

LOCAL ACTION GROUPS AND RURAL DEVELOPMENT IN BULGARIA – CHALLENGES AND PROSPECTS

Mariyana SHISHKOVA

Agricultural University-Plovdiv, 12 Mendeleev Blvd., Plovdiv, Bulgaria, Phone: +35932654461, Mobile: +359897 68 55 01, Email: mariyana.shishkova@gmail.com

Corresponding author: mariyana.shishkova@gmail.com

Abstract

Over the last decade, local action groups (LAGs) in Bulgaria have become key organizations supporting the implementation of projects important for rural development. Prerequisites for this are the unique characteristics of the LEADER/CLLD approach, which allow empowerment of the population, capacity building combined with providing access to financial resources, as well as building trust and accumulation of social capital. Since the beginning of the application of the approach in the country, LAGs have been facing some difficulties, but at the same time the opportunities for attracting funds to support a wide range of initiatives at the local level are expanding. In this regard, the aim of this study is based on the analyses of the activities of LAGs in the country, to outline the challenges facing these organizations and to reveal their potential for sustainable development of rural areas. The case study method is applied. The results of the study show a significant potential of LAGs to accelerate the socio-economic processes in rural areas.

Key words: bottom-up approach, entrepreneurship, social capital, sustainability

INTRODUCTION

Community-led local development (CLLD) is an approach that complements activities and measures for achieving sustainable results in rural areas. The latter is possible through the specific characteristics of CLLD / LEADER and, accordingly, through its bottom-up implementation, which allows the participation of all stakeholders in the local decision-making process, capacity building and increasing the level of social capital [3, 6, 10, 14].

In addition, CLLD / LEADER helps to address important challenges in the application and development of business initiatives in rural areas [8, 9], including lack of access to financial resources [1]. According to the European Commission for 2020, nearly 10% of SMEs in the EU experience such difficulties and identify access to resources as the most important in carrying out their activities [5].

A number of authors examining sustainable development conclude that in order to overcome poverty and social exclusion in rural areas, it is necessary to implement integrated projects and programs that combine

the following two elements: 1) access to financial resources and 2) raising the level of human and social capital [7, 11, 13].

An earlier own study reveals that the implementation of the approach in Bulgaria in the first programming period 2007-2013 is accompanied by a number of difficulties, some of which were related to the financial stability of the LAGs, and others referred to the application of the Community-Led Local Development Strategy and the balanced spending of the strategy's budget [12]. The efforts made by the participants in the process for overcoming the identified difficulties lead to the successful application of the approach and the achievement of enviable results.

In this regard, the aim of this study is, based on the analysis of the activities of LAGs working in Bulgaria, to identify challenges that could potentially hinder the achievement of the desired results and to outline the potential of these organizations to achieve sustainable rural development in the country.

The article is structured as follows: First, the methodological approach of the research is presented. Second, the difficulties encountered by the local action groups in carrying out their activities and implementing

the Community-led Local Development Strategies are systematised and analysed. Third, the potential of these organizations to contribute to sustainable results in rural areas has been revealed. On this basis, conclusions and recommendations have been made to improve the activities of the LAGs, as well as with regard to policies in the field.

MATERIALS AND METHODS

The following methods for collecting, processing and analysing information were applied within the research: in-depth interviews, documentary analysis, case study. The study was conducted in the period March-June 2021 and covers the activities for 2020 of 44 Local Action Groups from a total of 64 LAGs [15] operating in the country.

The data used for the study were collected from two groups of sources: 1) electronic databases, including The Commercial Register of the Registry Agency [2], The Bulgarian NGO's Information Portal [16], The European Network for Rural Development [4] and others, as well as 2) independently collected information. The information obtained from the electronic databases on the activities of the LAGs, in turn, was complemented by in-depth interviews with key experts in the field.

RESULTS AND DISCUSSIONS

The results of the analysis of the documentation of the LAGs reveal that 52.3% of them do not report any difficulties during the study period, both in relation to the management of the organization and in terms of their activities under the Community-Led Local Development Strategies.

The challenges reported by the remaining 47.7% of these NGOs can be systematized into three main groups (Fig.1). They are generally related to: 1) the management of the organization itself; 2) the Strategy realisation and 3) the impact of COVID-19 on the implementation of the activities.

The first group includes difficulties regarding the activities and management of the LAG. Some of the surveyed organizations, which

stated the existence of challenges in 2020, point out that the relationship between the approval of applications for payment of running costs and the State Fund Agriculture (SFA) approval of LAG procedures for project evaluation creates serious difficulties for the financial stability of the respective organisations. The latter is a prerequisite for the LAG to seek support from local authorities or businesses, as well as to take out loans to ensure the proper functioning of the organization, including the payment of staff salaries. Another measure taken to overcome this problem is to cover the costs of the appraisers' payments at the expense of the organization in order to avoid waiting for the approval of the completed procedures and for the LAG to receive an interim payment. The organizations which used the loan emphasize that the interest on the loans remains at their expense. The above leads to the departure of employees, which would further complicate the implementation of activities. These LAGs, who have faced the need to fill their team, often experience difficulties in hiring people who meet the requirements for a position.

In the second group, concerning the application of the Strategy for Community-Led Local Development, the challenges are manifested for both the LAG and the beneficiaries in the following two main directions: 1) delay by the SFA in reviewing and approving the procedures conducted by the LAG for the provision of grants and 2) delays in concluding contracts with beneficiaries. The problem with the extended process of verification of procedures by the SFA was identified as significant in 65% of a total of twenty-one organizations that reported difficulties during the study period.

Only 30% of the respective LAGs identify the pandemic and the resulting restrictive measures as an important obstacle to the application of the activities planned during the period. The most common challenges in this group concern the holding of face-to-face events, including information meetings, conferences, training, festivals and other celebrations, as well as in connection with the implementation of activities for the exchange

of experience on the territory of the country and abroad.

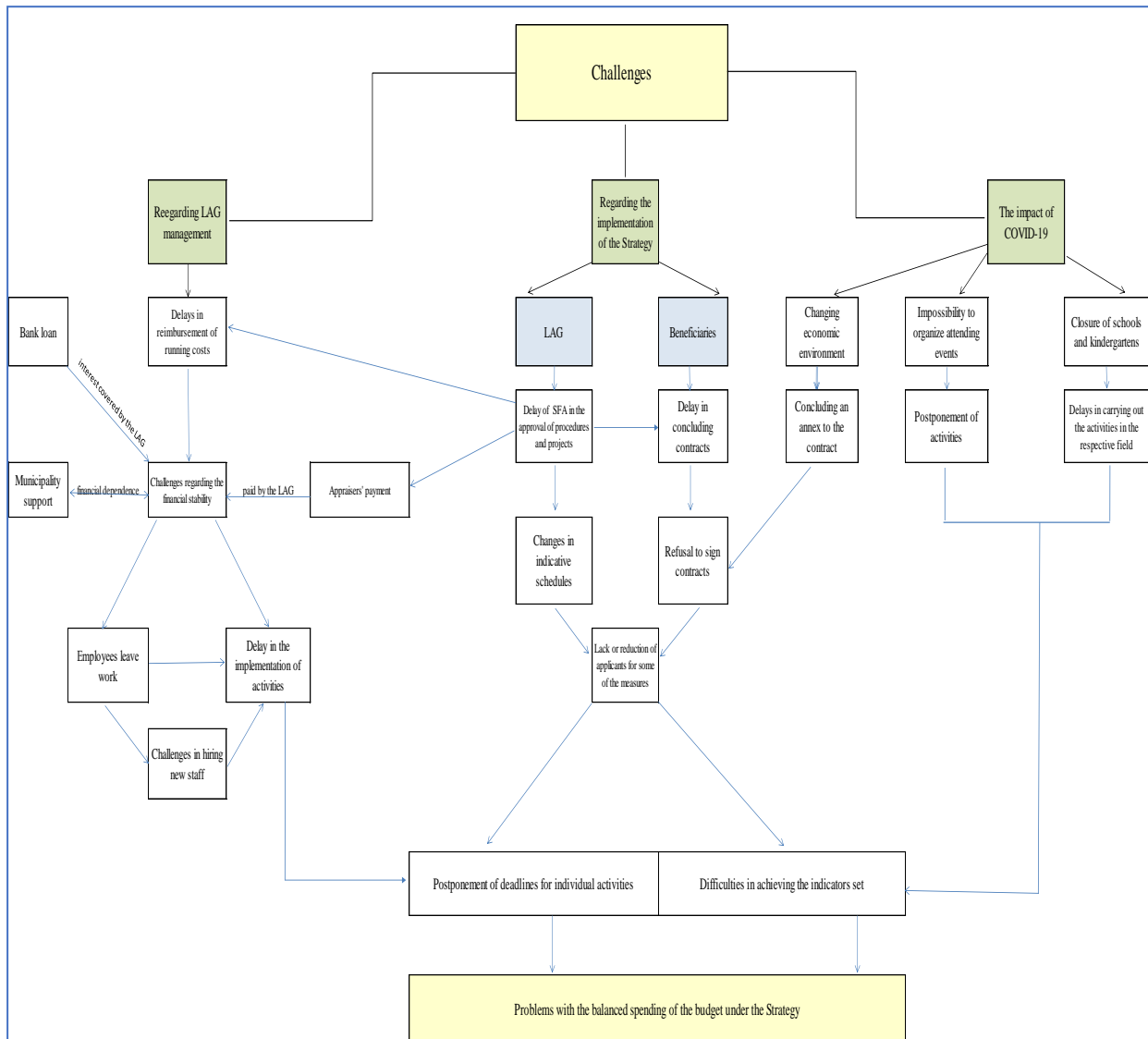


Fig. 1. Challenges for the LAGs in 2020 - interconnections
 Source: Own research.

Two of the Local Action Groups state that they have encountered difficulties in the application of the measures of the Strategy under the Operational Program "Science and Education for Smart Growth" due to the closure of kindergartens and schools for a certain period of time (Fig 2).

The study revealed that the surveyed organizations which reported challenges in 2020 are taking continuous action to overcome them, including communication with state agencies, application of joint actions, etc (Box 1).

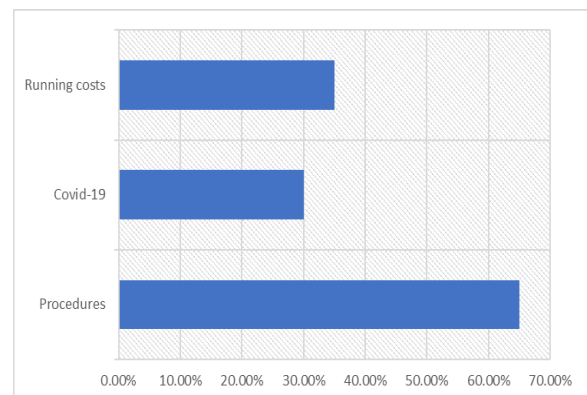


Fig. 2. Importance of the identified problems for 2020
 Source: Own research.

In general, the LAG team did not have any serious and insurmountable difficulties. The team of the association is active in eliminating difficulties and ambiguities by preparing written questions to all institutions and governing bodies involved in the CLLD approach and actively participates in the activities organized at the National level and the LAG Association.

The examination of the applications for payment of the expenses under sub-measure 19.4. is bound by the verification of the procedures for acceptance and evaluation of projects under sub-measure 19.2

Box 1. Challenges in 2020
Source: LAGs' Report, [2]

It is important to emphasize that even some of those LAGs who indicated difficulties did not report a problem in communicating with Government Agencies of different programs. Each of the identified difficulties poses potential risks to the balanced spending of the strategy's budget. Based on the experience with the application of the approach in Bulgaria and given that some of these problems were observed in the previous programming period 2007-2013, it can be assumed that the actions taken and addressing them in the current year will help to achieve the set goals.

Regarding the place and role of LAGs in sustainable development processes, a number of researchers find that these organizations have significant potential to complement the top-down measures applied, and through bottom-up actions they are able to contribute to overcoming the main problems faced by rural areas, including tackling poverty and depopulation in these areas [6, 10]. The latter is possible thanks to the integrated approach, which combines access to resources with the empowerment of the population.

The results of the study show that CLLD helps to increase the level of human capital, as well as to expand contacts and cooperation at the local level. At the same time, an earlier own study found a positive relationship between the level of social capital and the results achieved in the application of

integrated approaches to the socio-economic development of rural areas [13]. On this basis, it can be stressed that Local Action Groups play an important role in achieving sustainable results in the country's rural areas.

CONCLUSIONS

Based on the study, the following conclusions and recommendations can be made:

-Local Action Groups in Bulgaria face a number of challenges in 2020. The latter can be systematized as follows: 1) related to the management of the organization; 2) difficulties which directly refers to the implementation of the Community-Led Local Development Strategy; and 3) difficulties arising from pandemic restrictions.

-The analysis of the data revealed that the share of organizations that do not report difficulties in the respective year is higher, including such connected to the epidemiological situation in the country. A significant part of the remaining LAGs (65%) identifies the long process of review and approval of LAG procedures by the SFA and the delays in concluding contracts with the beneficiaries as significant problems concerning the overall activity of the organisation. The latter have an important impact on those LAGs that do not implement multi-fund strategies, as the surveyed organizations do not indicate serious difficulties in the measures funded by the other funds available for CLLD.

-Restrictions related to COVID-19 lead to postponement of planned events and visits, such as experience and good practices exchange, as well as in the implementation of measures and activities concerning kindergartens and schools due to their closing for a certain period of time.

-The problems identified during the study period are related to the balanced spending of the budget of the strategy, as some of the beneficiaries are discouraged and refuse to sign a contract, and for some measures, there are no candidates.

-Despite the challenges, Local Action Groups and the approach contribute significantly to increasing the capacity and level of social

capital of local communities. On this basis, as well as in connection with the results of an earlier own study revealing that higher levels of social capital contribute to expanding the scope of beneficiaries, it can be concluded that these organizations have significant potential to achieve sustainable rural development.

-The main recommendation in regard to the policies in the field is to optimize the processes of verification of the RA of the RDP, to look for opportunities to reduce the regulatory burden and to have greater flexibility regarding the contracts of the beneficiaries in connection with the changes in the economic situation.

ACKNOWLEDGEMENTS

This work was supported by the Bulgarian Ministry of Education and Science under the National Research Program “Young scientists and postdoctoral students” approved by DCM # 577/17.08.2018.

REFERENCES

- [1]Beluhova-Uzunova, R., Dunchev D., 2020, Precision technologies in soft fruit production. Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development, 20 (3):131-138.
- [2]Bulgarian Registry Agency, <https://www.registryagency.bg>, Accessed on 15.06.2021.
- [3]European Commission, 2014, Community-Led Local Development, Cohesion Policy, March 2014. https://ec.europa.eu/regional_policy/sources/docgener/informat/2014/community_en.pdf, Accessed on 01.06.2021.
- [4]European Network for Rural Development, https://enrd.ec.europa.eu/leader-clld/lag-database_en, Accessed on 16.05.2021.
- [5]Eurostat, 2020, SME access to finance conditions 2020 SAFE details - European Union, November, 2020. <https://ec.europa.eu/growth/safe>. Accessed on 20.06.2021.
- [6]Furmankiewicz, M., Krzysztof, J., Macken-Walsh, A., 2021, Implementation of the EU LEADER programme at member-state level: Written and unwritten rules of local project selection in rural Poland. Journal of Rural Studies, <https://doi.org/10.1016/j.jrurstud.2021.05.020>, Accessed on 20.06.2021.
- [7]Kabeer, N., Mahmud, S., Castro-Isaza, J.G., 2012, NGOs and the Political Empowerment of Poor People in Rural Bangladesh: Cultivating the Habits of Democracy? World Development, Elsevier, 40(10): 2044-2062.
- [8]Ministry of Agriculture, Food and Forestry of the Republic of Bulgaria, n.d., <https://www.mzh.government.bg/bg/politiki-i-programi/programi-za-finansirane/programa-za-razvitiie-na-selskite-rayoni/vomr/>. Accessed on 20.06.2021.
- [9]National Rural Network, n.d., <https://ruralnet.bg/leader/?lang=en>, Accessed on 16.05.2021.
- [10]Papadopoulou, E., Hasanagas, N., Harvey, D., 2011, Analysis of rural development policy networks in Greece: Is LEADER really different. Land Use Policy 28 (2011), pp. 663-673.
- [11]Penov, I., Georgiev, G., Grigorova, D., Trendafilov V., 2012, An Integrated Model for Supporting Small Business or How to Help Disadvantaged Families to Generate Income from Own Business. Makros Printing House, Plovdiv, Bulgaria.
- [12]Shishkova, M., 2017, The Role of Social Capital for Sustainable Rural Development. Dissertation on Doctoral Thesis. Defended at the Agricultural University – Plovdiv. In Bulgarian.
- [13]Shishkova, M., 2020, Implementation of Community – Led Local Development Strategies - Evidence from Southern Bulgaria, Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development 20 (3): 537-542.
- [14]Sisto, R., Lopolito, A., van Vliet, M., 2018, Stakeholder participation in planning rural development strategies: Using backcasting to support Local Action Groups in complying with CLLD requirements. Land Use Policy 70: 442-450.
- [15]Successful Projects Consult BG Ltd, 2019, Catalogue of Local action groups in Bulgaria. https://www.eufunds.bg/sites/default/files/uploads/vomr/docs/2019-11/Binder1_1.pdf, Accessed on 18.05.2021.
- [16]The Bulgarian NGO's Information Portal, n.d., <https://www.ngobg.info/>, Accessed on 20.06.2021.

