremost on the determination of a few individuals. In general the groups rely on such "lever-players".

[1] "Governance" is a concept that has emerged alongside globalisation. The term refers to any form of democratic management at the different levels. As a result of weaker state control and decentralisation, alternative forms of governance are appearing alongside the systems of government set up by democratically elected governments and local authorities. This involves, in particular, all forms of expression and democratic participation by civil society, including the training of new collective players.

### **EXAMPLE**

*Over a period of three months in 1994, the Tam des Montagnes LEADER I group (Midi-Pyrénées, France) systematically organised intensive local coordination activities in several parts of the region in order to identify the ideas and initiatives of local small entrepreneurs and other potential project promoters. The LAG christened this approach “trawling for projects” [ratissage de projets].*

The dynamic, or innovative, individuals do not necessarily enjoy a particularly high profile in the community. Any individual can become a key player if his or her know-how and skills, or in some cases mediation skills, are valuable to development.

### **EXAMPLE**

*In the Alto Cavado region (northern Portugal), an elderly woman who had for many years been marginalised became, towards the end of her life, the driving force behind a cooperative for producing linen using traditional methods as a result of her special know-how that was dying out in the region.*

#### **IDENTIFYING POTENTIAL LOCAL INNOVATORS**

- > **Potential innovators are able to combine a local outlook with a global one and to look to the past as well as to the future.**

**People moving back to the countryside after having lived in urban areas often have a certain ability to gauge the potential value of local products for urban markets and can suggest adjustments in order to provide new outlets for local products.**

- > **Their creativity is drawn from a pool of tacit know-how that enables them to rapidly unravel complex situations.**

**Keen to organise a mentorship network for farmers in difficulty, the CILDEA association (Haute-Loire, Auvergne, France) recruited a former teacher from a rural holiday centre who, through his former job, was familiar with the local farmers and their sensitivities, as well as the information networks and local representatives. His knowledge of this complex social milieu enabled him rapidly and effectively to organise the recruitment of farmer-mentors for farmers in difficulty.**

- > **They often have a keen perception of the need to (re)create social or economic links**

**and to rally other players in support of an idea.**

**In the Bruche valley (Alsace, France), two women created the bookshop “Bouquins, Bouquine”, at the same time setting up the association “Livr’envol” to bring teachers, mothers and customers together to organise shows and activities centred on the theme of books.**

- > **The expression of their innovative ideas, which have become more specific and sophisticated over time, receives its impetus from outside. Little by little these ideas are turned into projects (creation of one’s own job, organisation of a special event, access to local decision-making centres, etc.).**

**At Havelange (Wallonia, Belgium), a group of young people regularly meets to discuss their plans for the future. The return of one of these young people to the family farm allowed him to achieve his ambition of processing the farm’s products and selling them directly. The business expanded to include neighbouring farms and the result was the creation of a cooperative, “La Fermière de Méan”.**

## 2.2 The area's culture and identity

Most local action group leaders quickly realised that understanding common identities and shared values was vital to the success of a development project. Understanding the factors of attachment to the area and identifying the characteristic cultural features enabled them to anticipate possible reactions to a given type of development strategy, and to adapt their actions accordingly. Even though an area's future does not necessarily depend on the links and cultures that have been forged over time, these are the levers on which LAGs base their coordination, mobilisation and innovation strategies.

In the history of the rural world, the links between generations have significantly determined the configuration of the area. For many years it was through these links that know-how and attachment to the area were passed down. When it was no longer possible to keep young people in the area, the local fabric was weakened and many activities disappeared.

### EXAMPLE

*In France since the Second World War, the Breton people have rediscovered a strong sense of identity which, among other things, has encouraged the agricultural world to find the means to assure "a future in the region for all its children". More than in any other agricultural region of France, this strong social competitiveness has made it possible to keep the Breton people in the region. Now the next stage is to correct some of the negative effects of this accelerated development, especially threats to the environment.*

The spatial links that bind people to their environment, understood in the broadest sense (land, scenery, architecture, etc.), are also an essential element of the local identity.

### EXAMPLE

*In the Alentejo region (Portugal), which for centuries has been dominated by large-scale land ownership and where, up to one generation ago, more than 80% of the population was comprised of casual farm labourers, shared values reflect this social situation: little attachment to the land, a virtually non-existent local culture of enterprise, predominance of forms of solidarity and hospitality, collective organisations marked by a labourers' tradition, etc.*

Similar situations can be observed in other regions where large-scale farming predominates, as in the new German *Länder* or, more generally, in areas where the future hangs on the fate of a single big company or group of businesses that have employed a large number of workers for several generations and which, today, are in decline (mines, textile industry, etc.). In a context such as this, collective action has mainly taken the form of trade union membership, cooperatives, etc. The LEADER groups' experience shows that, during periods of crisis or restructuring, the most important first step to building social competitiveness is to create new collective structures aimed at making individual risk-taking socially bearable and at giving individuals the desire and ability to become entrepreneurs.

Other cultures, by contrast, are very conducive to entrepreneurship: in Italy's cluster areas, for example, there are many potential business innovators and creators, since the local environment makes people less likely to shrink from taking an individual risk because there are mechanisms of collective support that make such risk-taking bearable, both economically and socially. In everybody's eyes, being the head of a small business firm is an enviable position and bosses find it perfectly normal that their employees should one day wish to set themselves up in business, too. Socially acceptable, any failure is counterbalanced by family solidarity and the possibility of being able to return to salaried employment at any time.

## 2.3 Governance and institutions

LEADER's experience shows that the organisation of local authorities, systems of mutual aid and consultation, relationships between institutions and social groups and the ability to manage conflict are all key factors of social competitiveness.

A desire to maintain the status quo and resistance to innovation, even in the knowledge that this will inevitably lead to the area's long-term decline, have for a long time been a key feature of rural areas. However, new forms of "governance" are gradually emerging.

Nonetheless, obstacles still persist, especially where:

- > conflict and/or a climate of mistrust prevail between the key players;
- > major players do not openly express their points of view;
- > tacit forms of exclusion prevent certain social groups from taking part in debates and actions.

In order to analyse an area's social competitiveness, it is therefore essential to consider interest relationships, affinity relationships and hostilities, power relationships, conflict relationships and actual governance as well as the institutions in that area.

### **a) Interest relationships**

It is interest relationships that determine the potential support for or, by contrast, opposition to the project.

#### **EXAMPLE**

*Several LEADER areas have created thematic "routes" or "circuits" to promote a product or a specific feature of the area. Organisational models have been found in order to associate the maximum number of people or organisations, whilst compensatory solutions have been sought by those unable to participate (grouping points of sale, alternative circuits, etc.).*

### **b) Affinities and hostilities**

More subjective considerations quite apart from common or diverging interests can sometimes arouse opposition or support, especially anything to do with culture or religion, or simply because they hark back to negative past experiences. Reconciliation is a long-term objective. LEADER groups have learned to consider social divides in their analysis and strategic planning, especially when seeking to share the benefits fairly between opposing groups.

### **c) Power relationships**

In rural areas, power is manifested in diverse forms and relationships.

In certain areas, power is shared by a small number of sometimes closely related players: elected representatives, leaders of the main industrial firms or the main agricultural organisations, heads of consular offices, public officials, etc. The view such players have of the area's future determines the way in which the principal resources are allocated. It is they, for example, who decide whether or not sectorial measures should be integrated into a territorial perspective. What is more, they might perceive the proposed innovations as a threat to their own continued individual or collective power.

Certain rural (and sometimes even urban) communities go so far as to lose their ability to innovate altogether as a result of an all-encompassing economic or political power structure.

Other communities are now left with only isolated individual players who have completely lost their former custom of relying on collective action. This has happened in a number of remote areas where the only form of collective expression that still remains is the election of local authorities, with no real possibility of economic intervention.

By contrast, yet other communities have retained many different forms of organisation - formal and informal, political, civic and economic - allowing them to mobilise a variety of groups for different types of action (clusters, diversified collective players).

Strategic projects and measures can themselves modify the relationships of power by introducing previously unknown forms of autonomy, for example.

Power relationships are not necessarily formalised by institutional frameworks. However, whether they are or not, each member of the local partnership generally knows implicitly how power is shared in the area. It can be interesting to pool such knowledge within the LEADER partnership in order to evaluate, in an ambitious but realistic way, how much room for manoeuvre there is to implement the programme.

It can also be useful to hold discussions between people who have lived in the area for a long time and newcomers. Those who have lived in the area for many years and know the area's players and history, have internalised the local power structures and the local possibilities and taboos. Newcomers, who are unencumbered by all this, are able to ask questions that open up new opportunities for action.

### **d) Conflict relationships**

Where the parties are in open opposition, conflict relationships are the expression of relationships based on interest, rejection or power. More or less latent, they surface where one player or social group feels it has been wronged and has been offered no compensation.

They are most likely to surface in places where businesses are in decline, or where their profitability is becoming eroded. Past experience or past failures can prompt organisations or social groups to oppose certain initiatives. Such opposition may be openly expressed, during steering committee or board of directors' meetings, or take the form of a refusal to participate, or else be expressed outside of established consultation structures.

Conflict can arise within the local partnership itself when it comes to supporting projects that affect the interests of certain partners. Granting aid for organic farming, for example, often attracts opposition from those representing mainstream farmers.

#### e) Governance of an area

The governance of an area refers to the local players' ability to democratically administer the local community, whether this involves a representative or participatory democracy, ensuring that all of the area's inhabitants have access to decision-making forums.

It is based on a strategic vision of social cohesion and on consultation, especially between the public and private sectors, between local and regional institutions, between sectorial administrations and between local development players.

It is the key to social competitiveness, because:

- > it allows conflicts to be settled and facilitates closer relations between players, leading to great flexibility of action. Rigid relationships and ritualised interactions are replaced by a search for pragmatic solutions and the sharing of responsibilities between elected representatives, local and regional government and private and civic players. Governance makes it possible to create or revive forms of mediation between institutions and communities, in order to enable local players to make their requests and translate them into appropriate solutions;
- > it encourages the expression of the players' diverse capabilities, a diversity that is promoted through concerted action;
- > it allows the establishment of initiatives that integrate all of the human abilities, know-how and skills available in an area, especially those of groups in difficulty.

#### **"GOVERNANCE", A LONG-TERM OBJECTIVE**

**Through governance, local authorities discover a new role for themselves to complement their traditional role: that of a "catalyst" for the participation of local players. This role leads them to accept alternative decision-making procedures, whilst still retaining legally recognised responsibilities.**

**By sharing responsibilities and tasks, by involving a majority of the population in implementing initiatives and by risking an open debate and confrontation, local institutions demonstrate their maturity and intelligence. The population's support for decisions and the legitimacy thereof are strengthened as a result.**

**In this way, representative democracy is enhanced through contact with participatory democracy, both of which are vital to implementing the innovations required by the local context. The players take an active part in proposing ideas and projects.**

#### **EXAMPLE**

*At Collombey-les-Belles (Lorraine, France), a rural area situated close to three cities, one of which is Nancy (25,000 inhabitants), a local partnership had been set up well before LEADER. It is an inter-municipal organisation comprised of 41 district councils, organised into 33 thematic working committees, on which ordinary citizens sit alongside elected representatives. There is also an overview committee, comprised of the chairmen of the above committees. In addition there is a regional general assembly of representatives from the district councils and members of the working committees, whose power of proposal heavily influences the decisions of the elected representatives. Setting up these participatory structures has been a decisive factor of involving the community: 500 people have taken part, i.e. one household in five, whereas the first initiatives had involved very few people.*

## f) Institutions

Institutions are therefore a key element of social competitiveness. They can either act as a facilitator or, on the contrary, create impediments. In certain areas there are a large number of institutions, sometimes with overlapping responsibilities, which can be a source of misunderstanding, opposition or even conflict, especially if their interventions are decided without consultation. Other areas, by contrast, have so few institutions that certain essential functions or services may no longer be provided. However, relationships based on interest, power and conflict and the “governance” mentioned above, all centre on institutions.

## 2.4 Implicit/explicit know-how and skills

Above and beyond the know-how itself and the skills available in an area, it is the ability of local players to harness them and exploit their potential that determines social competitiveness. In fact know-how is often scattered, ignored, or even scorned. It is also compartmentalised, disconnected or possessed by different people or institutions that have difficulty in pooling their skills to promote new ideas and projects. How then is it possible to progress from scattered and disconnected know-how to collective and potentially competitive know-how? This is a key to social competitiveness, i.e. the ability of the players in an area to take effective joint action.

It raises a number of questions:

- > How is it possible to identify know-how that has been forgotten or is even dying out but which has the potential for innovation and revival?

### EXAMPLE

*At Robertsfors (Västerbotten, Sweden), 17 farmers' wives grouped together to exploit their traditional know-how and culinary inventiveness to form a collective catering service producing ready-made meals for sale.*

- > How is it possible to capitalise on such know-how and give it a dimension suited to current-day needs?

### EXAMPLE

*The revival and adaptation of old skills for new market niches has very often been a key factor of LEADER group strategies. For example, four LEADER groups (Valle Elvo from the Piemonte region and Anglona Monte Acuto from Sardinia, together with ADRI Valladolid and Montanas del Teleno in Castilla-Leon) set up a transnational cooperation project to recover and modernise techniques for processing wool from breeds of sheep whose wool was no longer used because it was too coarse. By modernising ancient washing, spinning and dyeing techniques, it became possible to use the wool for special products such as blankets, insulation material, etc. This kindled an interest among young people for an activity that before was considered marginal.*

- > How is it possible to identify the players with such know-how and to optimise it?

Often those with traditional know-how that is dying out are elderly people who have never had the chance to pass on their skills. Using people like this to train young people is not only a means of reviving forgotten know-how, but it also provides people with renewed social recognition.

- > How is it possible to define, locate and harness the complementary skills that the area needs?
- > How is it possible to identify the training needs that may lead to the area's revival and to organise such training, based on local human resources, etc.?
- > How is it possible to ensure that the skills of people in difficulty are taken into account, in a perspective of social cohesion?

An area's capital in terms of know-how and skills does not simply involve a list of technical know-how, but the actual ability of the area's players to collectively recognise such know-how, identify new requirements for knowledge and research, find out where such know-how exists and organise transfers of know-how. In brief, it is what could be termed “**social know-how**”, a prerequisite for governance and social competitiveness.

### **SOCIAL DIALOGUE FOR TRAINING**

**“Social dialogue for training” is an essential form of social know-how. It may be practised in a business firm, village, or area. It means gathering the different partners concerned around the negotiating table (e.g. at the level of a district, these would be inhabitants, elected representatives, associations, etc.) to enable them to jointly identify training needs.**

**This is the reverse of imposing training from above which often fails to meet real needs and has no innovation potential. On the contrary, social dialogue for training leads to the emergence of collective and consensual projects and allows relevant training provision to be set up.**



## **Chapter 3**

# **Improving social competitiveness**



# Improving social competitiveness

**How can we devise a strategy for improving social competitiveness based on the situation of the rural area and the issues at stake? This is a question we attempt to answer in this chapter.**

In general, economic development approaches fail to treat the social dimension as a key element of competitiveness. All too often, social issues are still considered as a separate matter to be addressed by special measures or as the responsibility of social workers and/or social and cultural coordination.

By contrast, the “territorial project” approach aims to integrate improved social competitiveness into the territorial level. Efforts have been made by LEADER areas, in particular to ensure that the economic strategy is better integrated with the development of new social know-how, skills in managing citizen participation, etc.

## **3.1 Creating a collective dynamic around social competitiveness**

### **3.1.1 Turning each intervention into a coordination tool**

For LEADER groups, part of the strategy for improving social competitiveness is to use each intervention as a coordination tool. In fact any intervention in the field – territorial assessment, training, vocational guidance, project selection or funding – is a potential tool for mobilising support, cohesion and social structuring, not only in terms of content but also in terms of the way it is implemented.

The group is able to encourage:

- > competition between personal expectations and collective interests, in order to allow opinions to be expressed in all their diversity, including through conflict;
- > cooperation between players, by highlighting common interests and boosting the ability for collective action at all levels;
- > the participation of all those concerned by a given problem and its solution, by exploiting and respecting diversity, even if this means positive discrimination in favour of weaker or marginalised groups;

- > subsidiarity, by delegating as much responsibility as possible to the players directly concerned by the action.

### **3.1.2 Finding effective methods of mobilising support**

#### **a) Creating a “win/win” situation wherever possible**

Many key players work towards change only if they themselves stand to benefit in some way. Negotiating solutions from a “win/win” perspective often makes it possible to break deadlock situations. There are two possible methods of consultation: either to find the largest common denominator or a single interest that unites all of the specific interests. Note that in cases where it is impossible to ensure that all players come out winners, it is a good idea to provide a mechanism to compensate the losers.

#### **b) Gaining acceptance for the idea of risk-sharing/support**

Any initiative, especially an innovative one, involves a certain amount of risk and not only financially. In a rural area where everybody knows one another, risk-taking can lead to a loss of standing, in the event of failure, and to other people’s jealousy, in the event of success. In this respect, the risk of exclusion is much more serious in rural areas than in urban areas, where anonymity is generally the rule.

Even though the size of the risk obviously depends on the scale of the planned venture, it is nevertheless true to say that in rural areas, especially isolated ones, every venture involves a large measure of risk, whereas the means (especially financial) available to the players in order to cope with that risk are often limited. The gap must therefore be filled by a financial mechanism for harnessing public funds.

Putting the players into contact with one another and with institutions at the right level for their project makes it possible to introduce a degree of pooling both risk and forms of support. Such risk-sharing also includes co-financing, which LEADER is well placed to organise.

### c) Appealing to the players' sense of responsibility

Due to the social and institutional position they occupy, local players are to varying degrees always responsible for the resources and development of their area, even if such responsibility is seldom explicitly stated. Collective assumption of some of these responsibilities can sometimes be used as a lever to secure the local players' support for a particular measure.

Appealing to the sense of responsibility of owners of resources that are tied up and under-exploited (land, buildings) can, for example, be a means of reawakening in them a form of attachment to the natural or architectural heritage, which can prompt the owners to bring it back to life.

### 3.1.3 Devising and employing consultation techniques

Consultation plays a fundamental role *inter alia* in:

- > **breaking former deadlocks** – events which “nobody should talk about”, historical divides between families, political parties and social classes – that can smother any seeds of change just as they start to “germinate”;
- > **achieving the right social scale**, by creating links and cooperation networks for managing risk, reducing the unit cost of access to a service or market and choosing the most suitable social configuration for the action.

Note that local consultation does not mean that all players must be in agreement. Its aim is to create or consolidate a “local culture of confidence” that makes it possible to:

- > take advantage of the creative force of individuals in order to build a collective project;
- > provide opportunities to the most innovative players without depriving others of the available resources;
- > rapidly seize the opportunities that arise and jointly ensure that they are exploited;
- > combine interests and know-how in an alternative way;
- > manage the tensions between cooperation and competition, public and private, individual and collective, private and social economies, sectorial and cross-sectorial approaches and the rural and urban worlds.

## 3.2 Advice regarding methodology

### 3.2.1 Choosing an overall approach: defining objectives in terms of social competitiveness

First and foremost this means identifying the social, cultural and institutional elements that are standing in the way of the area's development, and analysing them in order to ascertain what economic opportunities could be exploited and what local organisation conditions must be met in order to achieve this.

#### EXAMPLE

*The Serrania de Ronda LEADER group (Andalusia, Spain) realised that the area's natural attractions (mountains, beautiful scenery, historical heritage), its proximity to the coast (beach tourism) and the presence of the town of Ronda – celebrated by great writers and visited by thousands of visitors each year – in the centre of the area, give it great potential for rural tourism. However, the lack of local consultation structures and organisations to bring players together meant that it was not possible to envisage taking advantage of this opportunity in the short term. The LAG therefore set itself the objective of structuring the local community. This was its guiding theme throughout the LEADER I period from 1991 to 1995 (see above).*

### 3.2.2 Establishing a scale of priorities

Since it involves interpersonal, social, cultural and exclusion issues, improving an area's social competitiveness is a long-term process.

Some objectives may be achieved more easily than others which require more time or depend on further conditions being met. Quite apart from this, there is sometimes very little room for manoeuvre.

In some cases, subjects have become taboo and cannot be talked about. In order to resolve problems like this, it is necessary to take an oblique approach.

In certain rural areas, for historical reasons the inhabitants are wary of anything collective. Under circumstances like these, launching a collective action straight away is doomed to failure. However, organising collective training for individual projects may be a means of gradually introducing the idea of working together.

### **EXAMPLE**

*In the Vinschgau/Val Venosta area (Trentino-Alto-Adige, Italy), where economic development has already been well consolidated but is hampered by the traditional limited cooperation between players, the LEADER group has broken the deadlock by adopting the following methodology:*

- > making use of informal partnerships that are more likely to be accepted by the local players (partnerships which can be formalised once the players are ready);*
- > proposing partnerships for projects that produce effective and tangible added value in the short term, through access to new markets for example;*
- > launching a project only after having ascertained its chances of success, especially by means of preliminary training courses that are initially designed for individual projects but where the need for a collective approach gradually becomes evident.*

### **3.2.3 Choosing a point of departure: finding the right players to launch projects**

Having defined the general objectives and the short, medium and long-term priorities, the next step is to identify the most suitable players with whom to start the process, so as to reduce the risks to the minimum.

These may be:

- > the players with the broadest scope of reference (young people, newcomers, emigrants returning home, etc.) or players who are able to act as an interface between the area and the outside world (emigrants, tourists, second-home owners or political leaders who hail from the area);
- > players who are able to play a key role in mediating between diverging interests;
- > people with a spirit of initiative and a willingness to take financial and social risks;
- > groups that have engaged in a collective approach;
- > people involved in projects of innovation or change.

In order to overcome the inertia apparent in certain situations, it is sometimes desirable to find out exactly what the players stand to gain from the status quo. Only once such benefits become clear is it possible to envisage alternative solutions.

In some cases the intervention of new players makes it possible to break the deadlock. In fact, for a whole host of reasons, it is often the same people who express their opinions, ideas and wishes. The arrival of new participants can therefore broaden the range of ideas and promote the flow of information.

### **3.2.4 Implementing the strategy: achieving the right scale**

Rural areas, which often have low population density and/or small-scale businesses, have to achieve a certain critical mass in terms of skills, financing, suitability of offerings for external markets, etc.

There is a critical mass for each type of measure, i.e. a certain size (volume, turnover, number of people involved) and a certain level of organisation required for achieving it. For example, in order to receive a label of origin for a local product, all of the producers in the area concerned have to be organised around a set of specifications; in order to awaken an awareness of the need to fight to prevent environmental deterioration, it is necessary to secure the participation of the area's farmers, livestock producers and fishermen, the local authorities, etc.

Actions that require groupings of players and an exchange of ideas lead to consultation or new configurations of players and resources. Renovating a village, creating a quality label, setting up a multi-service centre and so on are all strategies for boosting social competitiveness.

Collective action is learned through activities such as these. Formal or informal links and networks are gradually constructed to pass on information, knowledge, responsibilities and know-how, to break into new markets, etc.

Achieving the right scale therefore calls for:

- > diversifying the links between players (economic players, social workers, ecologists, public and private institutions, etc.);
- > improving the quality of exchanges, embodied in consensual regulations (quality charters, exchange contracts, etc.);
- > linking together internal and external networks to create "new sources of skills" and to obtain the critical mass needed for sectorial or cross-sectorial innovations.

### **3.2.5 Involving local players in the follow-up and evaluation process**

Follow-up and evaluation is an essential element of the strategy for acquiring social competitiveness because of the large measure of uncertainty that it entails. Direct or indirect observation can be decisive in avoiding reaching a stalemate or making irreparable errors. However, any player who participates in the consultations and discussions is sometimes able to make a decisive contribution to this follow-up and evaluation phase. Participation in the consultation is of course facilitated and encouraged by the existence of fully exploited collective forums in which to meet and exchange views. Special emphasis must be placed on:

#### **Encouraging collective thinking about measures**

Measures that require a collective effort, such as the creation of a meeting place or the revival of the village bistro or traditional festival, provide opportunities to meet which can be turned into forums for debate. Study visits and training programmes, among other activities, can also achieve the same effect.

#### **Capitalising on the social skills acquired by local players**

By helping to learn lessons from past mistakes, acquired social skills can become resources.

### **3.3 Examples of strategies for improving social competitiveness**

Our analysis has shown that strategies for improving social competitiveness depend first and foremost on an area's specific situation.

In areas where there are already many acquired skills in terms of social competitiveness (existence of local organisations and established links with the outside world, habits of consultation, relative social cohesion and trust in institutions, etc.), there is quite a lot of room for manoeuvre and improving social competitiveness is not seen as key to the territorial strategy so much as one factor among many.

However, in areas where major obstacles hamper the local players' ability to engage in collective action, there is much less room for manoeuvre and the acquisition/improvement of social competitiveness becomes the key element determining the entire territorial strategy.

Below we present a few examples of possible strategies to address the problem, based on five standard situations where the lack of social competitiveness determines the area's entire development process. Note that this typology is not exhaustive but simply a series of examples.

- > **Type 1:** areas marked by despondency and a lack of faith in the future – areas that have suffered heavy rural depopulation, the departure of young people and project promoters, the decline of traditional activities and the disappearance of services, where no sector appears set to replace them.
- > **Type 2:** areas suffering from a lack of social structure – areas where traditional forms of organisation have died out and which have remained removed from the major trends in society (intensification of farming, revival of civic associations, etc.).
- > **Type 3:** areas marked by mistrust between players, due to a series of past dysfunctional situations or rivalry between sectors. Another cause of mistrust can arise where methods for controlling organisations or markets have been damaging to some of the players.
- > **Type 4:** areas suffering from a lack of project promoters and of entrepreneurial spirit. Often these are areas with a strong wage-earning component (areas with major industrial firms or large farm holdings employing hired labour).

> **Type 5:** “other-directed” areas where local players could potentially be mobilised, but where the area does not attract their interest. More often than not, these are rural areas close to large cities where the human resource potential is absorbed by the urban centre.

### **3.3.1** Examples of strategies

#### **for type 1 areas**

*(Despondent local players who do not believe in the future of the area)*

In such areas, the acquisition of social competitiveness relies on first awakening a collective awareness of the area’s potential and gaining renewed confidence in the future, especially among young people. Below are a few examples of strategies for achieving this:

#### **a) Restoring confidence by mounting projects with demonstration value**

##### **EXAMPLE**

*In Sierra de Bejar-Francia (Castilla y León, Spain), an area in decline, the LEADER group chose to launch a number of quite large-scale attention-grabbing projects in order to provide concrete proof of what could be done to revitalise the area. These projects aroused the inhabitants’ interest and led to the creation of new project ideas.*

#### **b) Restoring confidence through coordination activities**

##### **EXAMPLE**

*In Serra do Caldeirão (Algarve/Alentejo, Portugal), an area that has suffered from severe rural depopulation and apparently had a bleak future, the LEADER group restored the community’s confidence in its future by means of a “grass-roots” coordination effort using young coordinators recruited from the villages and given training. Their task consisted mainly of promoting a series of economic, social and cultural activities, which were based first and foremost on making the most of the area’s traditions. An annual fair organised by the LEADER group to gather together local producers provides an opportunity for cultural events aimed at reinforcing the inhabitants’ attachment to the area.*

#### **c) Restoring confidence by calling in people from outside**

It is sometimes difficult to recruit and train young project promoters from the area in order to restore confidence. Calling in outsiders may be a solution, especially for identifying local potential and encouraging the local players (including district councils) to consider alternative courses of action.

##### **EXAMPLE**

*In the Burgenland Objective 1 region (Austria), an area where there are relatively few project promoters, the four LEADER groups concerned have combined forces to establish permanent links with the University of Vienna. Now, students supervised by teacher-researchers regularly come to the Burgenland area on assignment. The effort of these students to take stock of the local heritage has reawakened the community’s interest in the area and given rise to new ideas and projects, leading to developments that have been vital to restoring confidence in the area’s future.*

#### **d) Restoring confidence by consolidating identity values**

Reinforcing certain strong features of the local identity is sometimes a powerful lever in restoring social cohesion and confidence in the future of the area.

##### **EXAMPLE**

*In the South Gwynedd LEADER area (Wales, United Kingdom), which is characterised by a strong sense of belonging to the Celtic culture and a shared desire to be different from neighbouring England, the LEADER group has promoted initiatives aimed at both economics and relaunching the Welsh language and culture. By founding its strategy firmly on asserting the value of bilingualism, the LAG secured the community’s support whilst at the same time opening up new development prospects, especially in cultural tourism (literature, music, cultural scene, architectural heritage, historic sites, etc.).*

### **e) Restoring confidence by strengthening links with the area**

Focusing on attachment to the area and on the local heritage is another means of restoring confidence and encouraging the community to create activities in the area.

#### **EXAMPLE**

*On the Lassithi plateau (Crete, Greece), an area marked by rural depopulation and the abandonment of farming activities, the 14,000 or so traditional windmills formerly used to pump irrigation water to the plots of land had been abandoned. The LEADER group mobilised the community's efforts in recovering these windmills, which are an integral part of the area's identity. Although only a small-scale operation at the outset (300 windmills), the action sparked the inhabitants' interest in their area and led to further activities being launched.*

### **3.3.2 Examples of strategies for type 2 areas**

*(Weak social structures)*

#### **a) Turning the local partnership into a social structuring element**

In areas that have no local organisations able to initiate a local development process (trade, social, cultural or other associations), building the local partnership can be ideal in laying the foundations for structuring the community. Some LEADER groups therefore built their partnership by involving a broad range of people. These players went on to organise themselves into groups within the association and these groups became the seeds of more specific organisational structures.

#### **EXAMPLE**

*In the isolated mountain region of Serrania-Rincon de Ademuz LEADER (Community of Valencia, Spain), the LAG took the form of an association that includes more than 160 people, in which all of the economic, social and cultural sectors are represented. Four thematic consultation committees were set up: culture/environment/tourism, training, SME/craft-working/services and promoting local products. These consultation committees act as working groups and forums for debate and for setting up projects. These projects are then discussed within the association's steering committee. The consultation committees were also a starting point for the establishment of other associations.*

### **b) Encouraging cooperation through training**

Faced with the difficulty of creating partnerships between players in areas where there was a very limited cooperation culture, many LEADER groups have used training in order to achieve cooperation.

#### **EXAMPLE**

*In the Sousa valley (northern Portugal), finding it extremely difficult to boost collective initiatives due to the reluctance of local players to engage in any form of partnership, the LEADER group decided to launch a special civic training programme targeted at a small group of people, who were then called upon to play a catalyst role in putting across the benefit of civic projects.*

### **3.3.3 Examples of strategies for type 3 areas**

*(Climate of mistrust between players)*

In areas where mistrust prevails, especially between varying sectors, it is often not possible to begin with a process of negotiation or cooperation between the players concerned. It is first necessary to identify an initial approach that avoids direct confrontation, whilst at the same time opening up an opportunity for a process of restoring mutual trust. The type of initial approach used depends on the reasons for such mistrust. Initiatives that develop and expand outside the area often foster the will to cooperate in spite of mistrust.

#### **a) Activities to create a mechanism for collaboration between different sectors that are either in conflict or have no tradition of cooperation**

#### **EXAMPLE**

*In the Garfagnana LEADER area (Tuscany, Italy), small-scale farmers were constantly at loggerheads with processors and traders, whom they needed in order to sell their products but who imposed prices that the farmers considered much too low. In order to settle this conflict, the LEADER group introduced an initiative to exploit the potential of typical products (honey, chestnuts, etc.), which was initially meant to serve as a demonstration project but which gradually developed into a widespread programme to promote the area. A wide range of coordination measures and a detailed programme of activities prompted farmers to join an existing local association of processors and traders, culminating in the creation of "Consorzio Garfagnana Produce". Today this is one of the few examples of coexistence, within a collective organisation, of local players who for many years were at loggerheads.*

### **3.3.4** Examples of strategies

#### **for type 4 areas**

*(Lack of project promoters due to a lack of entrepreneurial spirit)*

##### **a) Encouraging “anything that moves”**

Where there are too few project promoters, one course of action is to encourage any and every initiative that emerges, in order to develop confidence within the area. This is the approach chosen by many LEADER groups. In many cases, giving support to groups of young people to start up a business, even if it means assuming a high risk, can be a way of triggering potential that would otherwise never have emerged.

##### **b) Starting up businesses and projects from scratch**

Very often, in such a situation, the local action groups are obliged to implement projects themselves or to create businesses that can later serve as an anchor point for encouraging new initiatives.

#### **EXAMPLE**

*In Saxe-Anhalt (Germany), the lack of project promoters led the Kultur Landschaft Haldensleben LEADER group to focus its efforts on setting up a renovation project from scratch. They turned a castle and former industrial estate with great historic value into an economic and cultural development centre with ramifications for the entire region. The underlying aim of the approach is for the centre to serve as a reference for potential project promoters and to encourage other initiatives.*

##### **c) Cultivating a spirit of enterprise among children**

Where the entrepreneurial spirit needed for setting up businesses is lacking at local level, in-depth work among young people can sometimes push things along.

#### **EXAMPLE**

*This is what the LEADER group in the county of Tipperary (Ireland) did. Having noticed that primary school pupils (aged 5-13) showed themselves to be more inventive and enterprising than teenagers, the LAG decided to target its activities on 10 primary schools, proposing that the pupils should set up a business. This project, which cost a grand total of EUR 15,600, involved 600 children and culminated in the creation of a host of small school-based businesses, ranging from the production of brochures and videos on local crafts and heritage to the production of Christmas cards, and including gardening and selling flowers and vegetables, paper recycling and organising a breakfast service.*

### **3.3.5** Examples of strategies

#### **for type 5 areas**

*(“other-directed” areas)*

“Other-directed” areas are subject to the influence of a particularly attractive development hub situated outside the area, which attracts the interest of local players by offering jobs, services and a wide range of activities. These are usually areas situated on the outskirts of cities.

These can easily turn into dormitory towns and, since local leaders (elected representatives, etc.) often choose to turn their attention to the investment resources of the urban centre, there is a great danger of such areas losing their own character only to become absorbed into the metropolis.

In such cases, the development process involves first refocusing attention on the life and potential of the local area, which calls for strategies with the power to mobilise strong community support.

##### **a) Refocusing attention on the area by creating participatory partnerships to group specific interests**

One way of attracting the players’ attention to the area is to implement local agreements on specific interests that require short-term solutions, thereby harnessing ideas and resources that can be invested in collective projects.

### **EXAMPLE**

*In the Mugello-Val di Sieve LEADER area (Tuscany, Italy), the district of Firenzuola, near Florence, has implemented an initiative to exploit the potential of the “serene stone”. This is a relatively young marlaceous sandstone from the Miocene era, deposited around 15 million years ago. The collaboration of all the local players (district council, associations of local businesses and individual firms) has made it possible to create new products using this stone. The main advantage of this approach has been to alert local businesses to the potential of the raw material with which they work. This has resulted in product diversification, a significant increase in jobs and more widespread promotion of the area. This local agreement on a specific interest has had a very marked impact. Seven medium-sized and four small businesses employing 174 people were organised, creating an equivalent number of outsourced businesses and jobs. In 1999 there were two associations. The first, COPSER, provides services to businesses, distributes explosives, equipment and tools and negotiates with institutions and businesses. The second, COGIVAS, specialises in restructuring measures for historic centres.*

### **b) Recreating a business hub by taking advantage of a nearby urban market**

Other-directed areas can take advantage of a nearby urban market by creating a business hub that involves local players.

### **EXAMPLE**

*The Ile-Crémieux region (Rhône-Alpes, France), due to its proximity to Lyon (2 million inhabitants) is in danger of turning into a dormitory area. A local group, supported by the district councils, therefore decided to exploit an archaeological site and to set up a series of associated activities (museum, visitors' itinerary, educational visits and residential courses, managing the heritage, etc.). This led to the creation of a centre whose proximity to the large Lyon market makes it more readily viable.*

### **EXAMPLE**

*The Marsica LAG (Abruzzes, Italy) was well aware that the region's development problems were not economic, but of a social nature: the local population's lack of self-esteem and its economic, social and cultural dependence on the Rome metropolitan area and neighbouring urban centres. The aim was to devise initiatives that would both re-enhance the value of the local cultural heritage and guarantee certain core social services (in the broader sense, i.e. ranging from health to cultural services). This basic philosophy guided the implementation of several highly integrated actions. The “micro-receptivity” project, for example, was the result of a specific analysis of the number of weekend visitors. Marsica is interested in a heavy influx of tourists at weekends. It turned out that such tourists are mainly people from Rome and Naples who own second homes in the area. These non-residents represent an important resource in terms of local council taxes (on property and household waste). However, they do not receive adequate services and could, in fact, contribute much more to the area. So the LAG decided to implement a tourism strategy which, whilst being diversified, targeted non-resident homeowners. The aim was for them to extend their stay from 64 to 90 days per annum and step up their consumption in the area.*

# Conclusion



# Conclusion

Although it encompasses the ideas of cohesion and social integration, social competitiveness is a much broader concept that requires an area's players to introduce and jointly manage change and to meet the challenges currently facing the rural world, by building links between people, sectors and institutions on the basis of concrete strategies and initiatives.

Collective action is not a utopian dream. It is a matter of urgency for rural areas suffering from problems of depopulation, competition, restructuring, scant political interest in the regional and national scenarios, local conflict, etc.

Social competitiveness opens up opportunities for consultation and allows the emergence of collective players expressing new interests. It makes it possible to harness the energies required for any development strategy, especially during periods of great change. It also encourages civic responses to the challenges facing the rural world today.

**Leader II** est une Initiative communautaire lancée par la Commission européenne et coordonnée par la Direction générale de l'Agriculture (Unité VI-F.II.3).

Le contenu de ce dossier ne reflète pas nécessairement les opinions de l'Union européenne.

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