

**'HERITAGE AS A RESOURCE'
LEADER+ RESULTS OF GÖCSEJ-MIDDLE
ZALA LAG**

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Abstract

The European Union's LEADER Programme is held to be one of the most successful community initiatives, it integrates agriculture and rural development. In the program period 2004 – 2006 in Hungary, LEADER was a measure of the National Development Plan's Operative Program for Agriculture and Rural Development. The selected 70 LAGs could claim for EUR 340.000 or 377.000 subsidy. The Göcsej area's LAG is exceptionally important for its development program called 'Heritage as a resource for the welfare of Göcsej-Middle-Zala'. In this paper we are researching the implementation of the program in the Göcsej area, focusing on the involvement of the sectors and results of the supported measures. According to amount of support the program achieved its main objective, the preservation of the area's heritage proved to be an emphatic measure. The different results of the

sectors and the lack of real local product development highlights the pilot- character of the program. The extension of the trade-mark system to local products is the future challenge of the next program-period.

Keywords: Leader, rural development, Göcsej, project results

Összefoglalás

Az Európai Unió által kezdeményezett programok, ún. közösségi kezdeményezések közé tartozó LEADER, a helyi szinten működő aktív partnerség által kidolgozott integrált vidékfejlesztési programokat támogatja. Magyarországon az AVOP LEADER+ intézkedés keretében a helyi akciócsoportok 340.000 vagy 377.000 euró támogatásra pályázhattak a helyi vidékfejlesztési tervük megvalósítása érdekében. A pályázaton nyertes 70 akciócsoport közül a Göcsej-Közép Zala Helyi Akciócsoport kiemelkedik az örökségét, mint értéket megőrző programjával. Jelen publikációban a Göcsej térségi program megvalósulását az egyes szektorok bevonásának mértéke és a támogatott intézkedések eredményei alapján vizsgáljuk. A program elérte fő célját, hiszen a térség örökségvédelme nagy hangsúlyt kapott a ráfordított források tekintetében. Az egyes szektorok eltérő eredményei, a térség kitörési pontját jelentő helyi termék fejlesztés kihasználatlansága azonban a program kísérleti jellegét mutatja. A védjegyrendszer kiterjesztése a helyi termékek széles körére a következő programozási időszak nagy kihívása.

Kulcsszavak: Leader, vidékfejlesztés, Göcsej, pályázati eredmények

Introduction

In the late eighties and early nineties, the diversity of rural areas and landscape, rich local identities and a quality protected environment were acknowledged to be the major assets of a 'European agricultural and rural model'. In spite of this background, the LEADER Initiative proved to be an ideal instrument for testing the new opportunities that opened up for the countryside.

The European Union's Common Agricultural Policy focuses on the rural development instead of market regulation. Its reason is the fact that the technological development of the agricultural production has caused a lower employment in farming and animal husbandry. The policy prefers environmental management, local marketing of local products and village tourism as employment possibilities in rural areas. (*Ministry of Agriculture and Rural Development, 2004.*)

In accordance with forming the European agricultural model, the main goal of the Leader Community Initiative is to inspire and facilitate people living in rural areas to figure out the long-term possibilities of their own areas in community, and to develop their area in a sustainable way through integrated and innovative strategies. The key areas are: expansion of natural and cultural facilities, strengthening the economical environment, strengthening the self-organising ability of communities and motivating new partnerships. (*Dingenen, 2004.*)

The European Union's LEADER Program is held to be one of the most successful community initiatives. It integrates agriculture and rural development. (*Ray C., 2000*) The substance of the program is the following a Local Action Group (LAG) with local members prepares a rural development strategy for its region. This strategy will be subvented by the European Union, but the Local Action Group is responsible for the implementation and decides on the beneficiaries.

The partnership network is very wide because members of the Local action Group come from the sectors of self-governments, agricultural enterprises, micro-enterprises, civil organisations and individuals. The decision-making process is delegated to local organisations and all local beneficiary-projects have to promote the process of reaching the LAG's strategic aim, have to be innovative and bring positive effects to the area. (*European Commission, 2006.*)

In the programme period 2004–2006 in Hungary, LEADER was a measure of the National Development Plan's Operative Program for Agriculture and Rural Development. The Operative Program's financial frame allocated 4,5% – EUR 18,434 million – for the Leader Initiative. (*Ministry of Agriculture and Rural Development, 2006.*)

In the West-Pannon Region of Hungary, 10 LAGs obtained EUR 3,472 million subsidy from the LEADER+ 's fund. (*Ministry of Agriculture and Rural Development, 2008.*) One of them, the Göcsej area's LAG is exceptionally important for its programme called 'Heritage as a resource for the welfare of Göcsej-Middle-Zala'. We did research in the Göcsej area focusing on the involvement of the sectors and results of the supported measures.

Materials and methods

As rural development manager in the Göcsej-area one of the authors took part in the program-writing supported by the Ministry of Agriculture and Rural Development. We prepared a complex documentary (situation analysis, strategic and operative plan) of the area focusing on the possibilities of the countryside in agriculture and the main complementary activities. We collected the main issues and development ideas, strategic plans for this program on many forums such as village-sessions, local conferences, and by visiting local entrepreneurs, local authorities and civil organisations.

We took part in the launch of the Leader program in Hungary as an employee of the Ministry of Agriculture and Rural Development's West-Pannon Regional Rural Development Office in 2002. This office had the responsibility to manage the Ministry's Leader pilot program in the West-Pannon Region. 14 Local Action Groups had the possibility in Hungary to prepare a local rural development plan, according to Leader principles, which was supported by the Ministry. We organised trainings for the members of the Local Action Groups to become familiar with the Leader-methodology and principles. During the implementation of the pilot program, the members shared their experiences continually and we prepared innovative local action plans according to the new methodology of the European Union's Leader Program.

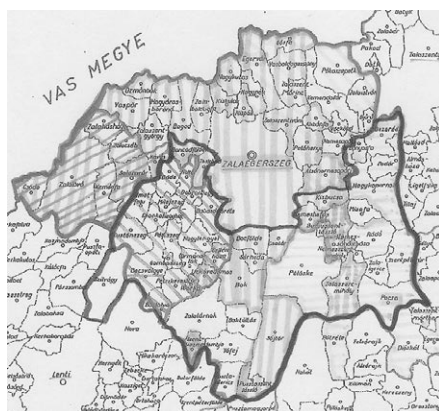
Besides the personal experience in planning we applied first of all the empirical method, resource analysis and interviews as part of the research through the following elements in detail:

- Overview and critical analysis of literature, summary of problems, searching for impacts, results and deficits, summarizing and preparing a logical system of discussions and experiences
- Analysis of the European Union's and Hungary's rural development and Leader documentary, especially the implementation opportunities of the Hungarian Leader program, the so called 'laboratory role' of the Hungarian Leader pilot project, and the preparation of an integrated, innovative and sustainable development controlled method and process
- Consultation with Hungarian experts and participation in foreign study tours and attendance at the union's conferences
- Getting familiar with local experiences, evaluation of the experiences of Gőcsej area's Leader LAG
- Data registration in the Gőcsej-area, personal interview and consultation with the Local Managing Authority of Gőcsej LAG on LEADER+

Results

'Heritage as a resource for the welfare of Göcsej-Middle-Zala'

The Göcsej area as a beneficiary region of the Ministry's pilot project had already succeeded in implementing a Leader-preparatory process. In 2006, the Middle-Zala area joined the Göcsej area and their LAG obtained EUR 340.000 for its LEADER+ program called 'Heritage as a resource for the welfare of Göcsej-Middle-Zala'. The National Development Plan's Operative Program for Agriculture and Rural Development supported 70 LAGs in Hungary altogether. On the map of Figure 1 the green line shows the boundaries of Göcsej-Middle Zala LAG's area.



*Figure 1. Göcsej-Middle Zala LAG's area
(Göcsej-Middle Zala LAG, 2005)*

The LAG was established in 2005, involving 48 settlements. Its local managing authority is the Bécsvölgye-based Göcsej Regional Association and its leading organisation is the Gellénháza-based Rural Development Association of Gellénháza and its Region. 71 members joined the LAG: 48 local governments, 4 regional associations, 6 civil organisations, 4 individuals and 9 enterprises.

The measures of the local rural development plan are the following:

1. Traditional local product-based, integrated and ecosocial market economy
2. Development of the touristic system of Gőcsej – Middle-Zala
3. Renewable energy and technologies, planning, model programs
4. Programmes for environment and nature protection
5. Development of human resources, implementation of regional employment projects
6. Innovative community initiatives, strengthening the identity of the population
7. Regional communication and information-network
8. Improvement of life-quality and living-conditions in rural areas, keeping traditions alive (*Gőcsej-Middle Zala LAG*, 2005)

Programme results

The total cost of the development projects financed by the local rural development plan was EUR 634.000, of which the Leader+ support was EUR 340.000 claimed by the LAG. The LAG has used EUR 51.000 for its operational and administrative work, so the beneficiaries can claim for EUR 289.000.

Altogether 86 project proposals were handed in for the project call of the LAG claiming for a support of EUR 398.000. The project proposals were submitted to the Decision-making Committee after the completion of documents and formal supervision of the local managing authority. The decision was the following: 22 proposals were rejected and 64 proposals won a support of EUR 290.000. During the implementation period, another project was rejected, so EUR 603 were not used from the amount of EUR 340.000. (*Interview with the Leader of the Local Managing Authority, 2007.*)

Implementation of Leader+ measures

If the amount of the claims was lower than the budget of a measure, it was possible to rearrange the budget of single measures with the approval of the Managing Authority of the Leader Program. Table 1 shows the rearrangements of Göcsej- Middle-Zala LAG.

Table 1. Budget and rearrangement of Leader+ measures of Göcsej- Middle Zala LAG, 2007

Nr. of measure	Name of measure	Number of beneficiaries (pcs)	Budget (EUR)	Paid support (EUR)	Sum of residue (EUR)	Rearrangements for the measure (EUR)
1.	Local products	3	67 925	15 840	52 085	-
2.	Touristic development	9	62 264	46 704	15 560	-
3.	Renewable energy	1	9 434	9 434	-	-
4.	Protection of nature and environment	5	26 415	21 793	4 622	-
5.	Development of human resources	6	11 321	16 792	-	5 471
6.	Community initiatives	12	28 302	29 560	-	1 258
7.	Regional information-network	2	7 547	7 467	80	-
8.	Traditions, life-quality	26	75 472	142 452	-	66 980
Total		64	288 680	290 042	72 347	73 709

The difference between the funds of budget and the paid support in the Table 1 is EUR 1.362, which was rearranged from the operational costs of the local managing authority for the beneficiaries. The same difference for the same reason is indicated between the last two columns.

The rearrangements are significant in the case of 3 popular measures, which were additionally financed from the measures 'local products', 'touristic development', 'environment-protection' and 'information-network'. The largest amount – 91% of all rearrangements – was used for the measure 'Development of life quality'. In this measure, most of the financial sources were appropriated for the renovation of common buildings of the village community and regional traditional programs of villages. Most of the project proposals also claimed for support this objective. 7% of the total residue was used for the measure 'Development of Human Resources', and 2% for the measure 'Community Initiatives'. The pie-chart on Figure 2 shows the the estimated share of the measures of the Gőcsej-Middle Zala LAG's Leader Program.

Estimated share of the measures in Leader+ support

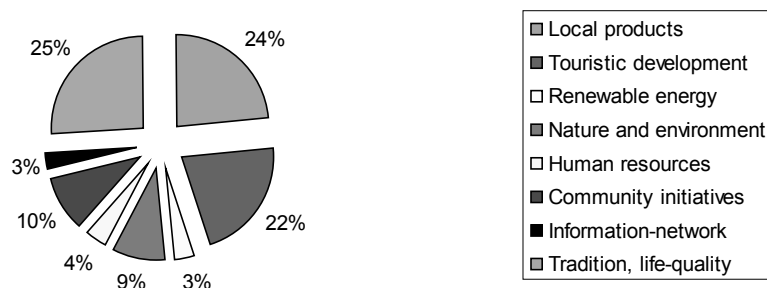


Figure 2. Estimated share of the measures, 2007

Figure 2 shows that the LAG has equally preferred tourism, the improvement of life quality and local products in the planning phase. Figure 3 indicates that the actual claim of the project proposals varies from the estimated share of the measures. The actual share of measures indicates that there was a reallocation of sources for the measure 'Tradition, life-quality' which shares 49% in the amount of subsidy.

Actual share of the measures in Leader+ support

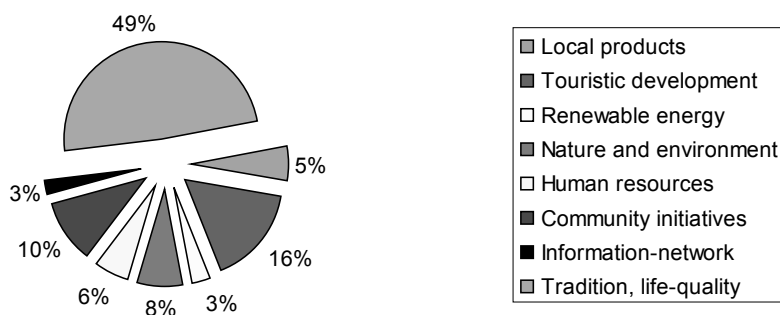


Figure 3. Actual share of the measures, 2007

'Tourism' shares 4% lower than estimated in the planning-phase, but the biggest loser of the measures is 'Local products', which shares only 5% from the amount of subsidies, which is 19% lower than the estimated 24%. Actually, the most significant changes are the decreased support for local products and the increased support for village improvement.

The 19% decrease is not a successful part of the program because the traditional local products have outstanding role in the Göcsej-region. Many studies, for example Kulcsár L. (1998), highlight the locally produced products as a key-source of income and breakout-point of the Göcsej-region. Even so, only 3 project proposals were supported by the LAG with this objective. One of them - as a primary producer - got support for building a beekeeper-house, and two projects resulted in the

development of local products indirectly with facilitating the marketing and trade-mark system of local products. Based on our research at the Local Managing Authority, we explored that no project-support claim with this objective was rejected by the Decision-making Committee. That means that no more than only 3 project proposals arrived altogether from local entrepreneurs and primary producers to the Managing Authority for developing local products.

Involvement of different sectors

It is also interesting to examine the share of the beneficiaries of Leader+ program in the Gőcsej-area according to sectors. Table 2 shows the number of beneficiaries per sector.

Table 2. Number of beneficiary projects according to sectors, 2007

Sector	Pieces
Civil organisation	25
Enterprise	5
Association	10
Institute	1
Local government	23
Total	64

In our opinion, to see a clear result, it is important to group the sectors according to owners and final beneficiaries of the projects. The members of the Associations on the final-beneficiary list are exclusively local governments, in addition the financial operators and decision-makers of the Institutes on the list are also local governments. Consequently the final beneficiaries of both categories are local governments. Table 3 demonstrates the number of final beneficiary- projects in the proper grouping of sectors.

Table 3. The number of final beneficiary- projects in proper grouping of sectors, 2007

Sector	Number of projects (pcs)
Civil organisation	25
Enterprise	5
Local government	34
Total	64

The percentage division indicates more visible results. Figure 4 demonstrates the fact that the local governmental sector won 53% of the projects, but enterprises won only 8 %.

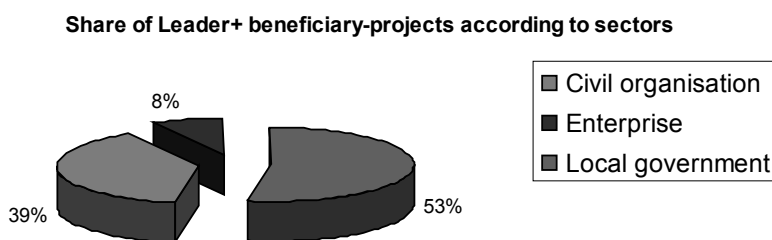


Figure 4. Share of beneficiary projects according to sectors, 2007

The share of financial support of beneficiaries according to sectors shows the results in Table 4.

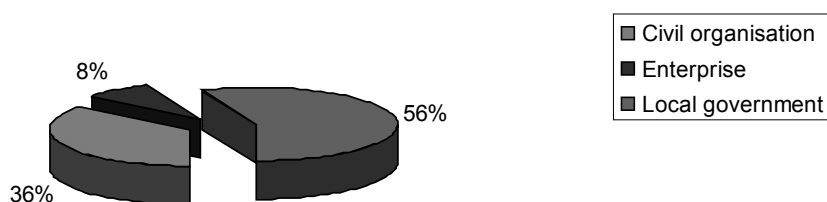
Table 4. The share of financial support of beneficiaries according to sectors, 2007

Sectors	Amount of Leader+ support (EUR)
Civil organisation	103 816
Enterprise	22 670
Local government	163 555
Total	290 041

The percentage division of financial support of beneficiaries according to sectors is presented in Figure 5. It shows that 56 % of all financial support is obtained by the local governmental sector but enterprises managed to acquire only 8 % of it.

Figure 5. Share of support of beneficiaries according to sectors, 2007.

Share of Leader+ financial support of beneficiaries according to sectors



The data collected indicate the following results:

1. The local governmental sector is the biggest 'winner' of the Leader+ program in the Gőcsej-Middle Zala LAG's area. 53% of all beneficiary projects and 56% of all financial supports are allocated to this sector.
2. Civil organisations are very active members of the area. 39% of all beneficiary projects and 36% of financial support was attracted to this sector.
3. The sector of enterprises achieved lower level of participation and activity than estimated in the planning phase. No more than 8% of all beneficiary projects and financial support is invested into this sector.
4. There was a reallocation of sources for the measure 'tradition, life-quality', which had a share of 49% in the total amount of support. It means that the preservation of heritage and traditions is a very important development measure for the Gőcsej-region. The area's development plan reached its main objective.

Local product development

The Göcsej area is one of the well-known regions of Hungary, it is famous for its beautiful landscape, environment and its heritage of architecture. This marketing position is worth being used as a breakout-point with the help of the Göcsej trade-mark system. A very important project of the Foundation for Development of Enterprises of County Zala was supported by Leader+. The trade-mark system is owned by the Göcsej Regional Association and can help the development of local products. The system can differentiate the producers of local products in Göcsej from other parts of Hungary. As a marketing tool, it can build image and reputation for the area. The involvement of primary producers into the trade mark system and indirectly to the Leader program has already started in the Göcsej area. The popularity and success of local products in different fairs and programs is motivating the primary producers for a sufficient development.

Discussion

A highly effective instrument of the rural development is the Leader program, which is

- based on a multisectoral, integrated and area-based strategy
- tries to utilize the entire local economic potencial
- prefers bottom-up approach
- activates the local population involving the entire community into the development-process
- creates co-operation and common projects among rural areas
- supports innovation
- creates and strengthens local partnerships.

The Leader+ supports helped the Gőcsej-Middle Zala LAG to realise the area's goals, the total amount of the LAG's support were used by the beneficiaries. 64 different kinds of development ideas, projects were realised from the EUR 340.000 funds of Leader+.

From the 8 measures of the program, the measure called 'Development of life-quality and living-conditions in rural areas, keeping traditions' was extremely popular among the beneficiaries: 49% of all the LAG's support was used for this goal. Unfortunately, these projects could not really develop the local economy, they rather helped the work of local governments or community initiatives. Nevertheless, the objectives of 'Keeping traditions and preservation of heritage' were fully completed by the program, so the Gőcsej –area managed to accomplish its strategic goal.

The measure 'Traditional local product-based, integrated and ecosocial market economy' – called 'break-out point' of the area by the experts - had no more than 5% of the support, so eventually the economy of Gőcsej–area could not significantly develop in this Leader period. For this reason, the area has launched a special trade–mark system from the Leader+ support, which can result a real investment in local products in the next planning phase.

92% of all project proposals were handed in by the sectors of local governments and civil organisations, and only 8% of projects by enterprises, therefore the activity of the members of the LAG is more significant in the local governmental and civil sectors.

We investigated the reasons for the unactivity of enterprises, participants of local economy and we also interviewed the Local Managing Authority. The main reasons revealed are the following:

1. the project documentary was too complicated, so the enterprises could not prepare project proposals
2. it is difficult to pre-finance the project until the project-payment is fulfilled

3. deficit of the necessary private financial resources
4. the share of support was not high enough, so they preferred second-hand instruments and materials instead of new ones obtained from support

All in all, the Leader program was a breakthrough for the local governmental and civil sector, but could not attract and facilitate the private sector, the local enterprises and local producers to the project initiative system. The establishment of a Göcsej trade-mark system has been started, and with adequate financial support between 2007-2013, it can result in a real breakthrough for the area's economy as well.

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