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LOCAL DEVELOPMENT, PARTNERSHIP AND BOTTOM-UP APPROACH:

WHERE ARE WE NOW?

Report written by Marjorie JOUEN

Notre Europe

Notre Europe is an independent research and policy unit whose objective is the study of Europe – its history and civilisations, integration process and future prospects. The association was founded by Jacques Delors in the autumn of 1996. It has a small team of in-house researchers from various countries.

Notre Europe participates in public debate in two ways. First, publishing internal research papers and second, collaborating with outside researchers and academics to contribute to the debate on European issues. These documents are made available to a limited number of decision-makers, politicians, socio-economists, academics and diplomats in the various EU Member States, but are systematically put on our website.

The association also organises meetings, conferences and seminars in association with other institutions or partners. Proceedings are written in order to disseminate the main arguments raised during the event.

ECOTEC

ECOTEC is an international research and consultancy organisation. It works with its clients to help them find solutions to the challenging economic and societal issues faced in Europe today. The focus of its work ranges from the local to the pan-European for clients in both the public and private sector.

In recent years, it has been actively involved in developing current thinking at the European level in the field of employment policy, local and regional development and local partnership approaches. During 2004, ECOTEC celebrates 21 years of working throughout Europe.

Table of Contents

Report

The launch of the first "pathways to integration", under the Merseyside's (UK) objective 1[1] programmes dates back to 1994, the same time as the conception of the URBAN[2] community initiative programme. The two-fold increase in the number of LEADER II[3] local action groups and the identification of local development and employment initiatives in 17 areas representing new sources of employment also date from the same year.

In ten years, the terms "partnership", "bottom-up approach", "local development", "multi-sectoral integration" have met with mixed fortunes: misunderstood from the offset, they became real political slogans. While lauded for all their benefits, they have occasionally been vilified as inefficient, consuming both time and resources. Distorted, bandied about or assimilated, they no longer arouse the same enthusiasm as they did in the beginning. Promoted, indeed imposed by the European Commission within the framework of the cohesion policy, they can be found in national regulations as well as the practices of local public and private actors. Their forms have diversified according to the location and the sectors, to such an extent that they no longer have anything in common. In short, the question is: what now remains of local development, which was introduced as a new means of implementing a public policy?

To carry out a vast critical review of the past ten years, *Notre Europe* and Ecotec invited in excess of twenty experts from Austria, Belgium, Denmark, France, Ireland and the United Kingdom to a seminar at the EPC (European Policy Centre) premises in Brussels. These experts were selected in their capacity as witnesses and actors of a movement that gained momentum against a backdrop of an economic crisis and high unemployment, but also a period marked by intense exchanges of experience and views facilitated by the European co-operation programmes.

The discussion was centred on four themes:

- An introduction reviewing the main components of the current situation, which demonstrated the scope of the expectations of the policy decision-makers with regard to local development;

- A summary of the current practices and policy debates in the various member states, as well as a retrospective analysis of the past decade;

- A critical assessment of the results obtained together with the underlying reasons;

- Views on future approaches and more precisely on opportunities offered by the European agenda.

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1 Objective 1 corresponds to regions whose development lags other areas
2 Programme for the development of deprived urban areas
3 Programme for the development of rural areas

The rules of the discussion were to respect participants' freedom of speech regardless of professional status. Thus, the report will not stipulate names of persons contributing ideas, rather it will put forward the proposals, subjects for debate and agreement. Texts of the introductory talks, which served as a framework for the discussion and provided precise information, are included in the appendix.

1 – Expectations of European decision-makers

Local development, partnerships and the bottom-up approach emerged as a new means to govern as the neo-liberal doctrine was gaining recognition: it provided a subsidiary response to market weaknesses at a time when public sector strength was declining. This trend reflected the theory that the State, through its uniform and costly interventions, proved to be incapable of resolving more and more complex problems and of satisfying increasingly specific demands. Nevertheless, the free play of competition quickly showed its limits by creating wide social and regional imbalances. Progress with European integration, on the one hand – with the gradual disappearance of borders, the pre-eminence of European law over national law, the single currency – and globalisation on the other hand, have also reduced national governments' control over society and the economy.

As a result, at the beginning of the 21st century European policy officials are confronted with the dual demand of "governing differently" and "governing more efficiently".

It was against this backdrop and taking into account the European specificity of the social market economy, that the bottom-up partnership approach was put forward, as it was able to provide the opportunity for restorative dialogue suited to the diversity of local situations. Carried along by the decentralisation movement, participative techniques linked to local development were initially used to resolve the unemployment problem, and then in a more extensive manner issues regarding social, regional and political exclusion. The results were sufficiently encouraging on a small scale that a number of European socio-economic actors placed some hope in the technique. Nevertheless, the fact remains that the large-scale materialisation of these hopes is still up in the air: the "rise" of local development has not (yet?) been achieved. There are most certainly numerous obstacles, stemming as much from the methodology itself as from the inertia of former practices and market forces.

We are now midway through the programming of structural funds for 2000-2006 and four years down the road from the launch of the Lisbon Strategy[4], which set the Union a timeframe of 2010. One conclusion we can draw today is that of the gap between political dialogue, based on a clear diagnosis of the shortcomings and strengths of our continent, and the outcome of the measures applied. In general there is a total loss between the measures adopted from above and the results at the bottom: the majority of European and national politicians are perfectly aware of this fact and are concerned about the inflexibility of the public management instruments at their disposal.

The European Agenda of 2003 bitterly illustrates this vacuity. Instead of finding new tools to resolve the real problems, there is a tendency to attack the easiest: one announces that the research budget will be increased, large infrastructure programmes will be launched (trans-

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4 One of the goals set at the European Union through the European Council of Lisbon 2000 was "to become the most competitive knowledge-based economy in the world by 2010".

European networks), police and judicial co-ordination will be improved. Of course these decisions are important but they only delay European and national governments' deadlines for the major critical projects such as the restoration of citizenship. This challenge could be summarised by the following mechanical metaphor: how do you provide a whole building, including its darkest areas, with the same electrical intensity?

The expectations of policy decision-makers are therefore much higher than any model able to profile the future, and routes proposed by the White book on European governance in 2001 have not yet been explored. Would local development, partnership and bottom-up approach even offer a solution?

The vistas opened by such an introduction are therefore broad and stimulating. Nevertheless, the seminar has more modest ambitions: its principal objective is to verify whether local development has a future and to draw up some operational results.

2 – Trans-european state of play of local development and partnership

HOW DID LOCAL DEVELOPMENT EVOLVE DURING THE LAST DECADE IN THE DIFFERENT MEMBER STATES?

On the whole, all local political and public decision-makers have adopted the vocabulary and the bottom-up approach insofar as they consider it a useful governing technique. However, when they were less convinced, they only adopted the approach to conform to national guidelines (French law requires broad consultation at a local community level) or European ones (structural funds were only granted following the adoption of a SPD[5] or CSF[6], which were drawn up in meetings with social partners and NGOs defending the equality of opportunities between men and women and the environment).

The propagation continued at a regular pace with the passing of the years even though the European Commission lost the intellectual leadership on this subject from 2000 (end of the ERDF[7] and EAGGF[8] pilot projects, virtually total suppression of technical assistance offices and the rotation of administrative personnel responsible for these areas). The absence of strong co-ordination at the European level led to the phenomenon's loss of visibility.

However, compared with the 1980s, which were marked by the private versus public sector debate, the collective psychology has changed profoundly. Today, the 15-member EU is prepared to consider – perhaps this still does not apply to former communist countries – the existence of a kind of third sector, which plays the role of mediator and assembler (by mixing capital and resources) alongside the other two sectors (the first being the competitive economy and the second the public sector).

Today local development initiatives are far more active in France, Spain and Italy. New avenues are being explored for entrepreneurship and savings aimed at community projects, etc. In 1999 in France, the importance of the social economy was established by the nomination of a dedicated Secretary of State; however, he has not managed to put his action in the mainstream. In many countries such as Ireland and Belgium, recognition has sprung from the creation of specialised institutions. In the United Kingdom there has been a predominant move towards the labour-market inclusion concerns.

However, the drifts are also significant. Everywhere public authorities are increasingly putting the social and local economy organisations in competition to getting grants. The proportion of resources devoted to experiments and innovation decreases considerably, since project managers must demonstrate that they manage well and efficiently. Local initiatives driven by

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5 Single programming document
6 Community support framework
7 European Regional Development Fund
8 European Agricultural Guidance and Guarantee Fund

democratic concerns and a degree of generosity are often exploited by political and administrative officials, who are often interested in visible results such as employment or the reduction of social tensions, while ignoring the methods utilised.

The incapacity to resolve the most glaring social problems in certain areas and the persistence of unemployment gravitate towards accepting the existence of a second-class economy composed of not-for-profit associations, professional inclusion structures, local partnerships, etc.

WHAT IS THE CURRENT STATE OF PLAY AS REGARDS CONCEPTS?

Local development is still a matter of practice and despite continued research on the subject, there is too little information regarding conceptual instruments and theories. Consequently, when attempting to establish a regulation or institutionalise various methods we observe the same failings as 10 years ago.

Everywhere the social treatment of unemployment is linked to the social economy. This erroneous assimilation was denounced from the outset, but those entrusted with governing are strongly tempted to try and resolve two problems simultaneously: long-term unemployment and social exclusion. This marginalisation of local and partnership projects prevents the in-depth modification of the rules governing the traditional economy and society. So, frequently participation and empowerment processes are reserved for areas experiencing the most difficulty via a type of reverse discrimination, while they would yield far better results in ordinary towns or with social groups from the middle classes.

The local bottom-up approach, which involves various groups in the community, is still being confused with the consultation of local authorities or decentralisation. In fact, while the two approaches often go hand-in-hand, some regional bodies function according to a completely traditional, sector and competitive logic. This is the case for clusters of SMEs or industrial districts, regional development agencies, etc. However, we also witness a decompartmentalisation of public practices: there is growing convergence of interest between advocates of local development promoters and those defending local public services.

The Commission's White book on European governance in 2001 met with a lukewarm reception among the local development networks. Conversely, local authorities and their representatives (Committee of the Regions and lobby groups) found it very interesting. Eurocities is currently assessing a proposal regarding tripartite contracts in the environmental area, but although the proposal is interesting, it would require patience and a great deal of work on the part of towns in order to collect the data and define priorities.

WHAT SORT OF MODELS AND VARIANTS CAN BE IDENTIFIED? IS THERE A EUROPEAN "MODEL" OR ONLY DIFFERENT NATIONAL TRAJECTORIES?

In fact, under a single word, we can distinguish two movements that are developing differently according to the country: the first is of a rather socio-political nature and mainly concerns capacity building and empowerment of local groups; the second falls more into the socio-economic field and seeks to offer an alternative to the dominant economy.

As in the case of the Welfare State, a distinction may be drawn between the Scandinavian model, which is very egalitarian and cohesive but relatively intolerant towards marginal experiences, the Anglo-Saxon model which is more individualistic and liberal, but open to community-based approaches, and the continental north European model (including France, Belgium, Germany and Italy). In this category the State maintains a watchdog role and attempts to redefine the public-private sector parameters through the law, including those for business and the family. However, we also note very different approaches in certain Mediterranean countries (Spain, Portugal and Greece), where partnerships hardly emerge.

The case of Eastern and Central European countries is still distinct: after 40 years of communist domination and 10 years of transition inspired by neo-liberalism, the social arena is still relatively unfavourable to local development partnerships and the bottom-up approach. Encouragement to cooperate and organise civil society arouses more distrust than enthusiasm. Local communities in the new member countries lack the human and financial resources to tackle the new social or regional problems they are confronted with.

Lastly, practices as well as topics for research vary depending on whether you are in a rural or urban area. In simplified terms, in the countryside, challenges are fairly modest and the population can be easily mobilised. However, projects must overcome a number of problems linked to low density, distance, weak momentum amongst a greater number of elderly persons and critical mass. In towns, problems are disproportionate and never-ending. You must first tackle indifference or apathy among the population, which is occasionally submitted to strong social pressures, prior to engaging in projects where the cost will be necessarily high so that a certain visibility can be achieved. On the other hand, official administrative and political representatives can easily be called upon and integrated into the project in a participative approach.

WHAT MAJOR REASONS MAY EXPLAIN THESE DIFFERENT TRAJECTORIES?

The answer is far from simple: all the possible variants develop depending on the choice and role of the different actors, the objectives pursued, the social groups, areas and the relevant themes. Historical heritage, the geographical situation and cultural behaviour continue to influence decisions and preferences. However, the importance of regulation and momentum coming from the top (as in the case of decentralisation) appear to be determining factors. Political willingness still plays a decisive role.

3 – A CRITICAL ASSESSMENT OF THE APPROACH

IS THERE REALLY QUESTION MARK OVER THE FUTURE OF LOCAL DEVELOPMENT?

More than 10 years after its launch and recognition on the European level, local development and partnership are still vulnerable for inherent reasons and also because of increasing budgetary constraints.

This approach remains fragile as its success depends to a large extent on confidence rather than purely traditional administrative and political management. It has not managed to find a satisfactory response to the lack of representation of the partners involved: those elected rightly condemn local partnerships for their lack of democratic legitimacy.

Since 2000, opportunities for local initiatives to gain direct access to European programmes (Pilot projects or Community Initiatives) have virtually disappeared, but this was a great stimulus for innovation. Criticisms of an economic and financial nature are commonplace: subsidised projects are often incapable of subsisting beyond the subsidy programme itself. As a result they then seek subsidies from other public entities in order to maintain their activities.

For the moment, local development still benefits from a few years of reprieve: at the European level due to budgetary programming and at a national level as a result of the services rendered in the area of social inclusion and employment reintegration. However, the growing shortage of public funds is an inevitable threat. Local development must therefore immediately seek to build or rebuild its legitimacy.

IS IT JUST THAT THERE ARE BETTER WAYS OF ACHIEVING THE SAME OBJECTIVES, OR JUST THAT GLOBAL EVENTS HAVE INTERVENED?

We must not underestimate the prejudice caused to local development by the political and media silence that surrounds it. Yet no other method has simultaneously performed better over the past few years in the socio-economic and political fields. It could be posited that we are at a turning point, as we have still not benefited from new information technology and have not reached the advanced stage of the knowledge-based economy or, even better, of the creative society.

Because of the economic and social environment, the assessment of local development has varied considerably over the last few years. Current renewed interest probably reflects the lacklustre economy over the past two years. In contrast, four years ago the predominant speech was very different: some experts were venturing to predict that Europe was entering into a decade of prosperity, guaranteed by the advent of the new economy, or e-economy. However, weak growth, the stock market crisis, rising unemployment and strong competition from China and India caused European public opinion to doubt the benefits of globalisation and self-propelling progress generated by new technologies. This reversal culminated with the success of anti-globalisation protest movements and as a consequence the local approach was rehabilitated. Local development may appear to some as the last bulwark against the volatility

of the global economy, while others will merely salute its agility and capacity to negotiate with the dominant economy. In both cases, local development is succeeding in loosening the constraints of profitability at any price and it gives back the margin of manoeuvre to citizens, inhabitants or workers.

WHAT HAVE BEEN THE MAJOR DISAPPOINTMENTS FROM THE BOTTOM–UP PARTNERSHIP APPROACH

The term "disappointment" is probably an exaggeration, but it is self-explanatory given a great deal was expected from this approach, which was lauded for its benefits and occasionally presented as a substitute to the growth model of the 30 years of growth after World War Two. It also aroused impatience: faced with the scope and brutality of the economic and social shocks, it produced small quantitative results in terms of resources or jobs created. In the areas in crisis, the fact is that the situation worsened because "a good partnership is not worth real local economic development". The illusion of inclusion for deprived persons is not enduring if it does not occur through material improvement, such as jobs created, higher income, better access to services or the restoration of the environment, etc.

The ambiguity stems from the fact that, while the bottom-up partnership approach and active participation of beneficiaries have proved their usefulness as tools to improve the conception, implementation and effectiveness of a public policy, they have occasionally been used successfully as substitutes for traditional policies. The "miracle" of development was sometimes achieved in some lagging-behind rural areas or neglected urban districts, simply thanks to the involvement of the local community and the social and economic players. But instead of recognising the very exceptional nature of such an occurrence, there was a tendency to try to replicate it indefinitely. Thus, whereas local development should have been considered a new instrument for governance – which was already substantial progress – there was a desire to make it a broad-based instrument for economic and social development.

In fact, local development followed its course at its own slow pace, requiring at least 5 years for development projects, and 10 years or more for behavioural changes. However, various local and national experiments demonstrate that if a strong political signal is given, you can influence speed and activity. Nevertheless, "mainstreaming" proves to be disappointing and critical mass, which would push us in the direction of another model, is not achieved.

WHAT HARD MEASURES OF PROGRESS ARE AVAILABLE AND WHAT ARE THEY TELLING US?

There are many successful experiments but they are not sufficiently well known due to a lack of financial resources and dedicated persons. The visibility acquired at the end of the 1990s resulted from major work in the areas of data collection, rigorous analysis, and communication and networking activities, implying a substantial political and financial commitment. In recent years, as this effort declined the situation has become more opaque.

The lessons drawn from the experiments conducted between 1994 and 1999 within the framework of the Commission's Inter-Services Group have been confirmed. Local development is now perceived as a reliable method to diagnose real problems in a region or

group experiencing difficulties, to develop solutions to these problems, to create a feeling of belonging, and to guarantee the lasting quality of results. More generally, it enables urban districts, small rural communes or micro-regions to gradually readapt their future, which explains why there are few records of a return to the former situation. For the persons involved, there are positive effects in terms of citizenship and being aware of the existence of a common good.

In over a decade, some organisations have continued to prosper. One such case is the social co-operatives in Italy, whose legal structure has recently been adopted, with success, in many other countries. Today we recognise the fundamental importance of networking and professionalisation to guarantee project stability.

However, capitalisation still remains problematic due to a lack of time, financial resources or method. Nonetheless, within the context of enlargement, it would be very useful, as we must prevent the new member states from making the same errors as we made.

DO WE HAVE A CLEAR VIEW OF THE LIMITS OF THIS APPROACH?

The most frequent criticisms are well known and are occasionally justified. Namely this approach is blamed for:

- being too complicated: this is both true and false. Concerns about democracy, openness and inclusion may lead to an excessively sophisticated process. Following a type of positive discrimination, the most deprived are asked to become more involved in order to benefit from the measures. Instead of remaining clients, they must become partners. Paradoxically, the most educated and integrated populations that do not participate in such programmes because they do not live in the targeted areas are often attracted to the consultation process, yet envious of not having the luxury to be part of it.

- being subject to misappropriations of public funds: this is all the more false since, in comparison to traditional methods this approach is intrinsically submitted to more internal control procedures by the partnerships and external control by donators. This unjustified distrust at the local level reveals an excess of idealism in relation to the real economy.

- disguising its intentions and not respecting its objectives: this is true, but local initiatives are victims more than those responsible. This by-product results from a survival strategy to obtain grants, as top-down policies oblige those involved to "bend the truth".

- being falsely democratic: this is true insofar as it does not claim to be a substitute for the classical political representation process. Its main aim is to restore participative citizenship. As for the internal functioning of partners, the imbalance is probably normal and acceptable.

- not being a remedy but merely a palliative: this is all the more true since the means available are not up to the level of the challenges. Too often, problems are eliminated by transferring them to the local level without changing the policies and administrative methods.

CAN IT REALLY STAND THE TEST OF HARD" EVALUATION?

A few years ago the evaluation process was blamed for attributing too much importance to quantitative data and concentrating excessively on figures, such as jobs created and persons trained, to the detriment of qualitative data such as social cohesion. This is less true today but evlauation techniques are still unsuited to this approach insofar as they do not include some of the main components of local development, namely the simultaneous pursuit of multiple objectives (social and economic), the duration of effects over several years and social capital both as an input and output. Moreover, evaluation studies are usually carried out too early, 6 months after the end of the programme, which does not allow you to gauge all the positive results or, conversely, the fragility of the experience. Consequently, it is not surprising that assessments are often disappointing, even if the results of the programmes are good: they provide a great deal of information on the methods followed and enlighten you as to what you should or should not do, but they do not provide any instructions of a political nature.

Generally speaking, local initiatives have been subjected to particularly stringent controls and detailed evaluation. This situation appears discriminatory in comparison to the classical economy, which is treated in a kinder manner independent of its poor or even damaging results.

IS IT ROBUST ENOUGH TH SURVIVE THE CHANGING POLICY ENVIRONMENT?

The experiment demonstrates that local development transcends political currents and manages to emerge from the fluctuations of electoral mandates. However, it requires public money and it is not realistic to claim that it could one day be self-financing. In fact local development is a public policy that takes place in the economic and social spheres, but which cannot survive on a purely competitive basis. But you have to admit that in the space of ten years the deregulation movement has carried on, deepening disparities, weakening the most impoverished populations and making public capital scarcer. The future of local development, partnerships and the bottom-up approach cannot be separated from the social European model and the plans for its modernisation.

4 – THE FUTURE ROADMAP FOR THIS APPROACH

IS THE LOCAL AGENDA BEING SUCCESSFULLY INTO THE LISBON STRATEGY? CAN THE LISBON STRATEGY BE ACHIEVED WITHOUT A LOCAL APPROACH? HOW DO YOU ENSURE THAT THE LISBON STRATEGY TAKES THE LOCAL DIMENSION INTO GREATER CONSIDERATION?

At first glance, the question of whether the Lisbon strategy is an opportunity local development should seize, creates controversy: from the point of view of the ideas stemming from the bottom-up partnership approach, the main objective laid out by the Union of becoming "the most competitive knowledge-based economy in the world" seems relatively unattractive and even arguable. There is also a risk of denaturation: by basing itself on the Lisbon strategy, wouldn't local development lose its soul? Would it not be supporting both the predominance of economic performance over cohesion and the intergovernmental approach over the community method?

The general opinion is that the local dimension has been neglected by the Lisbon strategy, which is focused on commitments advocated by the member states and the convergence of national policies. However, the Lisbon strategy has no chance of succeeding without the local dimension.

The open method of co-ordination (OMC) asserts itself as a comparative exercise between national governments, which is generally co-ordinated by the Commission. As time has passed guidelines on employment have placed less and less importance on the issue of local employment and the positive measures taken in 1997 and 1998 have disappeared. Of course, in comparison to traditional regulatory methods, OMC consists of two interesting dimensions: the identification and exchange of good practices, as well as partnerships. However, in practice, OMC has become a piece of technocratic machinery that places too much emphasis on the sector approach, based on a multitude of incomprehensible indicators.

Neither regional, economic or social partnerships, nor public opinion have taken over the Lisbon strategy objectives ("no one considered demonstrating in the street because it is excluded from the knowledge-based economy"). Moreover, this is one of the reasons for its partial failure. The recommendation made by the European Council in spring 2003 to institute partnerships for reform has gone completely unnoticed.

Several obstacles would need to be overcome to rectify the situation: first, national governments would have to accept delegating part of their competencies to regions on these issues; secondly, local authorities would have to be properly equipped to become part of the process. Local communities are very poorly equipped and incapable of embarking on such an intensive exercise of regular comparison, due to lack of resources and statistical data. Thirdly, the design of the Lisbon strategy would have to be reversed: instead of fixing a general objective from the top and implementing it all the way down to the lowest level, the process should proceed from the bottom by identifying areas in which progress is desired, by finding a

method to carry out this progress and finally by constructing a definitive global objective through successive aggregation.

It is not certain that the member states and the Commission will agree to carry out such a substantive reform in order to give the Lisbon strategy every chance of succeeding. Nonetheless, it would be a shame to waste this opportunity to redirect a policy that covers many sectors and whose guidelines will underpin EU policy in other areas. Local development actors and partners must make their voices and their proposals heard at the European debate on the mid-term review.

WHAT SHOULD BE DONE SO THAT THE LOCAL DEVELOPMENT PROVIDES A GREATER CONTRIBUTION TO THE RENEWAL EUROPEAN SYSTEM OF GOVERNANCE?

First of all, it is agreed that local development should provide an essential contribution to the new European governance that is emerging, but at the same time the issue of the connection between the different levels and the interplay between the top and the bottom remains problematic. The conceptual breakthrough expected for ten years did not occur and the disappointing experience of the White book on governance in 2001 seems to demonstrate that another approach must be adopted.

One of the most operational routes consists of attaining clearer visibility and then building a platform for local development. Today there is no lobby group for local development. Of course there are networks and local authorities associations, but the two should not be confused. The idea would be to create a simple structure based on the European Social Forum model: a resource centre linked to premises to carry out assessments and analysis. A biennial meeting would provide the opportunity for the various European networks, specialised by sectors or area-types, to review, among other things: their presence in Europe, progress achieved, problems encountered and solutions recommended, new concerns, state of research, support obtained and the next European deadlines.

Another route entails not losing sight of the other components of the European agenda and in particular the preparation of the future policy of economic, social and regional cohesion. It is advisable to ensure proper maintenance of the various systems for carrying out experiments including their installation on a network, their development and even their capitalisation. This last point is still probably of the highest priority due to the lack of dedicated resources at the EU level. Formalising concrete proposals, for each of the various funds (ERDF, EARDF, ESF, EFF) and other policies, could also provide a good opportunity to share the findings of the results and the most relevant and promising methods.

PROGRAMME

Partnership and Bottom-Up approach: Where are we now?

Seminar organised by Ecotec and Notre Europe,

31 March 2004 in Brusels (European Policy Centre)

9.30 Welcome

Introduction by Graham Meadows (chairman) and Peter Lloyd (facilitator)

10.00 Session 1: Partnership and local employment development: the current state of play across Europe

Introductory talks by Jean-Louis Laville and John Bell

Discussion

11.30 Session 2: Critical assessment of the bottom-up local partnership approach

Introductory talks by Peter Wells, Marthe Nyssens, Peter Tyler and Neil McInroy

Discussion

13.00 Lunch

14.30 Session 3: Roadmap for the future: what are the opportunities linked to the Lisbon strategy?

Introductory talks by Hans Martens, Marjorie Jouen and Jan Olsson

16.00 Conclusions and recommandations

List of participants

MEADOWS Graham (Président)	**DG Regio – European Commission**
LLOYD Peter (Facilitateur)	**Indépendant consultant (UK)**
BELL John	**ECOTEC**
BURON Martine	**Formeerly-Committee of the Regions**
CHEALLAIGH Ni Martina	**DG Education & Culture – European Commission**
EGRIBOZ Kursat Levent	**ECOTEC**
FAVRIE Annie	**Cité de l'Initiative de Roubaix (F)**
FROY Francesca	**ECOTEC**
GAFFEY Veronica	**DG Regio – European Commission**
GUILLERMO Martin	**Acter Conseil (F)**
JEFFREY Paul	**ECOTEC**
JOUEN Marjorie	**Notre Europe**
KAMMERHOFER Christa	**DG Employment & Social Affairs – European Commission**
LAVILLE Jean-Louis	**CRIDA (Research and Information Centre on Democracy and Autonomy) – CNRS (National Council for Scientific Research) (F)**
MARTENS Hans	**European Policy Centre**
MCINROY Neil	**Centre for Local Economic Strategies (UK)**
MOLLE William	**ECORYS (NL)**
NYSSENS Marthe	**CERISIS (the Interdisciplinay Research Centre for Solidarity and Social Innovation) - Université Catholique de Louvain (B)**
OLSSON Jan	**European Economic and social Committee**
PARMENTIER Catherine	**Eurocities (B)**
BAHL-POULSEN Lisbeth	**DG Employment & Social Affairs – European Commission**
RAMSDEN Peter	**Indépendant consultant (UK)**
SAAD Haroon	**QeC (Quartiers en Crise) –ERAN (European Regeneration Areas Network) (B)**
SHER Mannie	**The Tavistock Institute (UK)**
TYLER Pete	**Cambridge University – Regional and Urban Studies Association (UK)**
WELLS Peter	**Sheffield Hallam University (UK)**

Annexes

Jean-Louis LAVILLE

THE THIRD SECTOR – ACCOMPLISHMENTS AND CHALLENGES THAT ARISE FROM THE EUROPEAN CONTEXT

(text written by Adalbert Evers)

The following contribution resumes in some ways key elements of the joint research and cooperation with my colleague Jean Louis Laville, the main organizer of this meeting; and they will be documented in a much more extended and refined way in a forthcoming book that we have edited and in parts written together: "The Third sector in Europe" to appear in two months time. This and other research develops in a European research association – the EMES – group, situated right in Brussels.

In a first attempt my intention had been to entitle this contribution "The Third sector as a part of the European model". The reasons for not doing this are rather simple. Because the undeniable communalities of the European legacy in matters of social welfare can only be called a "model" if there is a certain minimum of shared concern of national governments and on the level of the European Union, to preserve and develop these communalities further. But I think national policies of recasting welfare states as well as EU declarations on this point are too vague and too diverse to make us sure that Europe will be able to use its accomplishments of the past in order to meet the challenges of today by a European model. It is therefore that i have decided to take a more modest point of reference when dealing with the organizations of the third sector: the accomplishments and challenges that arise from the European context as a special social and political space. By saying so, obviously at once the USA with their discourse and reality of a third sector will come to our minds. And since US-american concepts have been quite influential in the process of re-detecting the third sector in Europe, marking differences and communalities between the two will be part of the following reflection on the Third sector in Europe.

The central thesis of my contribution is simple but as well demanding: There is a special European legacy of developments and approaches that should fertilize an international debate and challenge other approaches. And this special legacy and the chances and challenges that derive from it should not get lost or be denied. Let me explain this by some reflections that are concerning first of all historical developments, then, secondly, theoretical concept building and third and finally political challenges concerning third sector development in the European context.

(1) Throughout Europe, the formation of a third sector has benefited from special contributions by organizations other than charities, voluntary organizations and foundations that are also a part of the legacy of US society; these organizations are mutuals, cooperatives and other associations constituting a 'social economy'. The European third sector cannot be equated either with the more narrow concept of the voluntary sector nor with the US notion of a non-profit sector. This becomes immediately clear if one takes e.g. the representative of the anglo-saxon tradition in Europe, England. It is undeniable that its history of a third sector is not only about voluntary organizations and charities but as well about a strong cooperative movement e.g. in the housing sector; and this counts for the presence, because the lively debate in England about issues like social and community enterprises has a link with that second line of tradition. In contrast to the US American tradition, the European third sector legacy has <u>two</u> tiers – the charity and voluntary-sector one and the solidaristic one of cooperatives and mutuals, where people organized the production of key services and goods themselves for their own purposes.

(2) This leads to a second point: There is something like a specific historical and political embeddedness of the European third sector and its evolution. Besides the impact of markets and public policies and faith-based organizations or charities established by the 'better off' classes, for the European experience the role of social movements – such as labor movements and popular movements as they can be found in the Scandinavian countries – has to be underlined. These latter components in particular have shaped concepts, paths and organizations in ways which differ from the US legacy. However at the same time, the emergence of new social movements and forms of association building reported in the contributions from all these countries point to many aspects that are shared across the Atlantic: to civil society as a point of reference, to new understandings of what voluntary commitment and solidarity may mean today, but also to a new entrepreneurial spirit.

(3) A third point to be underlined is the special importance and role of the European welfare states for the third sector and vice versa. Surely, this relationship has brought in the past competition, rejection and incorporation; but besides that there has been as well a long history of cooperation and mutual stimulation. In most European countries at least parts of the third sector have been built quite tightly into models of welfare. But it would be an error, simply to see this more central role of state welfare in the present 'welfare mixes' in Europe as compared to the US just as a weakness. It is highly questionable to make a simple ranking, with the US model as the one of a more civil society simply due to a more vital third sector. Things look different, once it is understood, that besides the third sector the state is the other component needed in order to constitute an effective public policy that works for a more civic society. One should be reminded, that in many European countries, supporting and integrating third sector action according to the principle of subsidiarity, has been quite successful in backing the emergence of more civic societies.

It can be argued, that there are at least two particular theoretical innovations stemming from the European debate.

(1) First of all, the European debate on the third sector, especially by including cooperatives and mutuals, has brought on to the agenda the issue of the economic dimension of the third sector. This is something totally different from measuring the economic impact of third sector services, or from explaining this sector – like all the others – with tools and concepts that stem from market theories. Acknowledging that moral and political dimensions are to be found in associations which provide goods and services and that these constitute specific social and solidarity-based economies opens the way to a huge theoretical challenge: that is to reconstruct the specificities of a third sector economy as part of a plural set of economies. There is obviously a strong overlap between this concept of a "plural economy" and the solidarity based economy as one of its parts, most advanced in analyzing the special character of a third sector economy and such concepts as 'welfare pluralism', the 'welfare mix' or 'the mixed economy of welfare'. Without extending this point further, one should just be reminded, that it is perhaps not by accident that this has all been worked out primarily in a European context, shaped by a long history of bottom up attempts towards forms of socialized and decentralized public ownership in economic action.

(2) A second distinguishing feature of much of the European research is the emphasis placed on the fundamentally open, pluralistic and intermediary nature of the third sector, instead of seeing it as a kind of 'independent' sector, a special 'box' where organizations take either a residual or an alternative role with respect to state and market. Thinking in terms of 'intermediarity' means more than just acknowledging that the lines between the sectors are blurred. The theoretical approaches that have been developed by Jean Louis Laville and me later on have in a way radicalized the intermediary approach. We argue, that third sector organizations, such as associations, are not differe nt by nature. They have to be seen as kind of 'hybrids', held in a tension field, where it can never be guaranteed that state links and market elements can be counterbalanced sufficiently by the associations' roots in civil society.

(3) These two points provoke a third one: Does sector matter? Can an organizational status safeguard or predict that its organizations develop styles of action and services that are distinct from others? The viewpoint of intermediarity or social and political embeddedness allows for an answer that does neither deny nor naturalize the specificity of the Third sector: Here, organizations are exposed to more freedom and space than in markets and the state - bureaucratic realm to develop according to the varying impact of building principles such as democratic participation, cooperation with users, the degree of embeddedness in local spaces of civil society. Vice versa, there is always the presence of the danger that pure commercial and managerial orientations override these principles. From that follows a theoretical insight, which, I think, is likewise important in Europe and other regions of the world. First of all, the principles and values that nourish civil society cannot be contained to one sector. There is neither a 'civil society sector' nor are the links of the third sector with values like activating volunteers (voluntary sector) or being not for profit exclusive ones. In a civil society, municipal

and state public services can as well take characteristics ascribed falsely to third sector organizations only. Hence, a more civic society can not be measured in terms of size or growth rates of a sector, as many are tempted to do when comparing e.g. Europe with the US. What counts is rather the overall impact of values and principles for which a third sector is needed but not sufficient: civic principles like solidarity, active citizenship and a strive for pluralism beyond indifference or egotism.

POLITICAL CHALLENGES

It will be my third and final point of concern. What derives from all this when considering the role of the third sector in future politics? Let me highlight just two points which may be part of a shared agenda between Europe and other regions.

(1) The first point concerns the general vision. Concepts for the future should entail a basic 'compact' concerning the status and the contributions of third sector organizations. Between professional politics and state administrations on the one hand and third sector organizations and their representatives on the other, visions of partnership are needed that reject instrumental attitudes toward one another. Neither the public authorities nor the contributions of third sector organizations should be reduced to a mere financial or economic dimension. A partnership has to acknowledge the moral and political value of third sector organizations, as well as the fact that those providing goods and services on such premises are neither "do – gooders" nor just economic actors like usual commercial service providers; they have to be acknowledged as actors that dispose on a different economy.

 (3) This leads to a second and final point. Third sector organizations need rules and legal frameworks, appropriate forms of governance and networks of interaction that respect their special added value. The success story of Italian cooperatives has been largely due to the establishment of supportive legislation and the same holds true for the considerable spread and success of citizens´ foundations in Germany. Most people here will know, how difficult it is to build stable programmes and perspectives which activate and encourage the special abilities of third sector organizations rather than reducing them to an instrument fit for just one purpose or "core business". Here once again Europe and other countries like the US may have different legacies but shared challenges. Let me highlight one of them. In policy fields like child care, care for the elderly, but as well urban regeneration, approaches that work are mostly based on mixed and inter-meshed service-systems and on networks, where various state authorities, private business and third sector organizations cooperate. There is a need then to develop appropriate policy networks crossing the public-private and the state-civil society divide. Forms of an accountable democratic "networked governance" can however neither prolong the old fashioned corporatism from many European countries nor copy US public-private partnership that often work for the private use of public power. New partnerships with the third sector need new forms of democratic governance.

Let me come to a close. In the last decade of the former twentieth century, it seemed as if Europe were to rediscover itself through the eyes of an American legacy. What Tocqueville had detected in the formative process of the United States – the role of freely founded associations

formed by active citizens — became an important point of reference in Europe for a broad debate on the history and role of civil society and a 'third sector'. Now, after the turn of the century, things have moved on and changed. Citizens, policy makers and experts in Europe are under way towards re-detecting their own national and European legacy. And they have accomplished to work out theoretical concepts that cannot be contained anymore in the notion of a nonprofit sector, a concept which is clearly mirroring a special cultural and historical legacy. I have hopefully been able to show, that such accomplishments from the European context can help in defining concepts that fit for the special European challenges but likewise contribute to perspectives to be shared - internationally and on both sides of the Atlantic.

John BELL

REFLECTIONS ON THE BOTTOM UP APPROACH FROM PRACTICE

Competitiveness is essentially concerned with *giving weight to difference* in ways that will produce an advantage over others, be they firms, countries, regions, places, or even individual people. The competitive process is to seek out and exploit advantage – "creating and sustaining competitive advantage" (Porter).

At the broadest level the European Union is seeking to create and sustain a competitive advantage in global terms over other blocs, particularly the most developed (North America) and the most rapidly challenging in both goods and, increasingly, services (Asia Pacific). The Lisbon process seeks to position the EU as being the world's most advanced knowledge based economy, whilst at the same time seeking to preserve Europe's social welfare ideals. This macro-level stance is associated with the European model – seeing competitiveness and cohesion as parallel and simultaneous objectives. This is in contradistinction to the "trickle down" propositions that see the first (competitiveness) as the first order driver, with the second contingent upon it.

The Lisbon proposition – the world's most advanced knowledge based economy – is therefore the normative condition for competition and employment policies in the Union, with other policies configured in relation to it. From the cohesion perspective "countries and regions need assistance in overcoming structural deficiencies in key factors of competitiveness in order to be able to compete both in the internal market and outside" – " all regions need to be involved in the growth effort and all people living in the Union given a chance to contribute";

This is an essentially top-down model. The method of delivery for the model is the "open method of co-ordination", where kaizen benchmarking techniques are applied to finding 'the best' in a given domain, and encouraging or pressing others to level up to it and aspire to surpass it to create a new best standard.

This is an essentially economic model, with its roots in international corporate business practice. It implies a strong and consistent will to create and sustain competitive advantage from all who are engaged, and the existence of systems – policies, programmes, legislation, availability of information and standards - to make it work in practice. Aspirations are not enough.

How does this approach sit in the realms of politics and governance, and in the real geography and polity of a Europe of 15, soon to be 25, nations? If we take the geographical framework for Lisbon, the process is to be played out at many levels of spatial resolution – EU, Member State, Region, Local Places. Lisbon itself is a process established at the EU – Member State

level of resolution. Regions are drawn in both within the Member State level but, in a globalised world economy, regions and places are part of an economic system that transcends the nation and the EU whose influence is seen in some quarters as being "hollowed out".

At any given time regions are only as 'good' (economically) as the firms and wealth creators to which they play host (Porter). From this perspective, the competitiveness of regions depends on those "structural" conditions that help to attract and retain businesses and contribute to their being able to create and sustain competitive weight in their activities. It is this proposition that underpins the regional aspects of the benchmarking process of Lisbon – seeking to "level up" infrastructures, human and institutional capital, networks and accessibility to the global best standards. Where these factors of production are in the realm of public goods – supplied by the state through systems that make them available to all – the regional level has the administrative and economic benefit of being able to claim efficiencies of scale and scope, though some are best sub-administered through the municipal level of government.

The kaizen proposition sees each region in a Europe of the Regions seeking to engage in a process of benchmarking to find the best and level up to it – delivering the virtuous effects of an open method of co-ordination. So far so good! However, regions have other roles within the spatial division of labour than that which sees them as being drawn into the "world's best knowledge based economy". They may legitimately reject such a proposition. Or they may be so far removed from an ability to compete with the best on these terms that they choose an alternative regional proposition. Is the Lisbon model then an economistic-elitist one that fails to recognise the essential European values of difference – linguistic, cultural, attitudinal, moral and philosophical and of the extreme *variety* of regions? We should perhaps consider whether the privileging of the knowledge based economy, while perhaps necessary, also demands a vastly more sophisticated and flexible view of what people and places both *need* and can *contribute* in a Europe of 25.

What of the local level? While efficiency in the provision of public goods by the state as supporting factors of production is appropriate at national and regional level, is it not the case that a real driver for change and difference in a global village is also likely to be the *creative energy of people.* This comes from human social interaction in all its forms and, it may be argued, has a strong input from the *local* living space and milieu. Years of EU intervention, both as pilot demonstration actions and through policies to ameliorate macro scale structural disparities by micro scale activities, has yielded a huge body of research and evaluative evidence relating to the playing out at local level of policies geared to the competitiveness/cohesion philosophy. It is the accumulated impact of these 'real' actions by local players that has been, at least in part, a key element in the creative engine of European development.

Alongside the mountains of output and fund absorption evidence and sketchier outcome/impact extrapolations there is a deeper pool of data concerning the *complex interplay of contextual influences on behaviours and outcomes worked out locally.* Our present understanding of this does not provide answers so much as pose a number of questions that

we believe must be addressed considered if the policy and practice implied by the Lisbon approach is to be informed by what has been learned at the local level:

- why is it that investment in best practice formation and dissemination shows so few examples of widespread adoption?

- why do apparently similar local economies / territories have such different developmental trajectories?

- why is successful intervention are so dependent on the intangible influence of key individuals in critical positions?

- what are the conditions which coalesce in particular places at particular times to create effective common cause?

- to what extent are external policies and programmes "notes" that are "consciously orchestrated" by particular actors in the local milieu?

- what is the influence of culturally specific meanings of key concepts on the effectiveness of local action: the meaning of *partnership; leadership; work; appropriate economic and social roles; security; authority*

- to what extent do local attitudes and aspirations define the conceptual space within which action is possible?

- where do the boundaries lie between legitimate and illegitimate economic activities? What influence does this have on the potential for consciously organised activity?

- what is the influence of actual and potential role models on willing participation in state organised intervention?

- to what extent do social norms such as trust, identity and openness define possible spaces for action, or impose transaction costs?

If policy and practice is to extend directly to the local, the diverse, changing and multi-dimensional nature of the local will govern its outcomes. Real choices by collections of individuals define the time/space within which action may or may not take place. The local is the only place where the economy becomes manifest in existential reality, yet may be the least well understood – paradoxically, perhaps for this very reason. Its very nature makes it hard to understand, let alone influence, it does not lend itself to the mechanistic models of classical economics nor political theory – and yet, it is the only place where tangible value finally resides.

Peter WELLS

EVALUATING BOTTOM-UP DEVELOPMENT: APPROACHES, FINDINGS AND POSSIBILITIES

INTRODUCTION

Bottom-up approaches have become a prominent feature of most Structural Funds programmes as well as the urban, rural and regional policies of the Member States. This paper considers the evaluation of *area-based approaches* to bottom-up development, and in particular *Community Economic Development* (CED). It outlines the problems CED poses for traditional regional policy evaluation, how CED is evaluated in practice, and a series of issues that evaluations should address in the future. The paper draws on evidence from the Mid Term Evaluation of the 2000-2006 South Yorkshire Objective 1 Programme. In many respects South Yorkshire has pioneered area based approaches to bottom-up development in successive Structural Funds programmes and it therefore provides a useful test bed for evaluation.

APPROACHES

Through the MEANS framework, the European Commission has developed a recommended system of evaluation for the Structural Funds (MEANS Collection, 1999). This distils over 30 years of regional and urban policy evaluation research. The MEANS approach recommends a combination of 'top-down' and 'bottom-up' evaluation techniques, for cross-checking purposes. 'Top-down' methods analyse *secondary* data sources, while 'bottom-up' methods collect and analyse *primary* data through sample surveys of beneficiary businesses, organisations and individuals. At the heart of these techniques is the estimation of the *counter-factual*: namely, what would have happened without the policy intervention or if an alternative intervention had been made. For mainstream regional development activities there is a wide consensus on the applicability of the MEANS approach.

'Bottom-up' methods have come to dominate Structural Funds evaluations: for reasons of data availability, timing and cost as well as a sense that 'bottom-up' methods provide richer insights not just into impacts, but also how projects and programmes work. Bottom-up methods can be used to estimate the four core elements of impact evaluation: deadweight; displacement; supply chain effects; and multiplier effects.

However, are these approaches relevant to bottom-up development such as CED? Although it is true that supply-chains and income multipliers are relevant only to economic impacts, the principles underpinning deadweight, displacement and opportunity cost are relevant. For

example, taking a Community Capacity Building project it is not pertinent to ask: would local community groups and networks not have evolved in the same way (irrespective of support), have community-centred networks (bonding social capital) led to a diminution of wider city and region networks (bridging social capital), or has the project absorbed funds which might have been more effectively spent elsewhere. These are, respectively, deadweight, displacement and opportunity cost questions.

If arguments that traditional evaluation is solely quantitative and economic are incorrect, it is pertinent to ask in what ways bottom-up development poses new challenges for evaluation methodology. A priori reasoning suggests that four characteristics of bottom-up development appear to pose unusually severe challenges. The following relate to the design of bottom-up policies:

CED has multiple objectives. These include social as well as the more traditional economic objectives. The concern here is with capturing the range of different objectives.

Bottom-up development typically has unusually long lead times, particularly during the capacity building phase. Although measures of capacity building can be developed, such as social capital indicators around trust, these are typically inputs, rather than 'hard' output and outcome measures.

The following challenges are primarily due to the conditions of the target areas:

- Multiple target groups of beneficiaries exist. This is because area based initiatives contain different and overlapping socially excluded groups (e.g. lone parents, those with ill-health and disabilities, the long-term unemployed and those lacking basic skills).

- Targeted areas typically suffer from 'multiple deprivation' (i.e. complex different barriers to social and economic inclusion). As such they attract the attention of many different public policies, and the resultant complex interlocking of initiatives.

Although these four characteristics are apparent in bottom-up approaches they also appear in more traditional areas of regional policy. What is different is the degree to which they appear in disadvantaged communities. These challenges can be addressed but require evaluations to tackle three issues: accumulating evidence over a longer time period to account for longer lead times; the development of sophisticated measures of capacity building, which can be monitored and evaluated; and the testing of the assumption that bottom-up approaches can simultaneously meet the environmental, social and economic goals of all target beneficiary groups. Namely, that there can be pure pareto gains. This would be something unique to any urban and regional policy.

FINDINGS

This section draws on the findings of the Mid Term Evaluation of the 2000-2006 South Yorkshire Objective 1 Programme. Given the timing and the scope of the evaluation it was not possible to attempt a full examination of the issues outlined above. Moreover, given the

complex process of targeting resources and developing bottom-up approaches, the number of activities on the ground that could be evaluated were few and far between. However, four findings illustrate the problems which confront evaluators.

Priority 4a in the South Yorkshire Objective 1 Programme was intended to be community led and is concerned with *'using communities themselves as a key agent in economic regeneration'*. The Priority receives seven per cent of Programme resources. Resources were targeted on geographic areas containing 36 percent of the population. The process of targeting involved using 1991 Census data for population figures at ward levels coupled with the 1998 Index of Multiple Deprivation, with some weighting given to more recent unemployment data. To ensure that the communities targeted conform to natural boundaries, targeting also involved a process of discussion between the local authorities and a representative body of the voluntary and community sector. The following map shows the outcome of the targeting process.

Two concerns are raised by the process of targeting. Firstly, the extent to which the process can be *community-led* and is *bottom-up*. Even by using a negotiated process of targeting resources, the question this poses is *who negotiates* on behalf of the community. The second concern is with the drawing of boundaries and the focus on *geographic communities*. Although providing clarity for programme managers, these boundaries are likely to vary from individual resident's perceptions of boundaries and in many cases the boundaries drawn by other agencies and funding bodies. These concerns are typically not addressed by Structural Funds evaluations.

AREA BASED ACTION PLANS

Resources in Priority 4a were allocated on a per capita basis to each of the targeted communities. This was on the basis of approximately £100 per person in the targeted areas. Consideration was also given to community needs, for example whether the area had received regeneration support in the past, and the extent to which they could take advantage of wider strategic priorities (e.g. proximity to a strategic investment site funded by another part of the programme). However, this does raise questions over the balancing of community needs and wider opportunities.

Each area was allocated resources to develop a community action plan. This typically involved support in developing structures to build community capacity and staff support. The outcome of this process was the production and approval of a community action plan. This was then used as a trigger to release the remainder of funding against project proposals. The concern here relates to how bottom-up approaches are currently conceived and implemented: the design of resident and community led action plans are contingent upon what is allowable and permissible under programme rules as well as the practices of managing authorities. Coupled with the concern of *who negotiates*, this presents an array of problems for evaluators.

The South Yorkshire Objective 1 Programme included a cross-cutting theme called Social Inclusion. This was in addition to the core cross-cutting themes set in all Structural Funds programmes (for protection of the environment and equal opportunities between men and women) and three others set in the South Yorkshire Programme (equalities, employability and information society). The intention of the social inclusion theme was to encourage projects to address, in their design and implementation, the needs of the Priority 4a (CED) areas.

The evaluation found that of the six cross cutting themes, 25 per cent of project managers ranked Social Inclusion (of Priority 4a areas) first in terms of its importance to South Yorkshire. 27 per cent of project managers also felt that their project's greatest contribution was to Priority 4a areas.

However, a key issue facing the targeted communities, the plans they put in place, and the organisations they established, was how they would engage with mainstream agencies in the future. A common concern was sustaining area based activities over time and beyond the lifetime of the programme. Given the state of the community action plans at the time of the evaluation it was not clear how this would be achieved. Moreover, there was also mixed evidence as to whether cross-cutting themes (which included social inclusion) would influence organisational behaviour in the future. Over 72 per cent of organisations reported that the cross-cutting themes would not affect project design in the future and over 69 per cent reported that the cross-cutting themes had no influence on their organisation. Although this evidence is very partial, it does highlight the challenge bottom-up approaches face in influencing mainstream agencies and agendas.

EVIDENCE OF TARGETTING

The resources allocated to the CED Priority 4a (7 per cent) were substantially less than in previous programmes in the region (up to 25 per cent). Although other Priorities addressed social inclusion goals this still represents a substantial shift in emphasis. However, targets were set for most ESF Measures for the proportion of beneficiaries resident in Priority 4a areas. This was in line with the proportion of the population in Priority 4a areas, that is, 36 per cent. All ESF beneficiaries were 'geo-coded' allowing the programme managers to track the geographic impact of ESF Measures.

The following table, drawn from the Mid Term Evaluation, shows the progress each ESF Measure is making towards supporting residents of disadvantaged communities. Only three of the nine ESF Measures are exceeding this target. These are primarily Measures delivered through the education and training system.

Table 1: Geographical localisation of EFS beneficiaries

EFS MEasures	Total number of beneficiaries	Number of beneficiaries from P4a areas	% of beneficiaries from P4a areas	% point variance against a 36% target
5. Supporting New Employment Opportunities	283	65	23	-13
10. Enhancing Management and Workforce Competitiveness	4,400	1,364	31	-5
11. Creating a Responsive Training and Education System	5,913	1,892	32	-4
12. Enhancing the Curriculum for the World of Work	69,142	29,731	43	+7
13. Developing an Adaptable and Entrepreneurial Workforce	7,923	1,030	13	-23
15. Tackling Gender Imbalances in the Labour Market	1,724	793	46	+10
16. Assisting People Back into Work	9,136	2,284	25	-11
17. Tackling Disadvantage	5,330	3,198	60	+24
22. Tools for Re-integration	1,600	16	1	-35

Source : Government Office for Yorkshire and the Humber (Sept. 2003))

The Measures which have a strong work based or guidance element are falling beneath the 36 per cent target target. This suggests some deficiency in:

- the applicability of certain Measures to individuals within disadvantaged communities;

- the capacity of Project Sponsors to target individuals in disadvantaged communities; or

- the capacity of individuals in disadvantaged communities to access support.

The challenge for programmes and evaluators is to identify where deficiencies lie. A compounding factor is that despite the best intentions of programme managers, different priorities and measures proceed at different speeds which can make the realisation of linkages intended at the outset of programmes difficult.

POSSIBILITIES

This final section highlights possible areas for future attention by evaluations. It draws together the findings outlined above and sets these in the context of the approaches which can be taken to evaluating Community Economic Development.

INDIVIDUAL OR AREA BASED EFFECTS?

The focus of most Structural Funds interventions in disadvantaged neighbourhoods has either directly or indirectly been on tackling exclusion from labour markets. This reflects a wealth of evidence which points to spatial concentrations of unemployment and worklessness. However, an emerging, and under-researched, area is the extent of area-based effects over and above the prevalence and concentration of individual effects.

The identification and analysis of area versus individual effects is a key component of examining the incidence of worklessness, its causes, and the effectiveness of policies to combat worklessness. At its crudest, area effects can be taken to mean a relative concentration of labour market characteristics in a particular area. On its own, this can sometimes be a justification for policy intervention. However, one focus of methodological debate is around how labour market and non-labour market characteristics interact and compound each other where they are spatially concentrated. Of critical importance is the identification of thresholds or tipping points, from which characteristics interact so as create area-based effects. A hypothesis which can be drawn from the literature on area effects and from Structural Funds evaluations is whether such tipping points have the capacity to fundamentally shift the social and economic trajectories of disadvantaged neighbourhoods.

GOVERNANCE, AGENCIES AND COMPLEXITY

A neglected area of evaluation research has been the understanding of the *politics of area based approaches*. Although research has been undertaken on Structural Fund partnerships, little attention has been given to the social and political processes which lie at the heart of bottom-up development. *A priori* these factors should have a strong bearing not only on how bottom-up development works but also in terms of the nature of outcomes. Despite the endeavours of programme and project managers, and processes of capacity building, bottom-up approaches are fundamentally non-linear with success and failure often determined by social and political interaction within areas and the interaction of communities with external agencies.

For example, the rationale of the Structural Fund programmes is that there is a logical flow from the design of programmes, to their implementation, support of projects and assistance to beneficiaries. Unfortunately, programmes rarely operate along such lines. Instead they are shaped by factors such as the agendas of different agencies, by changes to the wider policy environment over time and by the complex needs and circumstances of beneficiary individuals.

WHAT HAPPENS WHEN PROJECTS AND PROGRAMMES COME TO AN END?

Running through the challenges in evaluating bottom-up approaches is a tension between how to provide sufficient time for bottom-up approaches to bring 'hard' outcomes but also providing formative evidence for bottom-up agencies and funders as to what is 'likely to work'. The experience of evaluating successive Structural Funds programmes is that only a few organisations, and communities, are capable of sustaining a meaningful and viable level of activity across the disjuncture of programme closures and starts. This makes it difficult to examine how communities change over time both in terms of the life chances and experiences of individuals but also community infrastructure and capacity. Although Census data and to some extent administrative and survey data on employment provide part of this picture a significant gap is an understanding of how communities change.

CONCLUSION

This section briefly considers some of the questions posed for this seminar session. The findings of successive evaluations are that within the current configuration of Structural Funds programmes, only a few areas have genuinely built the capacity and infrastructure which can be sustained over time (and the programming periods of funders). Many of these areas, perhaps most, are unlikely to achieve such critical mass within a single programme - they face the problem of being too small. This is a challenge for bottom-up approaches, both in terms of their viability in all areas and whether in some cases they need to operate at a larger spatial scale which can secure more resources.

The 'hard' evidence from evaluations is that patterns of disadvantage within regions against headline indicators (unemployment rates, incidence of ill-health etc) in regions with generally weak labour market conditions, and peripheral regions, remains remarkably constant. This typically reflects the ongoing legacy of structural change and the time (a generation or more) it may take some small geographic areas to change. There is therefore a risk that bottom-up approaches alone, as currently conceived, organised and supported, come to represent a palliative rather than a cure. These issues can be explored by 'hard' evaluation if considered over a sufficient timescale but consideration of social interaction and political agency would enrich evaluation evidence in the short term.

Peter TYLER

THE ROLE OF PARTNERSHIP IN LOCAL AREA BASED REGENERATION:
LESSONS FROM THE UNITED KINGDOM

Some key points

▪ Considerable variety in policy responses to tackle local regeneration. Delivery has evolved considerably. In the United Kingdom partnership based working structures began to develop with more cutting edge to them in the early 1990s and one of the main policies was the Single Regeneration Budget – seen by many to represent a step change in thinking as to what effective partnership in the delivery regeneration was supposed to be about. The Single Regeneration Budget comprised 1028 Partnerships representing a regeneration expenditure of £26 billion. Considerable variety of partnership structures adopted in terms of the players represented, the lead partner, etc. Our understanding of how to assess the contribution of partnership-based models to effective regeneration has advanced and a considerable amount is now known as to what works and why.

▪ An evaluation of the Single Regeneration Budget has been underway for the last nine years. Final evaluation just produced. The evaluation has sought to assess a variety of mechanisms that have stood-out as being important in the effectiveness of the partnership model compared to other approaches. These include clustering, synergy, coordination, and specialisation effects. Important to assess partnership achievement over the lifetime of the partnership. The research shows that the relative performance of the partnership-based model is not correlated systematically with size, duration or theme. Evidence from a large number of partnerships does not support the view that there is 'one size fits all' format to successful partnership working.

▪ However, there are number of design features associated with relative success. These will be mentioned briefly at the Seminar.

▪ It is clear from the SRB research and a number of other studies undertaken across the United Kingdom that successful partnership based delivery of regeneration require the partnership to adopt a strategic approach. The main elements of this are not that new but it is surprising how rarely the basic format required is adopted.

▪ In the United Kingdom partnership based approaches have proved successful in delivering local regeneration but the experience has been mixed. Over time more of the key players have engaged in the partnerships, particularly from across the public sector. Number of issues as to how to best involve the private and

voluntary/community sectors learned from the experience of the Single Regeneration Budget.

- Dynamic and effective partnership based delivery would seem the only model capable of bringing the required adjustments from the market and mainstream of government. The attainment of longer term effective outcomes requires entrepreneurial and innovative behaviour from a partnership and this must not be limited to the private sector players but be present in the public and community/ voluntary sector response as well.

- Huge amount learned as to what makes for successful delivery and the required management. Too many area-based partnerships suffer birth and growth pains that are avoidable. Better management and advice. Crucial role for training. Too many partnerships learn lessons the hard way!

Neil Mc INROY

PARTNERSHIP IN UK REGENERATION POLICY

In recent years community empowerment and mechanisms to develop empowerment have grown in stature and significance as part of the partnership approach. Bottom-up approaches including solutions shaped by local people, opposed to top down solutions shaped by professionals are seen as the key means by which the delivery of policies including regeneration can be successful.

Empowerment is now perceived as a sure way of:

- identifying real problems as they are experienced;

- developing effective and pertinent solutions to these problems;

- developing local ownership and feelings of self worth;

- assuring that regeneration activity is sustainable in the long term.

Thus, it is now common wisdom shared by many policy makers, regeneration professionals and practitioners that empowerment of the community is the key facet to successful regeneration.

However, it is evident to us at CLES that some communities, practitioners, regeneration professionals, local politicians and policy makers are now beginning to question and challenge this conventional policy wisdom. It is becoming increasingly clear for some, that whilst community consultation and involvement is important and a key factor in regeneration success, the drive for more high-level empowerment and the attendant burdensome and time-consuming obligations that it places on local communities, is increasingly a problem and a barrier to effective regeneration.

THE PROBLEM OF EMPOWERMENT

Community empowerment has been an un-contentious concept. For many it encapsulates what a liberal democracy should be about and what we as a society should be striving for. For the UK Government, it is a key concept, reflecting in part, the desire for a society, in which participative democracy plays a greater role. In regeneration terms its seen as a concept which rejects the bad old days of top down municipal planning of the 1960's and 70's when huge swathes of Britain's poor were decamped to peripheral estates, with no voice or influence in the process.

Thus in many respects the benefits of community empowerment are not in question. For some area based communities, many of which have been subject to poor top-down decision making

there is a real desire for empowerment and a more participative democracy, where the community work in partnership with professionals. In some communities, decisions on UK regeneration policy such as New Deal for Communities or Neighbourhood Renewal, do involve an empowered community, or where they do not, there is a local desire to become involved. In these communities access to power is an intrinsic part of regeneration and is the basis to genuine bottom up regeneration, as a community representative we have interviewed has stated:

"Its all about power. We (the community) need to have more say in how money for our sector is spent, more say in who should get the money. More power to do what we want to do"

However, it is evident from some of CLES' and our members' experiences of a number of UK's deprived locations that empowerment as interpreted by regeneration initiatives are not always welcomed by all communities. In some communities, there is a view that regeneration is a mess and that formal structures of power ie through representative democracy is better, as one community rep said to me:

"There is too much power floating around. At least, the local authority has a party in power. If they're right, if they're wrong, there is a structure, there is a process, but with regeneration, there is a lot of competing bits of power. [....] The idea is nice, but in practice, you know, it's a mess".

Or as another put it:

"At the end of the day we can talk about empowerment for evermore, but what we need is decent services, housing and environment."

These quotes highlight the fundamental problem with empowerment for some communities. There is a strong sense in some locations that some communities do not want to be empowered, they just want things done. There is a cruel irony at work here. In some areas it is clear that not only are you poor but for things to change you have got to get involved as well. Many of us live in areas that are not subject to regeneration funds. In these areas we are not involved, apart from using the local services on offer. Furthermore, for decent services we are not expected to get involved and then be empowered to do so. We just get others to deliver and do. Should poor communities not also be allowed this fundamental choice of rejecting empowerment?

Another attendant problem surrounding empowerment is the range of local political mechanisms and bodies designed to provide opportunities for empowerment. Whilst regeneration initiatives have introduced a range of opportunities for empowerment, the complexity and range of this opportunity means that in practice, opposed to transparent traditional representative structures, informality and patronage are important, as a means of getting things done. In many examples around the country we hear of mechanisms designed to empower being seen as confusing, tokenism and a way of providing the illusion of inclusion, whilst power remains in the hand of an un-elected partnership board.

Undoubtedly, regeneration policies that allow for smaller, more informal and therefore less bureaucratic agencies and institutions, have pragmatic advantages in being able to act faster and more directly than cumbersome bodies such as local authorities. However, there is no guarantee in practice that this does not occur at the expense of those supposed recipients of regeneration monies, creating unaccountable and therefore undemocratic structures, which merely complicate the decision making process. Thus in some instances, the benefits afforded by the range of opportunity for empowerment have, from the communities perspective, been outweighed by the benefits of clarity and accountability which are evident in more traditional forms of representation.

Thus, if the policy emphasis on empowerment is to be sustainable, there is a need for a considerably more subtle appreciation of the empowerment and participation needs of some communities.

THE IMPORTANCE OF LOCAL POLITICAL CULTURE

What we have therefore is a variation in localities as regards empowerment. Some communities want to be empowered whilst others don't. They just want services. We need to acknowledge that the communities are very different, operating in a spectrum of variation. Whilst it is a truism to suggest that all communities are different, there is a lack of evidence to suggest this is reflected in terms of the extent to which the communities are understood in terms of their political culture.

In unpicking this variation in political culture, three crude types could be posited. Firstly, there is a type of community where there is a belief and attachment to the traditional institutions and sites of local democracy – representative democracy. This attachment to these traditional modes of representation does not merely reflect a political point of view but is based on an appreciation that this traditional process offers communities and the community and voluntary sector a better working environment and formal degrees of transparency and consistency, which is no longer the case with the present sites. Secondly, in other areas where there has been much more change there is a much debate and mistrust of local authority and a much stronger belief in partnership – participative democracy. In these areas partnership has been shown to work, and an active community embraces opportunities to gain more power through a range of participative bodies. Thirdly, there are some areas where there is a mistrust of both the local authority and regeneration partnerships. In these areas, there is an emerging assertion that there needs to be an alternative political solution and a challenge to the nature of empowerment as posited by regeneration. In these communities, including non-area based communities, empowerment is not rejected but there is a belief that it has to occur in a meaningful way that reflects the community's priorities and not those of outside professionals. In this sense community empowerment is radicalised and is more about challenging the orthodoxy, the language and style of Urban Regeneration, than playing a powerful role in the next regeneration initiative to emerge from Government

There is a need to devise policy and create mechanisms for delivery that reflects this variation in political cultures and the broad range of desired delivery options. However, the drive for

community empowerment is now such a core feature of policy that it does not tend to have the subtleties and local nuances required to allow for alternative approaches to partnerships. Furthermore, the more we go down this route, the more we can, in some locations, see how it weakens the role of representative democracy, and fuel the continuing voter apathy in local and national elections.

Thus, a continued debate about bottom up is warranted, in which greater clarity is sought over how it can be applied to supplement and bolster traditional representative democracy and the effective delivery of policy.

ANNEX: ARTICLE IN REGENERATION & RENEWAL, (UK) EDITION 12TH MARCH 'PULLING BACK ON PEOPLE POWER'

Early next month, the New Labour doctrine of community participation will find itself under the microscope. A study by the Economic and Social Research Council and the RICS Foundation will highlight emerging unease at the notion of partnership working in regeneration, due largely to the problems of working with community representatives.

Of this group, the report will paint a critical picture, documenting a growing sentiment that community involvement can actually become a barrier to effective regeneration. Extreme positions, conflicting political agendas, clashing cultures and the diverging objectives of certain self-interested groups will all be blamed for undermining cooperative working. The report will note that, because there is no direct cost to the community of a failed regeneration scheme, some individuals think little of obstructing negotiations – after all, if the scheme collapses, they will not bear the cost.

As it happens, the report could not have been better timed. Two weeks ago, the London Borough of Southwark published plans for a second attempt to regenerate the Elephant & Castle area. Its original plan collapsed nearly two years ago, after the regeneration partnership – comprising the council, developer Southwark Land Regeneration and a group of community representatives – dramatically fell apart.

Like its £1.5 billion predecessor, Southwark's new plan is ambitious – but the council has, it seems, learned a painful lesson. Its first scheme included community representatives on the project board, forming an innovative and ambitious structure then seen as a model of community engagement. But the authority's laudable attempt to embrace the prevailing spirit of community participation blew up in its face, as widening gaps between the council's and the community group's objectives hastened the project's downfall.

This time around - as the council's executive member for regeneration, Catherine Bowman, told Regeneration & Renewal at the time of the new masterplan's publication – things will be different. "We are not doing anything similar now," she says. "It was a small number of people, most of whom didn't even live in the area, trying to control the board. It started out as a new model of community engagement, but it really didn't work."

Southwark's experiences embody some of the difficulties of community participation, as set out in the forthcoming report. Schemes whose raison d'etre is community engagement, most prominently the Government's New Deal for Communities programme, appear to be enjoying greater success. But in large regeneration schemes involving business interests and necessarily controversial physical developments, a few vocal residents can derail projects with wide benefits for local people.

As a veteran of physical regeneration schemes, Chris Brown, chief executive of the private sector Igloo regeneration fund, is more than aware of the pitfalls of community engagement - his own experiences resonate strongly with those of Elephant & Castle. "Because people are generally apathetic, local community groups are dominated by a small number of powerful personalities," he says. "London is particularly difficult as there are large numbers of community groups that hold very strong and opposing views."

Brown says there's a danger of giving the views of minority group too much prominence, thereby eclipsing the feelings of the wider community. "You've got to ask who the community is," he says. "Is it just those next door to the scheme you're proposing? Or those who live in the wider area? Or those who might live there in the future?"

In order to canvas as broad a section of local community as possible, Brown's own schemes begin with surveys and opinion polls carried out by the likes of pollster MORI. These are done even before any ideas of the scheme are committed to paper, Brown says, and ensure that the draft plans incorporate the views of most affected groups.

This view of participation, as an exercise in reaching as many elements of the community as possible, is the one most widely advocated within the regeneration sector. According to Amanda Inverarity, director of the Community Development Exchange, time spent understanding the disparate needs of a community in the early stages of a project will save tears further down the line.

"Good community work shouldn't consult with just a small clique from the community, because if you do this you end up with a cliquey response," she says. "If you do your homework you should be connected with different groups, individuals and factions, which should enable you to deal with individuals who try to grab too much power."

Of course, involving local residents and businesses through consultation is just one aspect of community participation. As the first Elephant & Castle scheme showed, an entirely different can of worms can be opened up when the community is given a power-sharing role. How should local authorities wanting to pursue that route do so when, ultimately, the democratic mandate to make decisions lies with them?

Simon Danczuk is the director of Vision 21, a social research consultancy specialising in community engagement. He says there are various shades of community involvement in regeneration, starting with simple information sharing on the part of the local authority. At the other end of the scale lies full-on empowerment systems, in which representatives from the community might sit on the board of an organisation.

"This last one is fashionable at the moment, with all the talk of grassroots, bottom-up regeneration," Danczuk says. But he believes that an authority shouldn't even consider following this path unless it is absolutely certain that the local conditions are right. "First, you've got to identify whether there's a community nearby [the proposed development], and whether it's actually interested in taking ownership," he says. "If it is, as the accountable body, are you prepared to invest the time to make the thing work?"

"A community group might already exist, but does it have the skills to deliver?" he asks. "Is it stable? Does it have the staying power? Does it have credibility within? If personalities come on board, how do you balance different interests?"

If these prerequisites cannot be fulfilled, Danczuk says, the local authority — as the democratically accountable body — should have no hesitation or shame in making decisions for itself. "It's not a popular statement to make, but you do have to acknowledge that these structures [local authorities] have stood the test of time," he says. "If you're a disgruntled member of the community, you should stand for election yourself."

This is a view shared by Neil McInroy, director of think-tank the Center for Local Economic Stategies. He draws the distinction between participative and representative democracy, the former being where people are involved in decision-making, the latter where decisions are taken for them by elected representatives. In local strategic partnership (LSPs), McInroy believes that the Government has signalled its intent to follow the path of participative democracy. Yet he is uneasy with this.

"There is a time and a place for participative democracy; things can be done in any other way," he concedes. "But the more we go down this route, the more we weaken the role of representative democracy, and this country has a strong tradition to that.

"The question is, do we really want communities to be involved in the minutiae of decision-making usually performed by local authorities? With big regeneration schemes it has to be done in partnership, but there are appropriate junctures where the community should be involved. There is a point where the professionals should be allowed to get on with their jobs."

Marjorie JOUEN

WHAT FUTURE FOR THE BOTTOM-UP APPROACH AT EU LEVEL?

The debate for this session builds on the discussion thus far. We have looked at the current state of play in relation to bottom up approaches and the way economic, social and political influences at European and national level have changed things from the mid-90's onwards. Perhaps the view will emerge that our policy makers have not been very successful in sustaining the approach since there is some evidence that either, explicitly or implicitly, local development has been put aside. Is there an argument that once the e-economy mirage and the short-duration boom of the end of the 90's have passed through, the underlying results will turn out to have been poorer than we thought and we shall still need the benefits these approaches provide? As an indication, two recent Commission reports: the Spring Council Reports Package on socio-economic performances and the Third Cohesion Report show that the challenges of yesterday are still very much with us: high rates of unemployment, shortages of job opportunities for young and older workers, social exclusion, unsafe inner-cities or suburbs, economic decline in rural areas, disparities between capital regions and remote ones, income inequalities and so on. Even new priorities resulting from the geopolitical context (fight against terrorism and mafias) and globalisation (a potential loss of competitiveness) may demand more political attention and financial resources to be given to the bottom up approach. The key question seems to be: are we better equipped now than we were yesterday to solve these problems?

When we look at these issues at the EU level, this may put into question what has happened since the European Employment Strategy has been adopted. As a consequence of this, slowly but surely, both local development and partnership and bottom-up approach have been disappearing from the EU agenda. Further, the "mainstreaming" of the EES in the Lisbon Strategy and the open-coordination method seem to have put the employment policy into a trap.

Why is this? Because, instead of putting employment policy into a dynamic perspective based on an integrated (social and economic) and coordinated (at EU level) approach, these two policy movements served to reinforce the role of the national administrations in charge of employment. With each national administrative body anxious to keep its own competences and customers, the separation between social and economic issues that had been weakened during the mid-1990s seems to have been recreated. The employment situation (for example in the Kok Task Force Report) tends now to be regarded more narrowly as the result of in-fluxes and out-fluxes of labour per se and not as the result of deeper processes in economy and society.

At the same time as the Commission was undergoing a period of self examination, the momentum in the Council saw a systematic preference for the intergovernmental method. This produced a significant policy shift through the adoption of the open-coordination approach. Of course, the sponsors of the method cannot be held entirely responsible for the static use that the national governments made of it. However, the view taken here is it was insufficiently promoted as a *complement* to the Community method that is as a step in the EU integration process and as a way to overcome deadlocks in the application of the subsidiarity principle. The proposition of this paper is that with regard to the support for local development at EU level the combination of the Lisbon Strategy rhetoric and the 2000-2006 Structural Funds programmes has been disastrous: seeing it lose its visibility, coherence and sectoral integration.

So what can be done?

Depending on the results of our earlier discussions, there may be 3 options:

- Option 1: Contrary to the main thrust of the opinion expressed above, local development and partnership approaches (social economy, local employment initiatives, etc) are, in fact, still alive at the lower-level and policy-making at local-regional level is just progressively changing. Even if they are not as valuable as a "true" economic boom for us to re-create the cohesive society of the 60-70's (anyway probably more a nostalgic dream than a possible reality for the future), they provide us with the only way simultaneously to tackle socio-economic and democracy issues in specific areas. Nonetheless, the contribution of the bottom up and local partnership approach to facilitate the rise of quite new forms governance has also to be seriously considered.

Our conclusion in the face of this proposition would be that these approaches have to be supported anyway – at least until they are more openly "recognised". They have to be evaluated in qualitative terms and not only judged for their quantified results. However, being realistic, it is probably necessary to think through what might be the quickest way to obtain this acceptance of the intrinsic value of the bottom up and local partnership approach. A top-down impulse is probably the best way to get a fast legitimacy. Past experience has shown the widespread effect of a stream of dedicated financial support from the EU budget. But, again there is a need to be realistic. We need to take on board the current debate between the net-contributor and net-beneficiary member states as well as the Commission proposals to "mainstream" the Community initiatives (Leader, Urban…) and its refusal to maintain further EU-wide pilot actions. Is it too late to shift this situation? Perhaps the European elections should be used as an opportunity to put local development into the governance agenda and to explain more widely its contribution in reconciling the European citizens with the EU? Perhaps there are other EU bodies that can be allies in this project (e.g. Committee of Regions, Economic and Social Committee)?

- Option 2: As before, local development and partnership approaches (social economy, local employment initiatives, etc) are still alive at the lower-level and policy making at local-regional is just progressively changing. However, local initiatives continue to

suffer from the same obstacles as ten years ago: bureaucracy and the obsession with sectoral approaches blunt their impact. More critically, however, the geopolitical context has changed to force a re-legitimation of the traditional top-down (national) approach and new priorities. Security and protection (social-, food-, civil-, climate-) have overtaken solidarity and even competitiveness in the priority list of the voters. Our ageing societies are less ready for a major change in governance. Local initiatives might perhaps represent an avant-garde of the post-modern paradigm which may be our future but are currently facing tough opposition.

In this case our conclusion would be that we will have to wait for better days - maybe a generation change. However, it is still important that these methods improve and develop. It is also essential to protect them from being discredited by being confused with other approaches (for example, a retreat to traditionalism, local autarchy, local corruption, social treatment of unemployment, and regressive political and social slogans …). In this option, the research community may have a more important role than in Option One since it is crucial to keep a clear idea of what is happening currently, what are the threats and to attack misuses of the concept. Also, this is probably the option where a reformed Lisbon strategy may prove to be useful as the limits of the open-process begin to be addressed. Even if the Lisbon Strategy belongs to the "old" paradigm and favours a top-down approach it may be used as a vehicle to prepare for change. Then the crucial role would be to re-introduce a concern for the local in it and to convince the member states to accept a local approach as a necessary complement to national/sectoral measures. Perhaps the best way will be by showing that there is a "cost of no-local development"!

- Option 3: We were wrong and naïve about the socio-economic potential and the governance meaning of local initiatives. They will never overcome their weaknesses and even if they flourish they will die as frequently. Local development and partnership approaches may be very useful to tackle some social and economic problems at lower-level and the politicians know very well how to use them. The blossoming we witnessed in the 1990s was dated and linked to some underlying societal key-factors (the 68' generation and its ideas) that are progressively disappearing (decreasing number of the civil servants that are very active as volunteers; replacement of an interest in the rural areas and the cultivated landscape by a preference for the wilderness; growing individualism). Globalisation and high-tech serve to disconnect people from their places and unfavourable trade-offs between private earnings and public goods will inevitably hamper commitment to local communities. Faced with this, we just have to stop wasting our energy on local initiatives and advise our administrations to stop pouring money in the desert.

Study available in French and English on the Website http://www.notre-europe.asso.fr