

Innovation and Sustainability in Central Europe (the Czech, Hungarian and Polish cases)

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Edited by
Imre Kovách and Krzysztof Gorlach

CORASON Research Project



Institute for Political Science
Hungarian Academy of Sciences



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Introduction

The sustainable management of rural resources and innovatory rural development in Central Europe (the Czech, Hungarian and Polish cases)

This book is the fourth volume of working papers from three Central European countries (Czech Republic, Hungary, and Poland) of the CORASON project funded by the EU 6th Framework Programme, which traces sustainable management of rural resources and innovatory rural development. The papers, based on field studies, probe deeper under the surface of different biases to see whether common elements of rural development may also be at work. In this book, the authors guide readers through the complex interpretation of sustainability and innovation between analysis, description and ideology that characterize contemporary Central European countryside. Amongst the many themes explored, the book brings together in a guiding framework debates on sustainable rural development in the European Union new member states where the rate of rural population is much higher than the EU average.

The study of *rural innovation* addresses the forms, preconditions, knowledge forms, skills and capacities for rural economic development and projects. By seeking evidences of rural innovation the papers explore what kind of innovation contribute sustainable development projects, how these improvements are created, maintained spread, what role the government and state have in rural innovation in the three Central European countries. The papers examine how actors interpret, negotiate, contest or even resist requirement of innovation in development projects. Another issue is the promotion of the culture-territory as the development project is built on local knowledge as resource for the generating of activity and of commoditizing local goods and services. What is the role of external mediating groups, what knowledge has been deployed and by whom? The third guiding question of input paper was the impact of urban pressure and new urban – rural relation on rural innovatory projects. The papers respond questions of potentials of innovatory projects for future rural development; knowledge used in innovatory projects and their sources, dynamics, social availability.

The Czech paper presents two case studies where innovatory projects aim to develop tourism and cultural activities. In the first case study area the external actors have a key role in local development but social aspect of innovatory projects (pottery and cultural centre SAPARD project) is more dominant than economic. The innovation coming from outside the area does not meet local actors' interest. The social capital and local lay knowledge, the attitude of local inhabitants to the project as well financial contribution of local government and local enterprises raise the potential of the second case study area tourism project. These contrary projects represent the most common exogenous and emerging endogenous examples of Central European innovation model.

Both Hungarian case study projects focus on memorial sites. The impacts of innovatory projects on local economies are indirect. The actors of local economy gain some economic profit and their participation in innovatory projects provided reference and enlarged their social capital. The success of innovation of the studied projects depends on co-operation of internal and external actors it cannot be sustainable without external assistance.

As the Polish paper stress the implementation the innovative procedures of management has primary importance of creating innovative milieu in rural Poland and this is connected with

European Union development programmes. It is obvious that because of uneven state policy the Europeanization of Central European rural development systems is a necessary condition of innovatory projects.

Exploring and taking forward *sustainability and innovation* in Central European rural context the way may be a meeting of this necessity within the papers for improved theoretical approach. The input papers of the project as well observed trends suggest a set of research questions. The current idea of sustainable management of rural resources is “to link and reformulate the narrower concept of nature conservation and biodiversity maintenance with another guiding concept that allows for maintenance and use of resources simultaneously” (Input paper, Tovey and Bruckmeier). The project differentiates conservation of rural resources that is understood as a non-productive use of resources and sustainable use and management of resources that may mean an expert-driven and authoritatively imposed beginning and in second phase stakeholder-driven management as the direction of change which is a necessary transition towards sustainable development. Sustainable management is also considered as a platform concept through which actors negotiate and renegotiate their specific interests.

The objective of the papers is to identify key resources in the areas studied including natural resources as linked with economic, social resources and systematic classification in the concept of the resource base or resource system. All three papers explore social, economic and environmental components of sustainability that includes differentiated and context-specific approaches of resource management, which is achieved through local and participatory organizational forms of resource management and use.

All authors note the multi-dimensional nature of sustainable use of rural resources. The Czech paper based on a case study of heating by biomass underlines synergy between the maintenance of local resources and emerging activities of local actors. Local leaders and other local actors considered firstly the financial aspect of the project and looked for economic advantages. The using of renewable resources was the principal idea of an ecological organization that set the idea of heating by biomass. The success of the project lies on that both expectation were fulfilled and, as the authors see, the co-operation between local leaders with political and managerial skills and outsider associations who have expert knowledge is the key factor of sustainable use of local resources.

The Hungarian paper mirrors relevance of discourses about sustainability on national as well local level. The political and scientific context is vigorously influenced by European integration and European thinking and local actors do not have direct impression and exact knowledge on sustainability. The paper presents an actor and interest based approach to analyse how different actors interpret and use the term sustainability according to their specific interests. The fulfilling EU requirements, interest of different lobby groups, intellectual values and mediating role of emerging project class are key factors of interpreting and applying the idea of sustainability. One of the case study projects is based on local participation and synergy of various forms of knowledge provided by different actors with strong influence on economic and social situation, changing attitudes towards sustainability and democratic decision-making, positive environmental effects. The second bio-mass project has some positive environmental effects, moderate impact on economic and social situation (smaller energy costs and new workplaces) and with close relation to this, slow change in attitudes. The third top-down, state-organized, land use programme promotes multifunctional agriculture and does not meet local farmers’ interest.

The Polish case studies indicated the lack of consistent reflection among local people about concepts of sustainable development, which in many cases can be a result of spontaneous processes and forgotten resources of knowledge and practices are often mediated via outsider

expert knowledge (natural parks management for example) and urban pressure. Ecological, economical and social dimensions of sustainability are not equally taken into consideration and, as in the Czech case, local leaders look for economical benefits in calling their territory as ecological. The ecological component of sustainability is strongly connected to the economical one. The sustainable use and management of local resources is a result of actions between local authorities and external actors rather than involvement of representatives of civil society.

To conclude further sociological, political science and environmental studies is called for the issues raised in these three papers. The introduced rhetoric and interest of actors can give base of more complex and vital projects of sustainable resource management and use in Central Europe. There are local social groups who are not involved; political, intellectual power relations and interest are still evident in partnership; individual motivation and economic benefit, synergy of interests need to be applied in impulsive method.

The Editors

Innovatory Economic Development in the Czech Republic

Jakub Husák¹ – Jan Žalud²

Introduction

Increasing competitive pressures are strongly associated with globalisation of economy and economic structures. So, the question is how companies, regions and states are able to face up these pressures and become more competitive within the global economy. It is impossible to build up economy of the Czech Republic on the strategy of "low-cost economy" profiting from provisionally low input costs (especially low wages). This strategy is menaced by eastern countries with traditional cheap labour force (e.g. China, India) and the Czech Republic must build up its economy on different basis. It is necessary to encourage innovatory ability of companies, increasing quality of human resources, research and new technologies to become more competitive not only within the Europe but also all over the world. All these factors are significant for innovatory economic development within the Czech Republic. So, it is necessary to research the ability of regions within the Czech Republic to absorb or induce innovatory economic development.

The two regions were selected, with one case study performed in each of them, for the purpose of study on the issue of innovatory economic development. The map on the right shows localization of the research areas (light blue areas) and the case study implementation areas (deep blue colour) in the Czech Republic. These research areas are the same as in previous working packages – the first one is Ústecký Region (level NUTS 3) and the second one is Jihočeský Region (level NUTS 3). These Regions represent the very different Regions within the Czech Republic and it is possible to research different attitude to the innovatory economic development and to the rural sustainable development too.

Two case studies were selected (one in each research area) and according to the case studies, study implementation areas were highlighted. These areas are district Litoměřice (level NUTS 3) in Ústecký Region and district Jindřichův Hradec (level NUTS 3) in Jihočeský Region. The case study implementation areas are not the same as in previous working packages and were chosen due to existing suitable and interesting project from the innovatory economic development point of view.

This country report is divided into 5 parts (excluding introduction). In the first part, there is provided basic information about socio-economic history and present situation of the research areas and the policy context of innovation within the Czech Republic. In the next two parts two case studies with actors and the forms of knowledge within the case studies are described. Next part is represented by comparative analysis of case studies and most significant conclusions are provided at the end.

¹ Czech University of Agriculture Prague, Faculty of Economics and Management, Department of Humanities.
E-mail: husak@pef.czu.cz

² Czech University of Agriculture Prague, Faculty of Economics and Management, Department of Humanities.
E-mail: zalud@pef.czu.cz

Context analysis

Description of Jihočeský Region

Jihočeský Region (NUTS 3) is located in southern Bohemia. From geographical point of view, it is a relatively integral whole; its centre is formed by South Bohemian valley. It is surrounded by the Šumava Mountains in the southwest, Brdy foothills in the northwest, Středočeská žulová vrchovina (the Central Bohemian Granite Highlands) in the north, Českomoravská vrchovina (the Bohemian-Moravian Highlands) in the east, and Novohradské hory (the Novohradské Mountains) in the southeast. There are two basins stretching in the South Bohemian valley: Českobudějovická and Třeboňská (near the cities Budweis and Třeboň). Major part of the Region's borderline is formed by the border with Austria and Germany (323 km in total). The Region also adjoins the Plzeňský, Středočeský, Vysočina and Jihomoravský Region. Its position along the border creates favourable conditions for effective cross-border co-operation in the field of manufacturing, services as well as tourism where the overall attractiveness of the Region can be utilized, offering preserved countryside and many sights belonging to Czech national heritage. Considering the environment, the Region benefits from relatively low environmental damage. The area of the Region has always had a recreational rather than developed industrial character. The commitment to maintain the natural environment has been manifested itself in the establishment of the National Park Šumava.

The location of this Region, its preserved environment and its attractiveness for tourism industry and significant changes in local economy in rural areas are the main factors for the choice of this Region for WP8. These factors were significantly influenced by political changes in 1989 and started depth changes in structure of local economy. These changes have continued till nowadays and were encouraged by access of the Czech Republic to European Community in 2004, especially by development of cross-border co-operation.

The Jihočeský Region has the lowest density of population in the Czech Republic. Table 1 shows basic data describing the population and surface of the region.

Table 1: Surface and population density in the Jihočeský Region

	1980	1991	2001
Surface (km²)	10 055	10 055	10 056
Population	613 171	622 889	625 267
Population density	61.0	61.9	62.2
% of Urban Population	58.4	61.5	64.3

Source: Czech Statistical Office

The number of people in the Jihočeský Region is increasing, and between the years 1980 and 2001 rose for about 2% (from 613,171 to 625,267 inhabitants). During this period also increased percentage of urban population, but character of the Jihočeský Region remain still rural.

Prevailing sector in the regional economy (according to relative numbers of economic-active people in population) are services with 47% of active population in 2001. Percentage of population in services increased during the period 1980-2001 for about 12%. The other sectors (except of construction) have experienced a decline. Particularly the percentage of active population in agriculture decreased from 20.5 % in 1980 to less than 8% in 2001. Despite these changes agriculture still plays an important role in the regional economy and significantly influence land use in the region. At the same time, there is increasing importance of tourism industry showed.

Conditions of the Jihočeský Region are highly suitable for development of tourism because the countryside of the Region - with its large forest coverage, water surface areas and a great

number of national monuments (nearly 6,000) - is a place of leisure and recreation activities for people from other parts of the Czech Republic and people from abroad.

The Jihočeský Region is rich in neither raw nor energy-producing materials. However, there are important natural resources of different kind in the Region - vast forests of Sumava and Novohradské hory, mainly coniferous consisting of spruce and pine trees. The biggest raw material resources include deposits of sands and gravel sands, brick clay, aggregates and glass sands. Other important resources include peat, and in some areas limestone and graphite. But the exploitation of raw materials and other resources is rather less.

Description of Ústecký Region

Ústecký Region (NUTS 3) is located at northwest border of the Czech Republic. Number of people who are employed in industrial and construction sector is above average of the country, so it is rather industrial region. The industry is founded on plentiful brown-coal fields and other natural resources (such as kaolin, argil, and stone). The deposits of the coal had resulted in a long-run opencast mining, which has been intensively carried out since the late 60s of the 20th century, and which has significantly eroded the landscape of the region. Due to structural changes in economy, the population has suffered from high unemployment rates since the beginning of the 90s. From this point of view, the region has belonged to one of the most-troubled areas in the Czech Republic.

The region can be considered, with regard to its size and number of inhabitants (820,868 inhabitants in the year 2003), as a middle-size region with an above-average population density. The total area is 5 335 km² (9.6% of the total area of the Czech Republic). Table 2 shows basic data describing the population and surface of the region.

Table 2: Surface and population density in the Ústecký Region

	1980	1991	2001
Surface (km²)	5,335	5,335	5,335
Population	832,525	824,421	820,241
Population density	156.0	154.5	153.7

Source: Czech Statistical Office

The number of inhabitants was rapidly growing during the urbanization era (until the beginning of 20th century). The population included many Germans, who were forced to leave the country shortly after the WWII. Pro-population policy of the communist government led again to population growth, especially in the coal-basin districts of the region. Both of these events are visible on the number of inhabitants in those times as well as on the social structure of the region. During the last two decades there were only slight changes in the number of inhabitants in this region.

Nowadays there are more than 820 thousand inhabitants (it is about 8 % of the Czech population) located in 354 municipalities. Population density is about 153 inhabitants per km². The most populated areas are the coal-basin localities and the area of the foothills of the Ore Mountains (there are concentrated more than 60% of the population of the region). Districts surrounding the coal-basin areas belong to the most urbanized localities in the Czech Republic (about 90% of people live in urban settlements; Czech average is 75%). On contrary, the agricultural districts keep their rural character – more than 35 % of inhabitants live in rural settlements.

Most economic-active people in the region (about 55%) are employed in tertiary sector. Industrial sector provides work for more than 42% of economic-active people. About 3 % of inhabitants are employed in agriculture. Number of people in agriculture has decreased since the past decade, but the change is minute (1993 = 5.8%). Number of people in the secondary

sector has been also decreasing since the 90s (1993 = 48.2%) in favour of the tertiary sector (1993 = 45.9%). In order to depict exactly the characteristics of the region, one has to keep in mind that particular districts of the region greatly vary. In case of agricultural districts (Litoměřice and Louny) there are about 10% of economic-active people employed in agriculture.

Due to unfavourable structure of economic activities, the region suffered from high unemployment rates after the year 1989. It was not only the districts around the coal-basin areas, which were affected by the changes in economy (particularly in mining industry), but also one of the agricultural districts (Louny), which for instance experienced unemployment rate 17.1% in the year 2000. The primary sector inevitably contributes to this troublesome state in Louny district (as well as in Děčín district) that suffers from high specific-unemployment rate. It is mainly due to the fact that the number of work opportunities in agriculture has significantly decreased after the year 1989.

Policy context of innovation

National innovation policy in modern developed states is one of the most significant and efficiency policies. There are innovation policies formulated not only at the national but also at the regional level in the developed states. The Czech Republic didn't have national innovation policy till 2005. The only document focused on innovation since 1992 was National innovation strategy, which was formulated in 2004. But it is necessary to note that during last few years there are lot of measures encouraging innovatory economic development and innovation within the companies in the Czech Republic formulated. The most active institutions at national level were Ministry of Industry and Trade of the Czech Republic and CzechInvest agency (institution supporting especially the foreign investments). But these particular measures and activities were not sufficient for encouragement of innovatory economic development. So it was the main reason for creation of *National Innovation Policy of the Czech Republic for the years 2005-2010* (NIP). This document was created in 2005 as a basic document for support of innovation in the Czech Republic and it is the first innovation policy in the Czech Republic since 1992.

NIP defines innovation as follows: "Innovation is a business process connected with exploration of market opportunities for new products, services and business processes, implementation of changes in management, work organisation, work conditions and qualification of labour force." NIP differentiates the technological product and process innovation. All of the definitions of innovations used by NIP are in accordance with the documents of the European Community. But the concept of innovation is quite extensive and beside the technical innovation there exists also non-technical innovation (e.g. new forms of work organisation, quality management). This broad concept of innovation provides sufficient scope advising private companies to implement innovations but also makes it very difficult to rank the activities of private companies to the innovation strategies for the sake of support by EU or national funds.

The main actors of innovatory economic development in the Czech Republic are the private companies and small enterprises, which are the bearers of the innovation. State and the national level institutions help only with the creation of framework of the innovatory economic development and eradicate the institutional and legal barriers. Institutions at the regional or local level are not the main actors of the innovatory economic development in the Czech Republic.

NIP defines the role of state in innovatory economic development by following activities:

- the state creates favourable institutional and legal terms,
- the state eradicates the barriers of innovatory activities,

- the state plays active role in creation of new measures of EU, supporting research and innovation, creates legislation supporting research and innovation,
- state supports chosen innovatory activities by direct or indirect measures using resources of EU budget or budget of the Czech Republic.

Case study 1 – Innovation within SAPARD

Description of case study area – Jindřichův Hradec district

The first case study is situated to the district Jindřichův Hradec. If we consider on division of the area of the Czech Republic to the levels NUTS, the district Jindřichův Hradec represents level NUTS 4. The district Jindřichův Hradec belongs to Jihočeský Region and is located to the southeast part of the region. The district adjoins districts České Budějovice, Tábor, Pelhřimov, Jihlava, Třebíč and Znojmo and its south part is formed by borderline with Austria. The fact that district Jindřichův Hradec is border region of the Czech Republic is the most significant for its historical development and future development too. There are situated 7 crossing points at the borderline with Austria. Some of them are only for bikers or foot-passengers, but all of them are important for development of tourism industry within the locality. The area of the district is 1 944 km² and there live 92 887 inhabitants. It means the quite low population density within the Czech Republic – the population density is only 48 inhabitants/km².

The surface of this district has mostly hill country character, but the part of the district near municipality Třeboň is formed by lowland with a lot of ponds (approximately 6% of district surface) which are rarity of this district and which are important for the economy of this part of the district. The climate is bland and the average temperature is 6-8°C. The west wind brings sufficient quantity of rainfall. The district Český Krumlov is rich in neither raw nor energy-producing materials. However, there are important natural resources of different kind in the district – especially vast forests, which are the most important raw material of the district. The forests fill more than 38% of surface of the district.

Considering the economy structure of the district we can classify the district Jindřichův Hradec as industrial – agriculture district. The structure of the economy according the sectors is depicted in Table 3.

Table 3: Employment according the sectors (2001)

District Jindřichův Hradec	% of economic active population
Primary sector	10.7
Secondary sector	32.5
Tertiary sector	56.8

Source: Czech Statistical Office

The prevailing sector in the regional economy (according to relative numbers of economic-active people in population) are services with 56.8% of active population in 2001. In secondary sector worked more than 32% of economic active population in 2001 and in primary sector (especially in agriculture) worked more than 10% of active population in 2001. It means that agriculture is still very important for the economy of the district. Due to the favourable conditions for development of tourism industry (which absorbs the people moving off the primary sector) the unemployment is 7.6% what means less than average of the Czech Republic. The conditions for development of tourism industry are mainly influenced by

historical development of the district. There is abundance of historical sights within the district Jindřichův Hradec. For example the municipality Slavonice is protected by UNESCO and there are a lot of sights built up in gothic, renaissance and baroque style. Another factor which influences the conditions for development of tourism industry is historical development after the Second World War. The border part of the locality was displaced after the year 1945 and the small villages along the borderline disappeared. The second important point of the historical development of the locality was a creation of border area with restricted access nearly for 40 years (so called “iron curtain”). These factors influenced the development of the locality as a less exploited area with undisturbed nature and environment and with less developed agriculture. The third important point of the historical development of the district is the year 1989 and “opening” the borderline. It was the most important fact for the development of tourism industry, which uses the high-quality nature and environment to attract tourists and visitors both from the Czech Republic and foreign countries. There were accommodated 143 thousand tourists in the district Jindřichův Hradec in 2001, from that were approximately 64 thousand tourists from abroad. Except of that, border part of the district visited a lot of visitors, especially from Austria.

The description of case study implementation area is important as a contextual factor for the implementation of particular innovatory project. Based on the existing conditions within the locality and try to incorporate innovation leading to improve contemporary economic situation of the district.

Case study 1 – Pottery and culture centre Maříž

Local conditions for development

The first project chosen for the WP8 “Innovatory economic development” is called “Pottery and culture centre Maříž”. This project is situated to the small village Maříž, which is located in border part of the district Jindřichův Hradec. Maříž is located only approximately 1 km far from border with Austria and near municipality Slavonice. Location of Maříž is depicted at the map in appendix 1. So the conditions for development of handicraft production are quite favourable. Historical development of Maříž is typical for all villages located in border part of Czech Republic. There lived more than 400 inhabitants at the beginning of 20th century. But this village were twice displaced. At first was displaced after the Second World War and then was repopulated by Czech people. These inhabitants were displaced during the 50’s and for 40 years was this village part of the border area with restricted access. Nowadays there live only 5 inhabitants and other use the houses for recreational purpose and we can classify these people as non-residents.

Early history of case study – aims of the project

Idea of the project was grown up in 90s by the representatives of private entrepreneur called “Original art ceramic Maříž”. This company has produced original art ceramic in Maříž since early 90’s and the main aim of the project was to innovate production system and join the production of original ceramic with other activities. Merits of the project in its first phase was to built up new pottery and restaurant in Maříž and attract tourists and visitors to the locality, in the second phase the small company wants to built up pension for accommodation of tourists. General aim of the project is to restore traditional handicraft production within the locality and encourage development of new forms of rural tourism using the modern information technology and culture potential of the locality. The most general aim of the project is to restore the life within the locality. Specific aim of the project is to create new working places for the local inhabitants, not only in handicraft production but in tourism industry too. The second specific aim of the project is to recover the traditional breeding of

goats and also the livestock breeding in future. The project should create spatial, organizational and economic background for other culture and economic activities within the locality. All of these specific aims should increase the number of tourists and visitors of the locality and increase the capability for agricultural tourism and other socio-culture activities not only within the locality but within the whole district too. Despite the fact that this project is called “Pottery and culture centre Maříž”, the aim of the project is not only to encourage the development of handicraft production but also to encourage the socio-economic development of the whole district by integrating of different kind of activities to the integral innovative project.

This project was supported by SAPARD as a project contributing to diversification of local economies and development of small enterprises, which creates new working places. It was very difficult to find out innovative SAPARD project. There was no innovation at all in the most of the SAPARD projects realized within the Czech Republic. The actors of local development usually understand SAPARD as a source of money for the reconstruction existing private pensions, small firms or other businesses. These projects bring no innovation to the locality and the SAPARD is understood by local actors as a one of the funds subsidizing the local development, not as a new approach to the rural development. So, the chosen project is specific case of SAPARD project, which is innovative and brings the new view on the rural development. This project provides innovative attitude to the development of border areas of the Czech Republic with respect to the specific situation within these areas, preserved nature and good quality environment, and try to depict new way of rural sustainable development.

Case for innovation

The project “Pottery and culture centre Maříž” could be understood as product innovation. The original art ceramic Maříž is specific and unique product at the market. This ceramic is unique for its creation and joyful composition of pottery colours. This ceramic is intended for every day use, due to specific creation (the ceramic is twice baked) could be washed by dishwashers. Examples of Original art ceramic Maříž can be seen at <http://www.aokmariz.cz>. This project is oriented not only on the production of ceramic as a new product at the market but also on the support of consequential activities in tourism industry. So, this innovation could be understood as diversification of local economy. In more particular way, this project tries to shift away dependence of this locality on agriculture and daily migration for a work. This project combines product innovation with other factors helping to enforce the new product at the market.

Financial breakdown

Considering the character of the project and actors involved in this project it is necessary to describe the financial framework of the project. The structure of the financial sources is depicted in Table 4.

Table 4: Budget of the SAPARD project

Financial source	Thousand CZK	%
EU	1 840.6	37.1
National level	613.4	12.4
Regional level	0	0
Total public expenses	2 454	49.5
Private expenses	2 506	50.5
Total	4 960	100

From the previous figure it could be seen that the distribution of public and private expenses on the project is approximately equal. The most interesting finding is that there was no financial support from the regional and local level. So, the project which has positive impact namely on the locality and region, was supported by supranational and national level. The missing encouragement of this development project by region and municipality could be seen when considering the actors involved in (see the next part). The innovation within the region and locality is supported usually by the EU funds or specific government funds and by the private financial sources and there is lack of regional initiative in the regional or local innovative projects. The main factor influencing this situation is insufficient budget sources of regional or local councils, which are replaced by national subsidies.

Actors involved

The project “Pottery and culture centre Maříž” was created within the micro region “Association of border municipalities and towns of the district Jindřichův Hradec” and is consistent with micro regional development strategy. This project results from the main aims of micro regional development strategy, especially from the ensuing priorities: development of tourism industry, maintenance of current culture activities and development of new possibilities for culture activities, development of rural areas. According the micro regional development strategy is the development potential of locality especially in maintenance and development of rural character of locality and in usage of culture and environmental quality of the locality. This potential is determined by current status and future development of infrastructure within the locality. Specific significant activity for the development of the micro region is development of biking-tourism. The project “Pottery and culture centre Maříž” respects these conditions of micro region and tries to encourage biking-tourism within the municipality Maříž. In more general way, the basic priority of the micro region is to encourage economic growth with respect to rural sustainable development. One of the most important activities is encouragement of small enterprises, creation of new working places and encouragement of multifunctional agriculture with high quality production. The project “Pottery and culture centre Maříž” is fully consistent with these aims and priorities of the development of micro region and creates favourable organizational and economic climate for the development of culture and other activities within the locality. It is necessary to point out that the micro region “Association of border municipalities and towns of the district Jindřichův Hradec” doesn’t play active role within the SAPARD project “Pottery and culture centre Maříž”. Mentioned micro regional development strategy provides only background for this project due to the application for subvention by SAPARD. There was no other support provided by micro region and it is the reason that this was only the formal institutional support of the project. Considering the other institutions (municipality, Jihočeský Region, Regional development agency etc.) it is necessary to note that all of these institutions provide only passive and formal support to the project.

The main actor of the project and the bearer of the innovation is the private entrepreneur called “Original art ceramic Maříž” represented by the only person. This actor comes from Prague and tries to implement exogenous innovation. This fact is very important for analysis of the project. The actor plays the main role within the project and brings not only the funding but also mainly the idea of this project. The main actor is graduated in architecture and well educated in ceramic handicraft production. The main actor disposes of expert knowledge and partly managerial knowledge. The expert knowledge is used in formulations of the ideas of the project and managerial knowledge is necessary to enforce the project. Despite the imbroglio of expert and managerial knowledge the most important form of knowledge of the main actor within the project is expert knowledge.

The main actor of the project closely co-operates (especially in management of the project) with non-governmental organization (NGO) called “Spin”. The NGO “Spin” comes from Prague and it is specialised on the creation of projects supported by European Community. This actor uses specialised managerial knowledge and with the main actor of the project, and its partly managerial knowledge, forms the basic and the most important managerial background of the project.

The institutional actors like municipality Slavonice, Jihočeský Region and micro region “Association of border municipalities and towns of the district Jindřichův Hradec” play only the passive role within the project. These institutions provide only formal support to the project (see above) and use managerial knowledge. Usage of managerial knowledge of these actors within the project is only marginal.

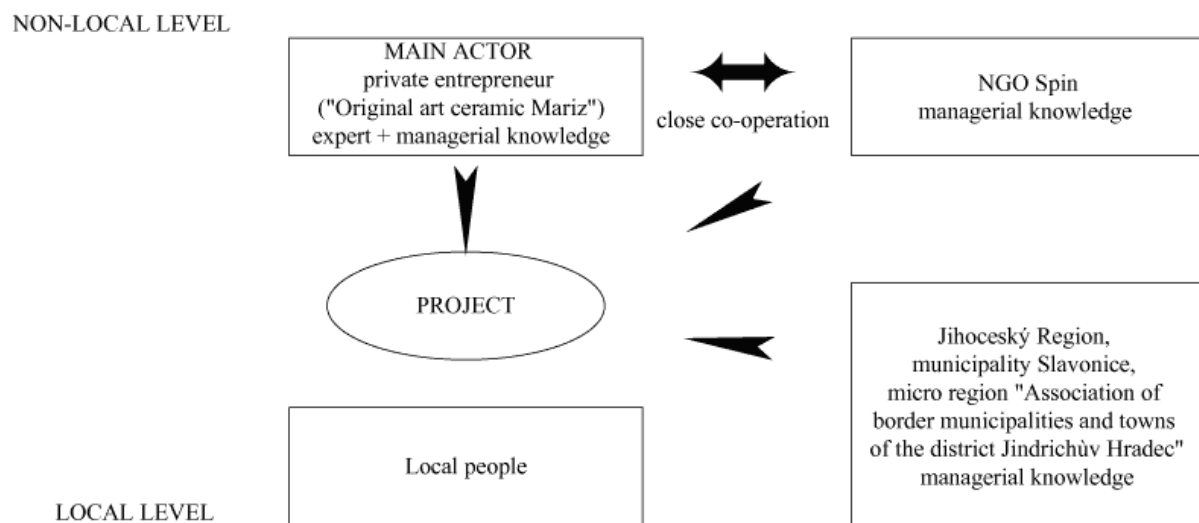
All of these actors (especially NGO “Spin” and the main actor “Original art ceramic Maříž”) are non-local actors. So they bring exogenous approach to the innovation and local actors do not play main role within the project. Local people are quite passive and they are afraid of innovation comes from outside of the locality. It means that local people are distant to this project and there is no support provided by local people. This situation results from the historical development of the region – especially displacement after the Second World War and creation of border area with restricted access in 50`s. So the local people seem to have no local identity and they are sceptic to initiatives coming from non-local actors. All these factors lead to the lack of lay or local knowledge within the project. At the other hand the lack of lay knowledge leads to scepticism of local people to the project. View of the actors involved in and their knowledge is depicted in the Table 6.

Table 5 Actors and their knowledge (Case study 1)

ACTORS	KNOWLEDGE
Main actor - private entrepreneur (“Original art ceramic Maříž”)	mainly expert + managerial
NGO Spin	managerial
Jihočeský Region, municipality Slavonice, micro region “Association of border municipalities and towns of the district Jindřichův Hradec”	managerial (only marginal)
missing	lay/local

It is necessary to explore the role of the particular actors and their knowledge within the project to describe the impact of the case study on the locality. So we tried to create model of the network of actors and their knowledge. There is depicted the position, type of knowledge, character (local or non-local), measure of activity and co-operation of the actors in Table 6.

Table 6: Model of actors and knowledge (Case study 1)



From the depicted model is possible to see that there is no local support provided by local people. The arrows show the measure of activity and provided support to the project. So the main support was provided by private entrepreneur "Original art ceramic Maříž" and then by NGO "Spin". Both of these actors are typically non-local actors and there exists strong co-operation between these actors. Actors formed by institutions (Jihočeský Region, municipality Slavonice, micro region "Association of border municipalities and towns of the district Jindřichův Hradec") provide only quite passive and weak support to the project. These actors represent frontier between local and non-local level. The most important fact depicted by the model is position and role of local people. The typical local actor doesn't provide any support to the project. This fact has significant importance for the impact of the project on the locality and rural sustainable development of the locality.

Impacts of the case study

The project has positive impact on the development of the locality. One of the most important consequences of the location of this project to Maříž is promotion of the locality not only in the Czech Republic but in European Community too. Due to the existence of pottery and culture centre in Maříž the cycle-way called GREENWAYS (from Prague to Vienna) crosscuts through Maříž and it is very important factor for future development of the locality and restoration of life in Maříž. Proximate effect of the project is creation of 15 new working places for local people and other seasonal working places in tourism industry. Another impact of the project on the locality is to creation of space for culture activities within the locality and possibilities for culture co-operation with border regions of Austria (e.g. Waldviertel). Another visible impact of the project is increase of number of tourists and visitors within the locality and its neighbourhood. All of these impacts are the reason for classification this project as a successful project with positive impact on the rural sustainable development of the locality. Due to the maintaining of economic perspectives of rural sustainable development with regard to ecological aspects this project is able to be the first of a number of consequential projects. At the other hand there exists one controversy factor diminishing the positive impacts on the locality. This factor is attitude of local people to the project. Local

people are quite passive and they are afraid of innovation coming from outside of the locality (as a result of non-local character of main actor). It means that local people are distant to this project and there is no support provided by local people. Distant attitude of local people leads to quite lower utilisation of culture capacities for encouragement of local culture life. This is the only thing embarrassing implementation of the project to the locality but there exist other favourable factors for future successful continuance of the project.

Case study 2 – International Tourist Marina Píšťany

Description of case study area – Litoměřice district

The second case study is situated to the district Litoměřice. If we consider the division of the area of the Czech Republic to the levels NUTS, the district Litoměřice represents level NUTS 4. The district Litoměřice belongs to Ústecký Region and is located to the southeast part of the Region, along the confluence of the rivers Elbe and Ohře. The district adjoins districts Česká Lípa, Kladno, Mělník, Louny, Teplice, Ústí nad Labem and Děčín.

The total area 1 032 km² makes this district to be the second largest in the Region. The landscape of the district is shaped on one side with the lowlands around the confluence and on the other side with the area of Central Bohemian Uplands (České středohoří). The average altitude of the district is 250 meters.

The district lost some of its inhabitants shortly after the WWII (there were almost 150 thousand inhabitants in the 30's). The population has remained stable since the 60's and the total number of inhabitants has been changing in the range from 110 to 120 thousand. The slight changes in the number of inhabitants have resulted only in minor changes of population density (see Table 7).

Table 7: Surface and population density in Litoměřice district

	1980	1991	2001
Surface (km²)	1,032.21	1,032.14	1,032.10
Population	119,621	113,883	114,259
Population density	115.9	110.3	110.7

Source: Czech Statistical Office

Considering the climate conditions, the locality belongs to rather warm area, with a dry mild winter. The average temperature is about 8° C (on the top of the highest mountain – Milešovka, the average is 5.1° C. The rainfalls are below average, because the locality (foot of the massif) is shaded with the mountains. Local flora and fauna has been adjusted to those conditions, consequently there are prevailing dry and heat-loving species.

The structure of the economy according the sectors is depicted in Table 8.

Table 8: Employment according the sectors (2001)

District Litoměřice	% of economic active population
Primary sector	6.7
Secondary sector	26.2
Tertiary sector	67.1

Source: Czech Statistical Office

Prevailing sector in the regional economy (according to relative numbers of economic-active people in population) are services with 67.1 % of active population in 2001. In secondary sector worked more than 26 % of economic active population in 2001 and in primary sector (especially in agriculture) worked more than 6% of active population in 2001. So the most important sector of the district is tertiary sector. Due to favourable conditions for the

development of tourism industry, services for the tourists are very important for the local economy. Considering the tourism, the area of the Litoměřice district includes Bohemian Central Mountains, which have been identified as one of the main tourist locations within the region (the other ones are the Ore Mountains and the National Park Czech Switzerland near Děčín). The district has got an above average concentration of culture and historic sights. The important for our case study is also river Elbe as an important way for water carriage and high potential (not used till these days) for tourism industry. At the other side infrastructure for tourism industry is below average of the Czech Republic. The Litoměřice district provides 3.2 beds per km², which is one of the lowest numbers within the region.

Considering the unemployment rate, this district belongs to the least favoured regions within the Czech Republic. The rate of unemployment is 14.38 % and it is more than the average of the Czech Republic. Thus the support of innovatory economic development is one of the possible ways to decrease the unemployment rate in the district Litoměřice.

The description of case study implementation area is important as contextual factor for the implementation of particular innovatory project. Based on the existing conditions within the locality, the innovations leading to improve contemporary economic situation of the district could be incorporated.

Case study 2 – International Tourist Marina Píšťany

Local conditions for development

The second project chosen for the WP8 “Innovatory economic development” is called “International tourist marina Píšťany” (some illustrative photos are depicted in appendix 2). This project is situated to the village Píšťany. Píšťany village belongs to smallest country settlements with population below 500 inhabitants. Majority of economically active population is employed in services or industry. No jobs were reported (2001) in agriculture. High unemployment rate is (to certain extent) curbed thanks to relative small 4 km distance to Litoměřice town of around 40 000 inhabitants, where the jobs are less scarce. Majority of those economically active commutes for jobs (83 %).

The village itself experienced relatively rapid (33 %) growth of inhabitants between 1990 and 2001, in line with general backward movement from cities to country, thanks to its proximity to Litoměřice possibly more than to downright attractiveness of the place.

Development of the village until end of 2002 was severely limited by existing closure for building in force. It means no new buildings were allowed to be elected outside the intravillan of original settlement and no substantial changes to the usage of land were possible. That was caused by two measures, local environment protected area and nearby drinking water source protection.

Žernosecké Lake is a former sand mine, with mining ceased around 1970. Then it was flooded by water from nearby Elbe River and dedicated partly for recreational purposes. In the meantime, local ecosystem evolved and became part of two neighbouring volcanic hills protected area. Drinking water well is situated just next, between the river and lake.

Early history of the case – original idea

The starting point of the project can be dated back to around 2002, originally intended as a small-scale initiative fulfilling private objectives of the key actor. The initial idea encompassed as humble goal as to find a place to live near the waterfront. Main actor, an entrepreneur coming from Karlovy Vary (nowadays could be classify as resident in Píšťany), found such place at Žernosecké lake in Litoměřice district, with village Píšťany located on the shore. The lake is a well-known local recreational area offering sand beach, swimming,

yachting and scuba-diving opportunities in summer as well as skating in winter. The lake is now connected by short channel to the Elbe River, thus allowing the riverboats come in. Beside the beach and water attractions, a national cycling route along Elbe crosses nearby. The village Píšťany itself has 185 (end of 2004) inhabitants and is constricted between Elbe River and the lake. The only accessing way leads to Litoměřice town, about 5 km up the river.

Waterborne tourism in Europe - background

River navigation and tourist yachting are well-established recreational activities in the EU. It is widely spread among the Elbe and Danube routes, including connecting channels and river branches. The services within the industry involves harbouring facilities with supply of fuel, water, electricity and service for hosted boats and with accommodation, sanitary and catering for visitors. The usual scenario represents the tourists staying for several days at a place and discovering the surroundings. The network of harbours and marinas is very dense in Western Europe compared to virtually non in the Czech Republic. The last marina on the Elbe River can be found in Magdeburg, Germany, with no continuance up the river at all. The Elbe is important waterway with tourist traffic rapidly growing after joining the EU. The Czech Republic is prospective crossing point of European water routes, providing some changes are made to existing hydro infrastructure.

As already stated, the original plans involved building a house on a shore, respective finding the place to shed the yacht boat during the winter season. The extended idea of a tourist harbour – marina came later driven by two key factors. The first was the main actor's passion for yachting and waterborne sports. Main actor travelled the Baltic and Adriatic Sea as well as the network of inland channels throughout the Europe as a marine crew or captain.

The second impulse for much broader plans was formed by local movements and conditions. Ongoing steps were generated after first negotiations with authorities and confronting several limitations for development in the original scope. As a result of these two principal drivers, the final project of tourist marina was raised.

Final project aim – International tourist Marina

The scope of the project involves complete services for min. 46 tourist boats with a possibility to further expand the capacity. The services will include safe harbour with electricity and water supply, fuel tap, ecological disposal of waste and oil products. Hotel type accommodation for crews will be provided together with catering and retail sale of grocery and boat supplies.

All premises complemented with information centre, small parking site and fuel station will be available for local people and tourists. They can originate either from international waterborne tourism, new cycling route Prague – Dresden along the river or from traditional lake visitors. The service will be used also by other small boat crafts and carriages from the Elbe waterway.

The project should be regarded as the first of the kind in the Czech Republic. It follows the growth of waterborne tourism after the river waterways became open internationally. The competitive advantage, according to project plans, is combined by complexity of services not being offered anywhere else in the Czech Republic and by local composition. It means interesting locality surrounded by Central Bohemian Uplands and connected to main waterborne route via Elbe to European site of waterways.

The tourist harbour itself will be constructed according to European standards and regulations and will serve as a pilot project for other facilities across the Czech Republic. The project is expected to change substantially the existing use of the lake and part of the shore. It would bring significantly innovated concept of tourism to the locality and thus expand the

opportunities for economic development of the area, respecting set ecological boundaries. Existing local infrastructure is supposed to be reasonably straightened and will also contribute to further development.

One of the aims of actors involved is to promote social-economic development in the village. Besides bringing new economic activities in service sector, the project will directly generate several job opportunities. Possible secondary opportunities gained by revival of local economic life can be also expected. Dependency on Litoměřice and daily work commuting will be reduced. The number of jobs is planned as follows: 1 by the end of 2005, 2 – 10 gradually from spring 2006 (including 4 seasonal). Social clashes stemmed from increased tourism are expected to be minor problem. Public consent was already expressed by local referendum (see next chapters).

Case for innovation

As regards projects, which could be seen as examples of successful innovative economic development, they are very few and far between in the Ustecký region, especially in rural area.

The project of International Tourist Marina Píšťany, which we have selected, could be regarded as a new product (service/product innovation). The general idea, to attract tourism, is in whole considered as a standard way to secure sustainable development in rural areas. However, there are special features upgrading the case above mere product innovation. Firstly, it introduces new service within the whole country. On the other hand, the service perfectly fits to local conditions and in fact is not purely new – just perceives the product from up-to-date international prospective. Thus we can identify an intensification of local and global context here.

For this reasons, the case tends to be understood as innovative from our point of view, so it is from the main actors' perspective. However, ordinary locals may understand the project merely as strong enough to break existing barriers.

Financial breakdown

The project is now delayed by approximately 1 year against the plan. Summer 2005 was scheduled to be the first go-live season but is forecasted for 2006. In-water harbouring facilities and navigation are finished as by end 2005. The marina manager's house incl. information centre was finished already in 2004, within scope of the original plans. Accommodation facilities are going to be finished in spring 2006.

Complete financial breakdown is not available, as the project is not finished yet. However, the main financial sources are known (see Table 9)

Table 9: Financial sources for case study 2

Project	Brief description	Financial sources
Original project	marina keeper's house (2002-2004)	Private funds; SAPARD (minor)
Extended project	marina, accommodation, gas station, restaurant (2004-2006)	Ministry of Transport (Fund of transport infrastructure); Joint Regional Operational Programme

The project won the competition for "Best project of Ustecký region" (Joint Regional Operational Programme), with indicative amount ca 13 mil CZK.

Actors involved

Real project in extended scope, as opposed to original plans, was initiated and created in close cooperation between main actor and local people including institutions, represented mainly by mayor of the Píšťany village.

When the first negotiations with the village's officials were started and plans presented to them, they reacted ambiguously. Conservative approach prevailed at first and no changes to urban plan, allowing building a house with prospective harbour utility, welcomed. The next activity was started by the mayor, the only supporter of the idea in council. He organized a village referendum, one of the first in the Czech Republic, questioning the people whether invite such plans or not. The result proves unambiguous with 85 % saying yes. The consent of village council was won.

This is the point where the mayor expressed his vision of the project. It was supposed to be project in an extended scope, with an aim to develop social-economic prospective of the village. That basically meant facilities with bigger capacity and state of the art equipment to attract tourists of different kinds including those very distant. Employment for local people was also an important condition.

The idea was adopted and conceptualized by the main actor up to final scope. From that point the plausible help from the mayor has been provided. It was especially important with regard to negotiations with all other authorities involved.

Additional milestone in village steps towards openness for development was caused by severe flooding in summer 2002 which affected most of the country. The locality was heavy damaged and subsequent reconstruction needed the existing closures to be waived. Thus it contributed to project plans too.

It lasted 2 years from project kick-off to go through all negotiations successfully and to obtain necessary exemptions from environmental protection. A compromise between protection and opportunities for development had been struck. In order to achieve that, the latest technologies were deployed to maintain eco-friendly operation of the facilities.

Waived closure for building has encouraged locals and new incomers to start new constructions of homes and recreational objects. The village is experiencing rapid development in size and quality of infrastructure.

Actors and knowledge

Main actor – private entrepreneur is the initiator of original idea. He travelled the Baltic and Adriatic Sea as well as the network of inland channels throughout the Europe as a marine crew or captain. So, he bears both expert and managerial knowledge. From an international prospective, his knowledge can be still regarded as local. Originally from outside but have settled in locality too.

Another important actor is *mayor* of the village Píšťany. This actor is a local entrepreneur and represents strong local/lay knowledge. It is possible to find also partly managerial knowledge.

Local people are one of the most important actors involved – especially for their encouragement to the project by referendum and representation of local knowledge.

Actors, which represent non-local level, are mainly *Government institutions* – represented mainly by Ministry of Transport with managerial knowledge and *Management of Elbe waterways* also with managerial knowledge. Both of these actors provide only marginal managerial support.

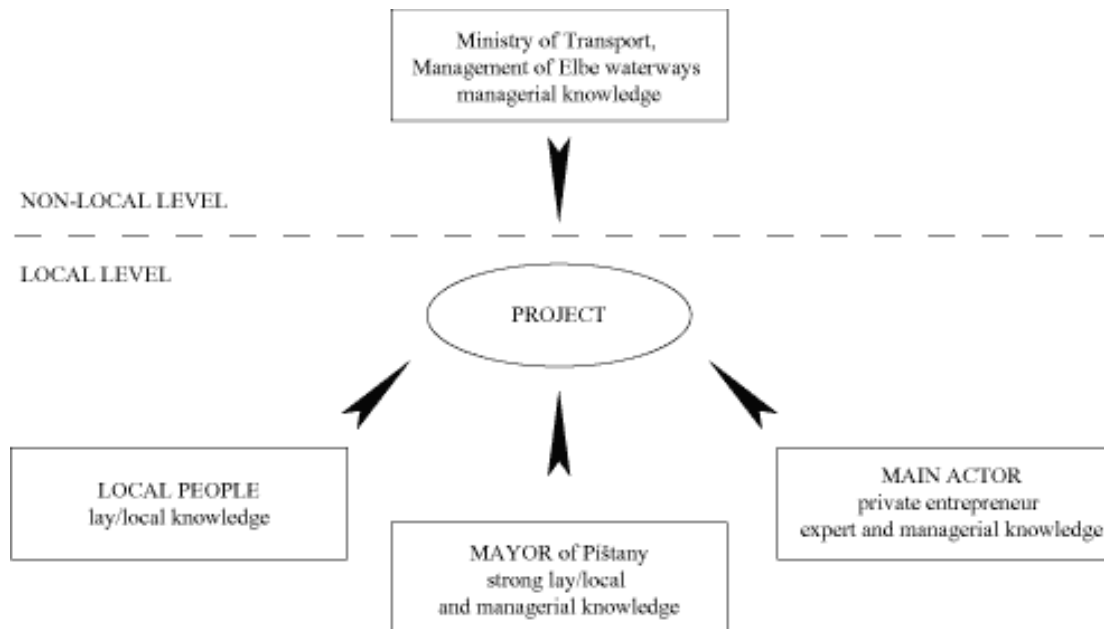
Regional self-government of Ústecký Region provides only passive financial support.

View of the actors involved in and their knowledge is depicted in Table 10.

Table 10: Actors and their knowledge (Case study 2)

ACTORS	KNOWLEDGE
Main actor - private entrepreneur	mainly expert + managerial
Mayor of Pišťany	strong lay/local + partly managerial
Ministry of Transport, Management of Elbe waterways	managerial (only marginal)
Local people (by referendum)	lay/local

It is necessary to explore the role of the particular actors and their knowledge within the project to describe the impact of the case study on the locality. So we tried (as in first case study) to create model of the network of actors and their knowledge. There is depicted the position, type of knowledge, character (local or non-local), measure of activity and co-operation of the actors in Table 11.

Table 11: Model of actors and knowledge

From the depicted model there is possible to see that there is strong local support provided by local people and mayor of the village Pišťany. The arrows show the measure of activity and provided support to the project. So the main support to the project was provided by main actor – private entrepreneur, which could be classify as local actor despite the fact that he originally comes from Karlovy Vary (position in model correspond to this fact). Other significant support was provided by local people and mayor of Pišťany. On the other hand, rather weak support was provided by non-local actors and organizations. Or, better to say, they were not able to turn their intended (lip-service) support into effective help. The latter is valid mainly for early phases of the project. Some improvement can be seen lately.

Impacts of the case study

This project tries to encourage economic perspective of rural sustainable development of the locality but there exist also very significant positive impacts on the ecological stability of locality (tourist marina substitute free ride anchor in free nature). The case has also won

acceptance and support from local people, which may indicate higher sustainability on social level.

To great extent we can regard the project as endogenous form of development, although the final scope was created during interaction between ex-territorial actor and the locals.

The case has “opened” and encouraged the whole locality for further development. The outcomes are already visible yet before the project itself is finished. The locality is ready to absorb completely new activity, while perfectly utilizing its natural predestinations. From this point of view, the actual economic effectiveness of the finished project is less important than the sense of innovation presented.

Comparative analysis

For “Innovatory economic development” in the Czech Republic two different case studies were chosen – one of them is situated to south part of the Czech Republic and second one to the north part of the Czech Republic. Each of them represents different approach to innovation. Significant difference is remarkable considering the role of actors involved.

The first case study is called “Pottery and culture centre Maříž” and is situated to the small village Maříž, which is located in border part of the district Jindřichův Hradec (Jihočeský Region). The second case study is called “International tourist marina Píšťany” and this project is situated to the village Píšťany in the district Litoměřice (Ústecký Region). It is not important for comparative analysis to describe content of cases but very important is to describe and analyze approach to the innovation within these two case studies. The project “Pottery and culture centre Maříž” could be understood as product innovation – it is a new specific product at the market. The original art ceramic Maříž is specific and unique product at the market. It is unique for its creation and joyful composition of pottery colours. This ceramic is intended for every day use, due to specific creation (the ceramic is twice baked) could be washed by washing-up machine. The second project called “International Tourist Marina Píšťany” could be also regarded as a new product (service or product innovation) – it could be classified as a new product of tourism industry in the Czech Republic. So, this project does not represent innovation as such on broad level, but the innovatory product (service) within the Czech Republic (see above). From this point of view both of the projects represent the same approach to the innovation. The main difference could be seen in the contribution of the projects to the development of local economy. The first project has significant impact on the development of tourism industry. So, this innovation could be understood as diversification of local economy. In more particular way, this project tries to shift away the dependence of locality on agriculture and daily migration for a work. The second project perfectly fits to local conditions and in fact is not purely new – just explores the product from up-to-date international prospective. Thus we can identify an intensification of local and global context here (the tourist marina Píšťany should be integrated to the global “network” of tourist marinas within the Europe).

The most significant differences between projects can be found in the actors involved and the forms of knowledge used by different kind of actors. Despite this fact there exists one substantial similarity – it is the main actor. In both of the cases is the main actor private entrepreneur disposes with mainly expert and managerial knowledge. But other actors are quite different, especially from the point of view of origin of actors and their knowledge. All of actors involved in first case study are non-local actors. So they bring exogenous approach to the innovation and local actors do not play any significant role within the project. Local people are quite passive and they are afraid of innovation coming from outside of the locality. It means that local people are distant to this project and there is no support provided by local people. From this point of view we can classify this project as a non-local project with significant consequences for the implementation of the project. There is quite different role of

local actors in the second case study. There we could see a strong local support provided by local people and mayor of the village Pišťany. On the other hand only, rather tentative support was provided by non-local actors and organizations. So we can classify this project as a local project, which represents endogenous approach to the innovation and rural sustainable development of the locality. The forms of knowledge and actors involved in both of cases are depicted in Table 12.

Table 12: Knowledge and actors involved

	KNOWLEDGE	expert	managerial	lay/local
CASE 1	expert		Main actor – private entrepreneur	
	managerial	Main actor – private entrepreneur	NGO Spin, Jihočeský Region, municipality Slavonice, Micro region “Association of border municipalities and towns of the district Jindřichův Hradec”	
	lay/local			
CASE 2	expert		Main actor – private entrepreneur	
	managerial	Main actor – private entrepreneur	Ministry of Transport, Management of Elbe waterways	Mayor of Pišťany
	lay/local		Mayor of Pišťany	Local inhabitants

From the combination table above is possible to see that the actors involved use usually imbroglio of knowledge and only some of them use pure forms of knowledge. The types of knowledge used in pure form are usually managerial and lay or local in second case study. The main difference is considering the lay or local knowledge. There is particular lack of the lay knowledge used in first case study. So, the only failure factor of the project is attitude of local people to the project. Local people are quite passive and they are afraid of innovation coming from outside of the locality (as a result of non-local character of main actor). It means that local people are distant to this project and there is no support provided by local people. Considering the second case study there is sufficient and important support provided by local people and the mayor of Pišťany. The lay or local knowledge was used there predominantly. This is one of the most important success factors of this case study despite the insufficient support from the national and supranational level especially considering the financial support.

Both of the cases could be regarded as successful examples of innovatory projects. However, there are quite different success factors in each of the projects. The first project has positive impact on the development of the locality especially due to unique character of the project complemented by sufficient supranational and private subsidies. One of the most important impacts implied by locating this project to Maříž is promotion of this locality not only in the Czech Republic but in European Community too. Proximate effect of the project is creation of 15 new working places for local people and other seasonal working places in tourism industry. From this point of view this project could be classified as project maintaining economic perspective of rural sustainable development with regard to ecological aspects. The second case study has also positive impact on the locality. Nevertheless, the main success factor is local support and significant usage of lay or local knowledge within the project. This case has “opened” and encouraged the whole locality for further development. The outcomes are already visible even before the project itself has been finished. The locality is ready to absorb completely new activity, while perfectly utilizing its natural predestinations. From this point of view this project could be classified as a project trying to encourage economic perspective of rural sustainable development of the locality. As a matter of fact, positive impacts on the ecological stability of locality (tourist marina substitute free ride anchor in free

nature) can be quoted as well. So, in the first project (located to Maříž) ecological perspective of rural sustainable development forms only the background for the project and the main aim is to encourage economic development of the locality. Quite different situation is considering the second project (located to Píšťany); the ecological perspective of the project is equal to the economic aims of the project.

Conclusions

As stated above for WP8 “Innovatory economic development”, there were two different case studies chosen in the Czech Republic – one of them is situated to south part of the Czech Republic and second one to the north part of the Czech Republic. Each of them represents different approach to innovation and the significant difference can be found especially when considering the role of actors involved. Both of the projects were analysed in detail in previous chapters. Thus the concluding part of the country report provides brief summary of differences and similarities of the cases and recommendation for future applicability of innovatory projects in rural areas.

The first project (SAPARD project “Pottery and culture centre Maříž”) is non-local project with lack of the lay knowledge used by particular actors. The main actor of this project comes from outside of the locality and this case study represents exogenous approach to the innovatory economic development and rural sustainable development too. Considering innovation within this project, we can classify this case study as product innovation contributing to the diversification of local economy. All of the actors involved are non-local actors and there is no support provided by local people. As regards the knowledge forms, the project is based on imbroglio of expert and managerial knowledge provided by main actor on one side and pure managerial knowledge provided by NGO Spin on the other side. Other actors contributing to the project use pure form of managerial knowledge although their support is considered as marginal only. Lack of the lay knowledge is the most significant attribute there. Local people are quite passive and they are afraid of innovation comes from outside of the locality. This fact is the most important contrary factor of the project. On the other hand, this project is successful from the main actor’s point of view (and also main investors) and from the development of the locality prospective too.

The second project (“International tourist marina Píšťany”) is a local project with significant support provided by local people and by mayor of Píšťany. The main actor of this project is nowadays resident within the locality and this case study represents endogenous approach to the innovatory economic development and rural sustainable development too. Considering innovation within this project, we can classify this case study as product innovation contributing to intensification of local and global context (the tourist marina Píšťany should be integrated to the global “network” of tourist marinas within Europe). Most of the actors involved are local actors with local or lay knowledge and it is among the most significant success factors of the project (support provided by local inhabitants). Considering the forms of knowledge, this project based on imbroglio of expert and managerial knowledge of main actor and lay knowledge provided by local people and mayor. Other non-local actors contribute to the project by pure managerial knowledge although their role is only marginal. This project is likely to be successful mainly due to the attitude of local inhabitants to the project. On the other hand there exists one contrary factor – insufficient financial support provided by national or supranational institutions.

Certain success and failure factors for successful enforcement of innovatory projects could be highlighted in both projects. The most important success factor is the support provided by local inhabitants, utilising their lay knowledge. These actors are usually aware of local conditions for development and there exist certain confidence between active and passive local people, which is very important for enforcement of the project. On the other hand,

project with no support provided by local people (as could be seen in first case study) could be successful as well. The main reason for success of this type of project is sufficient financial support provided by private companies or national or supranational institutions. This type of project has to be also unique and strongly innovative. Despite these facts is lack of lay knowledge one of the most significant contrary factors of project enforcement.

Both of the cases presumably contribute to rural sustainable development. The first project could be classified as economic perspective of rural sustainable development with regard to ecological aspects, which forms only the background of the project. The second project could be classified also as economic prospective towards rural sustainable development of the locality but there exist very significant positive impacts on the local ecological stability as well. The different approaches of the projects with regard to the rural sustainable development stem from different actors involved in.

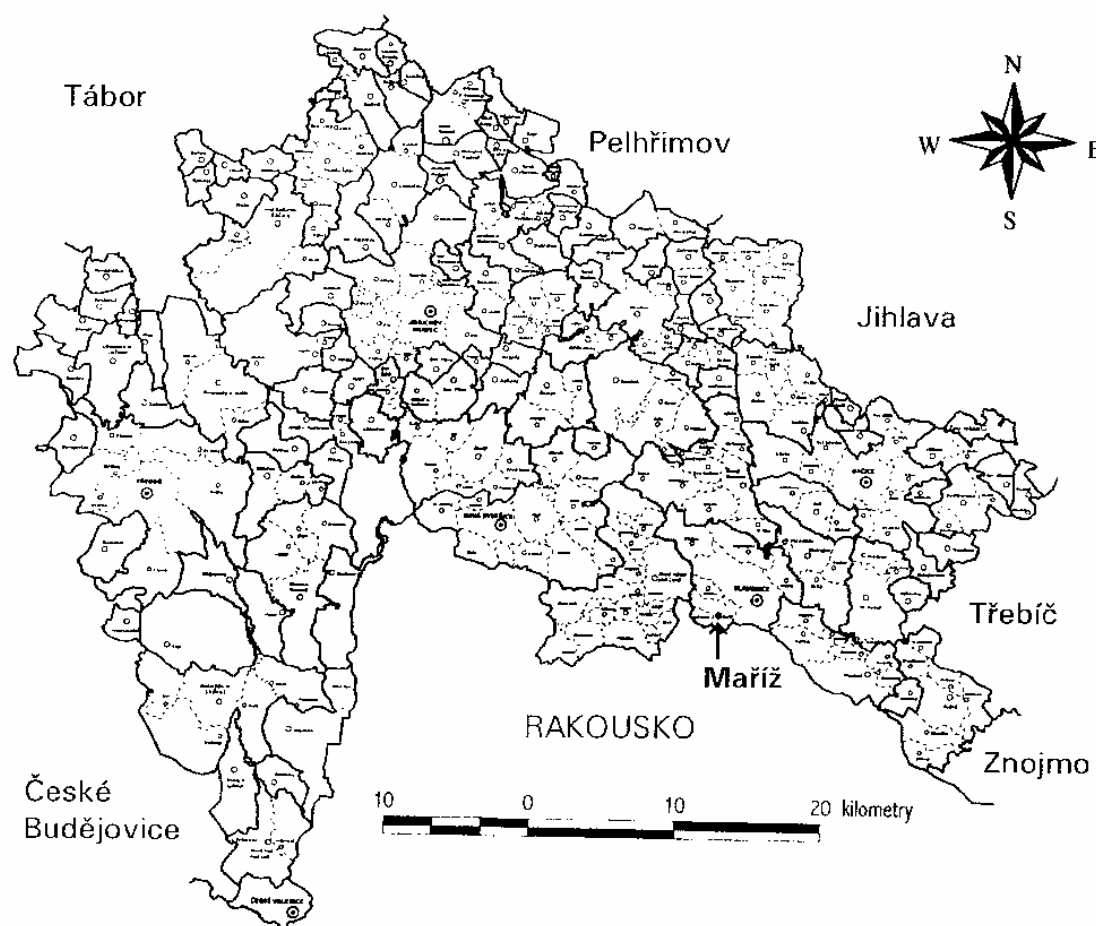
Considering the knowledge forms used in innovatory project by particular actors, it is necessary to note that the most important actors use usually imbroglia of knowledge. Only marginal actors use pure form of knowledge (usually managerial) and local inhabitants of rural areas use pure lay knowledge. Main actors dispose mainly by expert knowledge (mixture with managerial) as a result of innovatory character of the projects. So, the innovatory economic development within the rural areas of the Czech Republic can be regarded as very useful and the analysis presented above provides examples of knowledge and actors involved in selected innovatory projects.

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Appendix

Micro region “Association of border municipalities and towns of the district Jindřichův Hradec”



Innovatory Economic Development in Hungary

Bernadett Csurgó³ – Ildikó Nagy⁴

Introduction

EU accession process has played a significant role in the appearance of new fields, new approaches and new methods in the Hungarian developmental system. After the change of regime there was no framework for rural development policy. Rural development as a significant development issue came into the limelight in 1998 due to the EU accession process in Hungary. Stabilizing and increasing the living standards of local people are the most important aims of regional and rural development policy. The improvement of economic competitiveness based on innovative capability is the key tool in realizing these aims. The issue of innovation emerged in the national economic, political and social discourse due to the EU development theories and practices.

In this paper two innovative development projects realised in the study areas will be presented. The main focus of the analysis shall be the key actors and roles and knowledge crucial in the implementation of the projects.

The first chapter of the paper presents the context of the projects, the socio-economic history of the regions, key institutions, actors and the appearance of innovatory development in Hungary. We will present the first EU-conform development programme in Hungary, namely the SAPARD programme. However, this programme provided framework for Hungarian rural development projects only for a very short period of time. In the second section we will present case studies. The first case focuses on analyzing the circumstances and the perception of the SAPARD programme. We shall present the implemented SAPARD project in the context of experiences and opinions shared by involved local actors. The other case study is a complex development project through which the different meanings of innovative development, as well as the different actors and roles can be analyzed. These cases are considered innovative from different points of view. A common characteristic of these projects is the focus on local tradition and history by creating possibilities or developing the already established possibilities with regard to historical sites. This process helped create new relationships and strengthened the existing relationships among local and non-local groups of actors. The third chapter aims to compare the most significant factors and tendencies of the case studies. The paper will shortly conclude the effects of the implemented projects on local society and economy and the projects' potential contribution to the sustainable rural development.

³ Institute for Political Science, Hungarian Academy of Sciences. E-mail: csbetti@mtapti.hu

⁴ Institute for Political Science, Hungarian Academy of Sciences. E-mail: nagyildiko@mtapti.hu

1. Context

1.1 Level of analysis

The realization of innovatory economic development is analysed at the level of micro regions in both cases. Both micro regions are characterized by different problems and conditions on which investment or development can be based. However, in neither one of the cases do the settlements involved in the project cover the whole micro region. The key actors of the projects were the core subjects of our research with whom we did structured interviews. Regarding the SAPARD project, key actors were members of the local government coordinating the project, local non-profit organizations who were usually the ones initiating the project, local and non-local experts who carried out the work and local actors who are the most concerned when it comes to results. With regard to the second case, interviews were done with scientists who started the initiatives, with members of the local government who represent the local authorities giving place to the initiatives and representatives of the national park and visitors of the project programs interested in the theme of the project.

1.2 Socio-economic history, conditions, key changes

The Keszthely Micro Region lies in the eastern corner of Zala County. The town of Keszthely is situated on the shore of Lake Balaton. It is the centre of the micro region where 26 further municipalities can be found. Keszthely Micro Region is one of the most developed micro regions in Zala County. Contrary to tendencies in the county, the population of the region is continuously increasing. This phenomenon can be attributed to the touristic significance of the micro region, as Lake Balaton is a famous recreation area and the town of Hévíz is a well-known centre for medical tourism.

Decreasing population means less economically active people. Statistical data concerning economic activity at a county level corresponds to the national tendencies of the past thirty years. The most characteristic trends are emerging unemployment and decreasing active (employed) population. In comparison with the county in general, Keszthely Micro Region enjoys a relatively good economic position, as the rate of unemployment is half of the average county rate according to the statistical data. Besides the economic activity two tendencies are of importance: the continuously decreasing dominance of agriculture and mining on one hand, and the continuously increasing proportion of services, real estate and business activities on the other. As tourism is the most important economic activity in Keszthely Micro Region, most of the employees belong to the third sector.

Our first case study, the SAPARD project focuses on local monuments and was realized in the village of Gyenesdiás. The settlement has more than 3000 inhabitants. It is situated right in the neighbourhood of the town of Keszthely. Originally, the village used to have two separate parts, Gyenes and Diás. Gyenes is the Western part of Gyenesdiás. The chapel of Gyenes was erected in classical style in 1826, with the support of László Festetics. In honour of his daughter's patron saint, the chapel was named Saint Helen. Diás is the Eastern part of Gyenesdiás. Virgin Mary's church in Diás was built in 1894. Gyenes and Diás were united to form a single village in 1840.

Jász-Nagykun-Szolnok County can be found in the middle of the Hungarian Great Plain and is bordered by seven other counties. Due to the structure of its settlements this is

one of the Hungarian counties with the lowest population density. Mezőtúr Micro Region is located in the southeastern part of the county and has two important centres: Mezőtúr and Túrkeve. The most important sector of the economy is agriculture; it is quite stable and productive. The decrease of population characterizes the whole county, as well as the micro regions, not only in the villages, but the towns as well.

In Jász-Nagykun-Szolnok County the tendencies of change in economic activity reflect national trends. Unemployment is a well-known phenomenon, as the number of unemployed inhabitants has radically increased since the changes. Presently more than 5 % of the economically active population is unemployed in the county. All industries belonging to the first and second sectors have significantly reduced the number of employees according to the longitudinal data analysis. The number of agricultural employees has dropped to a mere fifth of their number twenty years ago and by 2001 only 17% of the people earlier employed in the mining industry were still on the payroll. The only areas showing significant growth were the real estate and business activities.

Tiszafüred is situated near the famous Hungarian plain called Hortobágy. It has a population of 15.000 inhabitants. The town lies on the shores of the Tisza River, which has always played an important role in its life. Tiszafüred is a touristic centre in the region.

1.3 Key institutions and actors

In the time of making national a micro regional SAPARD plan it was not defined, what “rural development micro region” means. The Central Statistical Office divided the country into 150 statistical micro regions in 1998, but officially this was not the basis of the SAPARD plan. The newly established Rural Development Main Department of the Ministry of Agriculture and Rural Development only stipulated as criteria that these areas should form connected territories and there should not be any territorial islands which do not belong anywhere inside the micro region. Accordingly the so-called SAPARD Micro Regions came into existence along with the following organising principles. The settlements’ traditional connections had the most powerful organising capabilities, so the settlements to form governmental associations were the ones already connected to each other. Good relationships between mayors were crucial. Furthermore, cultural and geographical similarity was also a significant factor. 192 SAPARD micro regions were created and almost all of them made their own development plan. Although the SAPARD programme was delayed and launched only in 2002, these development plans could be used in national applications. During the very short period of time when the SAPARD programme was available in Hungary, before the country joined the European Union, a few SAPARD projects could be carried out. By now the SAPARD micro region category has lost its importance. In order to bring rural development programmes up-to-date, in 2004 all these micro regions had to be adjusted to the borders of the statistical micro regions and their plans rewritten accordingly.

In Keszthely Micro Region associations of local governments have been formed since 1992. In 1992 the Tátika-Rezi Association of Local Authorities was established. The 15 settlements belonging to the association founded an information office with the help of the PHARE program in Zalaszentőrs. These settlements do not have direct connection to Lake Balaton, they are less rich and participate in tourism indirectly. The association’s activities focus on complex development processes, such as representing the social, cultural, economic interests of the region. Two settlements belong to the Keszthely-Hévíz Micro Region Development Association that was established in 1994. This association founded a number of

micro regional organizations, such as the Regional Entrepreneur Club, Regional Chamber, NGOs working in the field of tourism, regional marketing companies, consulting corporations, etc. One of the most important initiatives of the association was the establishment of the “West-Balaton Micro Regional Resource Centre” (Nyugat-Balaton Mikrorégiós Forrásközpont). Kis-Balaton Regional Association (Kis-Balaton Térségi Társulás) started operating in 1993, recognizing the fact that settlements in the Kis-Balaton area are separated due to the awkwardness of county and regional borders. Since these settlements belong to two different counties, two different regions in fact, it is difficult to manage common projects there, although the relationship is quite good among the associations. Presidents of these associations are powerful mayors in the region. Probably that is why successful programmes and active partnerships characterize the region. Keszthely Micro Region is a statistical territorial unit and more than one bottom-up association operates in the area⁵. The Agricultural University of Keszthely plays a significant role in the field of rural development, since not only agrarian research is done at the university, but rural research and development initiatives are carried out as well. This institute has a key role in the planning process of development strategies among others. The civil activity in the Keszthely Micro Region is also significant. There are 305 volunteer organizations, both relatively and absolutely a much higher number than in the other two LIAs. 31 NGOs from the 305 were founded by local authorities, 130 are financially supported by local governments and 52 organizations use their infrastructure. All this indicates a strong cooperation between the civil and the public sector, to be confirmed by the case study as well.

Directly involved key actors and institutions of the case study were the government of Gyenesdiás as applicant and project coordinator, the local parish, partly the owner of the restored monuments, local experts doing the implementation, local NGOs mediating the local inhabitant’ demands and the regional office of cultural heritage taking care of the professional work.

Crucial actors and institutions of the studied project in Jász-Nagykun Szolnok County are mostly local or regional. However, the main actor is outsider. The main actor is the “Telepesek” (Deportees-Settlers) – Social Museum Foundation. The main goal of the Foundation is to protect the heritage of the Hortobágy camps for deportees, coordinate scientific research, organise conferences and seminars, and establish museums, monuments and historical collections. During the Hungarian Stalinist Era from 1950 till 1953, 12 camps for deportees were established in the Hortobágy and Mid-Tisza region where those Hungarian families were deported who had been labelled enemy of the regime. They were mostly farmers owning private property, functionaries and elite of the previous regime. The regime called them “settlers” who would populate the uninhabited and uncultivated Hortobágy region. It was punishment packaged in the ideology of transforming nature, as well as society. The regime deported their social enemies in order to isolate these families and use them for their own ideological aims, such as the transformation of the Hortobágy. Earlier the Hortobágy had been a natural preserve and they wanted to turn into arable land. The historical research in this field had just been started, following the fall of the socialist system and civil organizations had been founded to revive the memories of past events. The Telepesek-Social Museum Foundation is one of these civil organisations that aim not only to remember the victims and their history, but to analyse it as well.

⁵There are at least 17 institutes working at a micro regional level. Among others micro regional associations, rural development offices, rural development managers of the ministry, rural development managers of the micro region etc.

Another important actor is the Local Government of Tiszafüred. Kócsújfalu where the project was based is a part of Tiszafüred municipality. The distance between the village of Kócsújfalu and the town of Tiszafüred is 16 km (about 10 miles).

The following actor is Hortobágy National Park, the first and largest National Park of Hungary. Its area covers about 80,000 hectares. The Hortobágy National Park Directorate manages the Hajdú-Bihar-, Jász-Nagykun-Szolnok-, Szabolcs-Szatmár-Bereg counties, as well as the Tisza Lake of Heves County. The 1500 square kilometres of protected area predominantly includes lowland habitats and 2 hills at the foot of the northeastern Carpathians, namely the Kaszonyi and the Tarpai. The Hortobágy National Park Directorate oversees the conservation of the natural habitats of the Hortobágy National Park, the largest grassland of Central Europe, four landscape protection areas and twenty smaller independent protection areas.

The final main actor to be mentioned is the Menora Foundation Tiszafüred. It is a civil organisation devoted to the research and protection of Jewish history in Tiszafüred. They used to organise Memorial Days and participate in research projects on Jewish history. Many interviewees emphasised that project leaders had connection with the northern Great Plain Regional Development Agency, the Ministry of National Cultural Heritage and with many Hungarian universities and colleges.

1.4 Innovation, competitiveness and economic development

According to the EU rural and regional policy, the competitiveness of different regions or territorial units is determined by the extent of innovation that is present. Accordingly, innovation is defined as the key element, the key resource of economic competitiveness. The innovatory ability of regions is not only defined by statistical data, but also by factors such as social capital, knowledge and confidence. Therefore the development of regions significantly depends on the development strategies that are based on innovation in the different areas.

The basic factor in improving regional competitiveness is the development of research and technology. One of the obvious ways of achieving this is by adopting the accumulated marketable knowledge of universities and academic institutes in the region. There are many cases in Hungary in which cooperation between research centres and local, regional developmental organizations have been successful. In spite of the fact that cooperation significantly leads to better achievements, actors of rural development cannot always make capital of it. According to our opinion there are two main things which hinder rural actors to make capital of co-operation. On the one hand the forming civil society is still very weak in Hungary, since its continuity has been broken for four decades and during the former one and half a decade it could not strike deep roots in the society. This fact means that members of local communities are rather isolated than connected in compare of those societies, which have traditionally developed civil society. On the other hand there are lack of developmental programmes that focus on all kinds of local actors as well as their connection and co-operation. According to the interviewees opinion SAPARD programme was one of the rarely possibilities which encouraged local actors to co-operate. This means that co-operation and harmonization of different interests are rather few. Besides, the development of local education and professional training are also crucial factors in the development of economic competitiveness. However, the spread of innovatory processes depends on an operative multi-component innovatory milieu. Local circumstances effect the production of knowledge and thus the innovatory milieu. Innovation or innovative initiative may stem from outside (as in

the second case study) or from inside (as in the first one) the region. Both projects have both direct and indirect effects upon local economy and society.

Bottom-up and territorial development approaches appeared less than a decade ago in the Hungarian development system. In 1999 the SAPARD program had served as the very first framework for micro regions all over the country to determine and elaborate their own development programme. This programme had meant the process through which the EU-conform rural development institutes and policies were to be articulated in Hungary.

The social dimension of innovation is a significant element in the first case study in which innovation occurs due to the strengthening of relations between local actors, creating new internal or local synergies. In the second case all three impacts of innovation can be detected, since the initiative affects the diversification of local economy, the intensification of interactions between the local and global context, as well as the strengthening of relations between local actors, creating new internal or local synergies.

2. Case studies

2.1 SAPARD project in the Keszthely Micro Region

2.1.1 Introduction

Although both the SAPARD and the LEADER programme raised significant expectations in Hungary, it is rather difficult to analyse their influence on a local level, since the SAPARD programme operated for a very short time in Hungary and the LEADER programme is still in an early period.

In Keszthely Micro Region there are three associations of local governments. Some settlements of the statistical micro region belong to more than one association, others do not belong to any of them and there are villages that belong to associations outside the micro region. The Keszthely-Hévíz Micro Region Development Association and Tátika-Rezi Association of Local Government elaborated a common SAPARD plan in 1999. Although the basic idea of the SAPARD project studied below was articulated in this plan, neither one of the rural development plans included this project. When the SAPARD programme was launched in 2002, it was the mayor of Gyenesdiás, the local parish and the local NGOs who finally started to elaborate the concrete project.

2.1.2 Social history of the case study

In our study area one of the most interesting SAPARD projects was the one conceived in the Keszthely Micro Region. Since the SAPARD programme was available for a very short period of time in Hungary, there were only a couple of projects that we could choose to do research on. The project of our choice belonged to the measure of “Development and renovation of villages, protection and preservation of the material and cultural heritage of the rural countryside” (“A falufejlesztés és felújítás, a vidék szellemi és tárgyi örökségének védelme és megőrzése”) and focused on the renovation of the centre of Gyenesdiás. Saint Helen Chapel and its churchyard can be found on the Gyenes side of the settlement, in the centre of the village. In the framework of the SAPARD project a new fence was built around

the churchyard, more than one hundred year old crucifixes were renovated and the nighttime floodlighting of Saint Helen Chapel was carried out.

Local churches and churchyards were owned by the local government until the change of regime. Since the political attitude was anticlerical during the era of state socialism, no one took care of the religious monuments that deteriorated with time. In Gyenesdiás former Church properties (churches and churchyards) were returned to the local parish in the early 90's. Even though the protection of local monuments was an important part of local development strategy, no adequate resources or applications were available to support this initiative. That is probably why the local church gave back the ownership of the churchyard to the local government in the middle of the last decade. In this period the local Friends of Nature Association (Természetbarát Szövetség) and the Local Historical Circle (Honismereti Kör) called the local society's attention to the poor condition of the six crucifixes that indicate the historical and the present-day borders of the settlement. These crucifixes were built in the 19th – early 20th century and before World War II each one had a different owner or patron. In the 90's all these monuments were very close to complete destruction when the local government made a plan to save them. The above mentioned NGOs and the local parish suggested elaborating a more widespread plan, including the restoration of the local churchyards, followed by the renovation of the village centre. Then the local parish, the local NGOs and the local government made two different plans. One was focused on the restoration of Virgin Mary's church and its churchyard on the Diás side, while the other one focused on the Saint Helen chapel and its churchyard on the Gyenes side of the settlement. While the local church could make its own contribution in the first case, the local government did so in the latter. Both projects applied for SAPARD assistance, however only the second one got financial support from the SAPARD programme. Since the project that focused on the church of the Gyenes side got the subsidy, the local government of Gyenesdiás was the manager of the project.

2.1.3. Financial breakdown

The project was launched in 2003 by inviting tenders for executorial work. According to the project documentation, three different applicants applied for the execution of each type of work. From all the applicants a local Ltd. presented the most reasonable tender for the construction of a new fence around the churchyard. This tender was also the most inexpensive one, since the entrepreneur was a trader in the construction material business as well. On the other hand, this Ltd. was a local enterprise and it was a kind of unwritten rule that local actors should be involved in the project. A local enterprise received the opportunity to set up the floodlighting system for the Saint Helen chapel as well. It was also the cheapest offer and since this enterprise had done similar jobs for the local government before, this decision probably did not have any risky consequences. The crucifixes which were not renovated by the local government before the SAPARD project could be found in the churchyard. The third part of the project concerned these monuments and the cleaning of the whole churchyard. The winner of the tender was the cheapest offer, former restorer company that had restored all the other crucifixes in the village; however it had no local ties. The budget of the whole project was more than 47 500 Euros from which the local government had to cover about 11 700 Euros. The following table presents the expenses of the whole project.

Expense items	Amount HUF	Amount EUROS
Task 1 (building a new fence)	7 589 525 HUF	30,977.65 EUROS
Task 2 (renovation of crucifixes)	1 322 500 HUF	5,397.96 EUROS
Purchase of machinery, technology (lighting system)	644 625 HUF	2,631 EUROS
Expert fees	1 100 000 HUF	4,489.79 EUROS
Total costs	11 611 650 HUF	47,394.48 EUROS
SAPARD assistance	8 708 735 HUF	35,545.85 EUROS
Own contribution	2 902 915 HUF	11,848.63 EUROS

2.1.4 Actors and institutions

According to Christopher Ray's theory, culture-economy as a rural development approach is based on the local economic control. This means that local actors are able to influence the changes of local economy. Intensity of the economic control increases by the increasing local cultural identity. This theory focuses on the way new forms of local production and resources evolve that have local economic interest. However, in the SAPARD project there was indirect economic interest the first mode of realization of culture economy appeared in the case, since local economic and social resources were utilized for the local inhabitants (Ray 1998).

There are three different characteristic institutions whose role it is to take care of village development tasks. Local government was the key actor in the development processes. The managerial practice of the local government and especially the mayor of Gyenesdiás became the motor of the initiative. The mayor of Gyenesdiás had been elected right after the change of regime. In the meantime he was also the president of the Keszthely-Hévíz Micro Region Development Association between 1994 and 2004. According to the mayor's opinion the most important administrative change concerning settlements all over the country was the Act on Local Governments. In the early 90s all the local authorities could operate since they were in possession of the necessary means. Recently, all the local governments have been lacking in resources and the central government does not provide enough support for operation, investments and development projects of primary importance. Therefore the principle of subsidiarity cannot be respected, since local authorities do not have the possibility to practise independent decision-making. Based on a research conducted by the Central Statistical Office in Hungary, Gyenesdiás was the 4th most developed settlement in 2005 according to the basic social and economic indexes. In spite of this fact the local government complained about the system of financial assistance. Though the mayor of the settlement used to be the president of a micro regional association, he thinks this territorial organization is useless. Here we have the essence of the post socialist territorial debate i.e. neither the government nor the settlements would like to give up their obtained positions and power that prevent middle level territorial organizations from forming.

The local parish plays an important part in community life in rural territories. It had significant role in the project, since the church partly owned the restored monuments. The relationship between the local church and the local government is quite good, since on one hand the leadership of the local government is quite professional in managing development projects which are very useful for the local parish, while on the other hand the local government values the activity and importance of the local parish.

The third important actor of the project was the group of local non-profit organizations. Due to the attitude of the local government local NGOs had started to develop rapidly after the change of regime and recently play an important role in the local society of Gyenesdiás. On one hand, the local government tried to revive the tradition of NGOs dating back to the interwar period and on the other hand, responsibility for fulfilling some of the public tasks was assigned to local NGOs from the 90s. Both the Friends of Nature Association (Természetbarát Szövetség) and the Local Historical Circle (Honismereti Kör) play significant roles in the area of the above-mentioned SAPARD measure, although in this very case they only expressed their opinion of the plans. They were also the ones in contact with the local inhabitants, giving them reports about the ongoing project.

Special experts and institutions represented all the necessary fields in connection with the project. 9 National Office of Cultural Heritage can be found in Hungary and one of them is based in the centre of the micro region, in Keszthely. Since an official permit is needed to renovate ancient monuments, this office was an important partner of the SAPARD project. During the restoration of the crucifixes the local government had developed an excellent relationship with the local cultural heritage preservation authorities. The authorities had not only issued an official permit, but also provided the project managers with practical advices, ideas and proposals from the very beginning of the preparation process. Three different activities were carried out in the framework of the project. All three activities were implemented by entrepreneurs selected through an open tendering process. Two of the three winners had strong local connections and at the same time they offered the best price.

Local inhabitants did not take part in the planning process, or implementation. Nevertheless one of the main purposes of the project was to satisfy their demands by improving their living circumstances.

2.1.5 Approaches of SAPARD and innovation

The development project that was elaborated in the framework of the SAPARD programme was adapted to the developmental processes and social, economic tasks of the settlement. The project could only be completed in 2004, since before that there were many more urgent development task to attend in the settlement. Due to the small number of project applications and available resources, investments such as building or renovating local schools, restoring local monuments can only be done step by step. According to the interviewees, the SAPARD programme was exactly the programme that could help satisfy the development demands that were not in direct connection with either profit-making activities or basic services. For them SAPARD was the first development programme that concentrated on things like local community, cultural heritage, general view of a village, etc. In their opinion, this tendency did not continue in the development programmes following SAPARD, neither in the Agricultural and Rural Development Programme nor in the National Development Plan as a whole.

Innovation as a topic was not presented directly, neither in the phase of preparation, nor in the phase of implementation. Based on the opinion of the mayor, innovation should not be defined simply as an economic term, as it has a more general definition connected with the whole society. According to him the local society is disintegrated (atomised), there is no cooperation between members of the society and as a consequence, there is no room for common initiatives and innovation. This project was innovative in the sense that on a certain level each inhabitant of the village was affected. As a direct result of the project the fence of

the churchyard and some beautiful crucifixes were renovated. However, the project had an indirect result as well. Since people attending the graves in the churchyard saw that the cemetery was being cleaned up, they were motivated to clean up and keep order around the graves of their family members as well. The cemetery is one of the public areas the village. It is very important that the public areas of a place be clean and tidy, because it is one of the factors that make a settlement comfortable for people who live there. And this was exactly what the project was about: to put one of the public areas in order. In this way the project added to the comfort of local people. In this case innovation appeared in the form of strengthening relationships between local actors. Local NGOs also emphasized this interpretation of innovatory development concerning the SAPARD project. In their opinion this was one of the most important projects that attracted the active attention of interested local inhabitants. Local inhabitants, the local parish and even the National Office of Cultural Heritage share this view of innovation related to the SAPARD project. All of them emphasized its importance to the local community. Community development has to focus on places, activities which concern the entire local society. Community development should definitely focus on the places of common activities or memorial sites. These sites help articulate the feeling of belonging and in this way, the feeling of community. Innovation also appeared in an economic context, since it was important to involve local entrepreneurs above all. That is why the strengthening of local economy can also be considered a crucial factor of innovation.

Definition of Innovation

Definition of innovation	Actors
New relationship among local actors	Local government Gyenesdiás
New forms of community development	Local parish
New relationship among local actors	Local NGOs
Strengthening of local economy	Local entrepreneurs
New forms of community development	Local inhabitants
New forms of community development	National Office of Cultural Heritage

2.1.6 Types of knowledge

According to different actors of the analyzed SAPARD project, we can distinguish three types of knowledge such as expert knowledge, managerial knowledge and local knowledge. We studied the different types of knowledge and their importance by analyzing the roles of different actors.

The key actor of the project was the mayor of the settlement. On one hand he was the one who had leadership and local interest at the same time. He had been doing his job successfully since the change of regime. The mayor looks at the whole SAPARD program from a broader perspective: among others the program is a possibility that helps him operate the settlement. He regards the development of the settlement as a starting point and in this regard the SAPARD can appear as a mere additional resource. In his opinion the initiative was useful, because it managed to trigger a process of organizing and thinking at the lowest level as well. Since he used to be the president of the micro region, his knowledge is determined by his experience in the outcome of such processes. This depends mostly on the timing and it is also an important part of the successful activity. These can form the basis of a diverse and colourful strategy, necessary in order to develop the region or settlement and centrally supported. Moreover, the coordinator has to have significant local knowledge in order to recognize the local demands and possible contributions. The local mayor was also the

coordinator of the project. By filling this position he had a significant role in three aspects. First of all, a leading person is always necessary to coordinate team work, someone who has broader perspective in this field, has connections with experts on an individual basis, who is in possession of a professional and human prestige that make others accept him as leader and has competence in judging debated issues. There is another aspect related to this: the mayor also played the role of evaluating the situation. It is always very important to appraise and analyze outside conditions, e.g. because of the objective judgement of partial works and in case any problems occur that cannot be solved inside. The third relevant aspect is the initiative role of the official responsible. The methodology of the program planning has two major roles: to create appropriate conditions for the project on the professional side and to conceive the project from part of the local participants. It is not rare that local participants do not have the necessary information to make plans and the lack of ideas also occurs often. In such cases it is important to increase the creativity of the inhabitants by supplying good initiatives, models, examples and ideas, this way it can happen that not only the most general strategic solutions come to light. Actually the official responsible controls and safeguards the professional success of the program. Consequently, making sure that the project is logically executed and subsequently the necessary corrections are made is also the responsibility of the official responsible. One of the most important tasks of the project leader was to find the right experts to do the different work. The experts doing the implementation of the project had strong local connection. Two of them live in the micro region and the third had been working in the region for a long time. These experts did not have any connection to or information about the other phases of the project planning. So the role of these experts was only important as a basis for the project's implementation. The National Office of Cultural Heritage had a special expert role. This office controlled the professional works of restoration and accordingly, the scientific background was represented by this office. The local NGOs' basic task was to mediate the demands of local inhabitants and inform them about the progress of the work.

Actors and knowledge

Actors	Elements and areas of expertise	Locality	Types of knowledge
Mayor and Local Government Gyenesdiás	Rural development management, local cultural heritage	Local	Local, managerial
Local parish	Local monuments, local cultural heritage	Local	Local
Local NGOs	Local society, local cultural heritage	Local	Local
Local entrepreneurs	Specialized professions	Local	Local
Local inhabitants	Local demands, local cultural heritage	Local	Local
National Office of Cultural Heritage	Cultural heritage, monuments	Regional	Scientific

2.1.7 Impacts

In summary it can be said that the main impact of the project was to develop the community life in the settlement. Having tidy, clean lifestyle is an important contribution to the welfare and – according to the interviewees - it can be a significant component of strengthening the local identity.

2.2 Kócsújfalu (name of the village) – project

2.1.1 Introduction

“Tourism always needs innovation” – an interviewee remarked. Kócsújfalu-project will provide a new service for tourists in the region. Innovation is meant in the sense of the service, but can also be noticed in the process of how the actors and institutions cooperate.

The site of the project is Kócsjfalú-Tiszafüred. Kócsújfalu is a small village in the Hortobágy and part of Tiszafüred municipality. Tiszafüred is a town of 15,000 inhabitants on the edge of Hortobágy at the River Tisza. The Tisza has always played an important role in the life of the town. Tiszafüred is the largest settlement and tourist centre of the Tisza region. Besides Tisza Lake the town also has thermal water reserves: a thermal bath awaits visitors. There is a swimming pool, a bathing pool and a thermal water pool. Tiszafüred is also famous for its pottery. Even today there are two potteries in the town. Tiszafüred is the largest fishing place in Hungary. The local economy is predominantly based on tourism, but some agricultural and industrial companies can also be found. Kócsújfalu was an agricultural settlement, but after the fall of the socialist system the agricultural cooperative was dissolved and most of the inhabitants lost their jobs, many people moved out or found jobs in other places (mostly in Tiszafüred). Nowadays Kócsújfalu is a sleepy village with good potential for touristic development (natural environment, history, culture, etc.).

The core idea of the project is founding a Social Museum that would be a site of memory with various functions: archives, museum, recreation area, research centre and tourism. The initiative is coming from outside, because the main actor is a Foundation (“Telepesek” (Deportees-Settlers) – Social Museum Foundation) coming from Budapest to the case study region to mediate between the actors of the project.

The project represents a new practice of rural development and a new form of the use and revival of local history and tradition. This process was analyzed by Christopher Ray’s theoretical model. Ray’s paper explores the usage of local cultural identity in European rural development, particularly the latter’s shift towards local territorial activity. It proposes the term ‘culture economy’ and a four-layer typology. In order to contribute to a theorization of such development activity - whether policy driven or emerging from the ‘bottom-up’ - local cultures are characterized as forms of intellectual property that may allow local rural economies to impose some level of control over social and economic development. (Ray 1998)

Kócsújfalu project fits Ray’s culture economy model, Mode II.6. The emphasis here is on the local sources. The base of the project is local cultural values: historical and cultural heritage, historical social groups and traditional sites of history. They capitalize on rich history and rural characteristics as well, and they take include the local civil society and public institutions in the organization. However, local goods and services are not marketed directly as in the case of simple rural tourism. They created a new territorial and national identity based on local and historical resources.

⁶ Mode II is defined as the construction and projection of a new territorial identity to the outside world. The emphasis here is on the incorporation of cultural resources in the territorial identity in order to promote the territory. This relates to new territorial development initiatives in which, either using an existing organization (local authorities, development agencies) or through a new co-operative structure, a territorial initiative seeks to establish and promote its identity.

2.2.2 Social history of case study

The Kócsújfalu-project has not been completed yet. It has some results, the planning process is finished, but it has not achieved its main purpose yet. It was launched in June 2004 at a scientific symposium organised in Tiszafüred. The main organiser of the symposium was the Telepesek- Social Museum Foundation, supported by the Hortobágy National Park and the local government of Tiszafüred. The central theme of the symposium was the Museum of Deportees – How can a historical heritage be adapted to contemporary life? Participants were scientists, regional development experts, representatives of deportees, delegates of the local government of Tiszafüred, Menora Foundation and local cultural and touristic institutions (like Tourinform, Agency, Local Library), experts of Hortobágy National Park, local inhabitants and entrepreneurs, delegates of the local catholic and calvinist congregations and the members of the organising Foundation.

During the symposium the history of the Hortobágy camps for deportees was presented. The organising foundation introduced the aim of the project and initiated discussion on the foundation of a Social Museum of Deportees and Research Centre in the region. The planning process started at this event, as many interviewees recalled.

All of the actors emphasise the important role of the symposium in the planning process. During the planning process, the participants of the project agreed on the place and function of the so-called Museum as a first step. As the leader of the project mentioned, this process showed the different priorities and purposes of the actors.

In the case of selecting the place two elements were emphasised: the authenticity of the place and the easy accessibility because of tourism. For the organiser foundation and the other outsider actors (like scientists, representatives of deportees) the problem of authenticity was more important. For local actors emphasising the touristic elements of the project the easy accessibility was the primary question in the selection. First, the participants visited all the remaining camps for deportees in the Hortobágy area. After a long discussion they finally chose Kócsújfalu which is an authentic site of the camps for deportees and also has good features regarding tourism. Interviewees pointed out that it had been difficult to reach a compromise.

Authenticity is emphasized in the theory of cultural tourism. It analyzes tourism as a cultural phenomenon, similarly to the theory of Hermann Bausinger who defined tourism as a “no-border” emotion and cultural phenomenon (Fejős 1998). Moreover, the project, its functions and programmes can be analysed according to the theory of “institutional uncommonity” and strangeness and as a target activity to find and feel authenticity (Havasréti 2000). The definition “cultural tourism” describes the Kócsújfalu-project fittingly.

After the long procedure of selecting the place actors started to work out the concrete plan of the Museum and its main functions. They emphasize that in this case museum does not merely mean a collection of goods. Instead it should be a complex institute with the function of historical monument, archives, research and education centre, touristic attraction and recreation area and also it should embody spiritual and symbolic elements. It will be a historical place with contemporary meaning: it will be a site of memory (*lieu de memoire*). According to Pierre Nora who edited the theory of *lieu de memoire* the sites of memory include places such as archives, museums, cathedrals, palaces, cemeteries, and memorials (1), concepts and practices such as commemorations, generations, mottos, and all rituals (2), objects such as inherited property, commemorative monuments, manuals, emblems, basic texts and symbols (3). The purpose of these sites of memory is to stop time, to block the process of forgetting and all of them share a will to remember (Nora 1993). However not only the characteristic of “*lieu de memoire*” is emphasised in the planning of the project and by the interviewees, they have also pointed out the importance of elements of touristic services.

There are two kinds of participants with different targets and priorities. Differences are manifested in the case of the functions as well. The outsiders including the organiser foundation, experts and scientists emphasize the function of “lieu de memoire”, archives and research and education centre. While locals including the local government, cultural institutions and entrepreneurs focus on tourism, recreation, museum and cultural functions.

2.2.3 The project

Since the project has not been completed yet, the outcome cannot be analysed. Nevertheless many programs were organised as part of this project. These programs, as well as their organisers and participants with their respective knowledge and interests, demonstrate the main characteristics of the project.

In summer 2005 Telepesek-Social Museum Foundation organised a one-week fieldwork and summer school for university students in Kócsújfalu-Tiszafüred. The program closed with a Memorial and Cultural Village Day in Kócsújfalu organised by Tiszafüred Local Government. Until recently these two programmes can be regarded as the major results of the project, according to interviewees.

The summer school programme provided students with research experience and educational possibilities. The course called Sociology of Historical Heritage included field research practice, investigating the history and society of the region, including the history of camps for deportees in the Hortobágy. At the end of the summer school a symposium was held with the participation of local, as well not local scientists.

The actors of the programme were mostly in touch with scientists, representatives of the deportees and cultural institutions of the region. The professional supervisors of the program were the head of Telepesek – Social Museum Foundation who is a sociologist, and the director of Kiss Pál Museum Tiszafüred who is a historian. The Museum was a new actor of the project.

Accommodation was financed by the Local Government and Hortobágy National Park, catering, travel and other costs were covered by the Telepesek-Social Museum Foundation. The infrastructure of the project (seminar rooms) was provided by the Calvinist Church of Tiszafüred, which was also a new actor in the project.

The Telepesek – Social Museum Foundation invited guest speakers to the symposium, the director of Menora Foundation also participated as such a lecturer. Visitors of the programme were students from different universities, mostly from Eötvös Loránt University Budapest, but there were also some from Debrecen. They studied sociology, history and anthropology. 12 students and 6 lecturers participated in the summer school and in addition to them, some locals with links to cultural institutions attended the symposium. As a new actor, the local Tourism Office helped organise the summer school.

The closing program of the summer school was the Memorial and Cultural Village Day in Kócsújfalu. Programmes were organised by Tiszafüred Local Government. Village Day consisted of two parts, a memorial and a cultural program. The memorial program focused on the victims of the camps for deportees. Cultural and religious outings were organised. The visitors of the event were ex-deportees and their families, local inhabitants, local and regional politicians, as well as local and regional media.

The cultural programme of Village Day included performances, concerts, a cooking competition and sport programs. All these were organised by Tiszafüred Local Government and its departments, and they were the ones financing them as well. The visitors were local inhabitants, some tourists, local and regional media and local politicians. Local entrepreneurs (catering, commerce) were also present at the event.

Actors

	PARTICIPANTS/ORGANISERS	VISITORS
Summer School	Telepesek Social Museum Foundation Menora Foundation Tiszafüred Local Government Hortobágy National Park Kiss Pál Museum, Tiszafüred Calvinist Church, Tiszafüred Researchers, scientists Representatives of deportees	University students Local cultural institutions
Memorial Day	Telepesek Social Museum Foundation Churches	Ex-deportees and their families Local inhabitants politicians media
Cultural Day	Tiszafüred Local Government Local entrepreneurs Invited artists	Local inhabitants tourists politicians Local media

The organisers emphasised that the programmes needed to be operated, coordinated and assisted by local actors and institutions. According to the leader of the Telepesek – Social Museum Foundation, the experience of the summer programme would form the basis of the Social Museum and the aim of all its future programmes would be to encourage and assist locals.

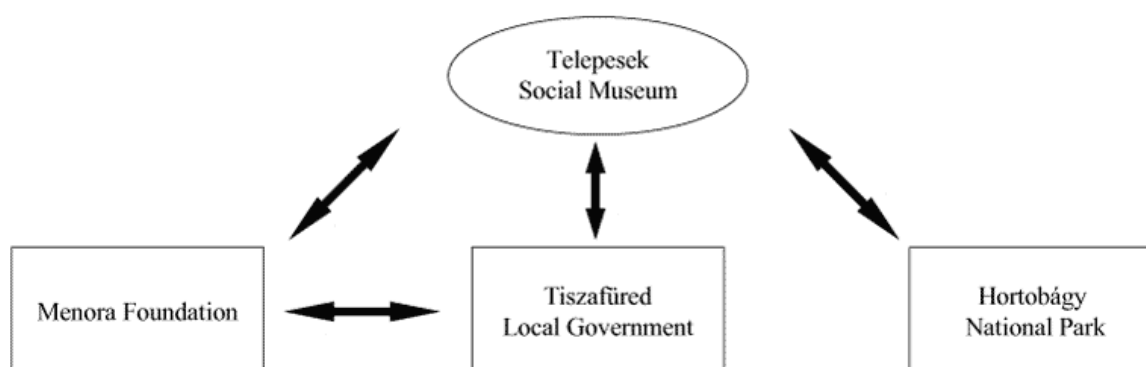
Money is the factor that limits the possibilities of the project. Telepesek Foundation is applying for funds to realize their plan. The budget is not yet complete, there are sufficient resources to realize some elements of the project, but not enough money to realize all of them. The application process is still at the very beginning. Organisers pointed out that it is not easy to find the adequate funds. Rural development funds do not support such a complex project.

2.2.4. Actors and knowledge

The following phase concerns the connections between the main actors of the project, especially between Telepesek – Social Museum Foundation and other actors. Documents of the project present the necessities and interests of different actors. How do they define innovation and development in the case of the project? What kind of knowledge has been used or can be used by different actors, what kind of knowledge capital do they have?

Input-paper on the theoretical and conceptual framework has defined three forms of knowledge. According to the authors of the present paper, the analysis of knowledge starts with distinguishing scientific knowledge deriving from research (1), political and managerial knowledge mainly attributed to politicians, decision-makers, administrators, project officers, managers (2) and local knowledge that is the know-how of rural inhabitants, resource user groups and producers (3). (Bruckmeier 2004).

Main actors of the project



The relationship between Telepesek - Social Museum Foundation and Tiszafüred local government is especially important. They have different interests, but their cooperation is the basis of the project. For the local government the plan of the Social Museum in Kócsújfalu constitutes an important part of local rural development. The plan was included in the rural development strategy of the municipality. This strategy is based on the development of tourism, including traditional touristic business such as catering, accommodation, but also new activities. In this context the Social Museum is an innovation, because it is a new touristic activity in the region and also in Hungary. Tiszafüred Local Government supports the Kócsújfalu project, this means financial support, as well as partnership in the applications. Since the building of the Social Museum has not been built yet, the local government provides place and infrastructure for the events of the project.

The actors of the local government involved in the project are the mayor, the experts and the managers of different departments, such as Economic and Rural Development Department and Tourism Department. Experts know the limits and possibilities of the region and they focus on the sustainability of the project. They have knowledge of development project coordinating, so they can put their managerial skills to use in the project.

The other important actor connected to Telepesek - Social Museum Foundation is the Hortobágy National Park. It also supports the Kócsújfalu project financially, as well as intellectually. A declaration stating the partnership and support of Telepesek – Social Museum Foundation has been issued by Hortobágy National Park. They support the plan of the Social Museum on the territory of Hortobágy, because it is consistent with their concept of new consumption in Natural Parks, as well as their idea of tourism. The image of the Hortobágy needs new elements and innovative initiatives such as the plan of the Social Museum. The historical site of camps for deportees will attract new types of visitors to the region who can “consume” the Hortobágy as a site of memory. Their demands require new services, ideally the social museum could be one of them. The management of Hortobágy National Park has practice in marketing strategies, as well as necessary social capital for the application. The project relies on the infrastructure of the National Park until the building of the museum is finished. The knowledge contributed by the National Park can also be characterised as a type of managerial skills.

The following important institution of the project is the Menora Foundation. The mission of the Foundation is to protect and research the local and regional Jewish history. The foundation connected to the historical, scientific and educational dimension and function of the project. The members have knowledge of local history and connections with local cultural institutions. Their social and cultural capital is important in the promotion of the project and the foundation plays important role in the research and educational project programmes. The key

figure of the Foundation is the manager who is a scientist, as well as the director of the Local Library. The knowledge accumulated in Menora Foundation is a form of local knowledge.

Finally the most important actor is the Telepesek – Social Museum Foundation. Members of the Foundation organise and lead projects. They organise meetings for the participants involved in the projects, coordinate the programmes and have connection with all the participants. They are in touch with ex-deportees, scientists and experts with an important role in the project. The principal figure is the head of the foundation, a sociologist, professor at Eötvös Loránd University. He had also been deported with his family. He coordinates all elements of the project. Another important person is the “booster of the project”, a member of the foundation who had also been deported and appears many times in different media, as she has strong connections with the press. There is a young researcher who plays an important role in the organization and the related scientific research as well. The board of trustees includes a representative of ex-deportees, a historian, and a member who has strong connections with other important institutions of the project. Further board members are the economic manager of Hortobágy National Park and the Church minister in Tiszafüred. They are permanent participants of the project. They know the history of deportees and have experience in scientific and educational programmes. For them the innovative essence of the project is connected to the tourism dimension.

The Foundation combines members with scientific knowledge and members featuring local knowledge.

Actors and knowledge

Actors	Elements and fields of expertise	Locality	Form of knowledge
Tiszafüred local government	Rural development management	local	Managerial
Hortobágy National Park	Marketing strategies, promotion, development management	regional	Managerial
Menora Foundation	Research and education	local	Local
Telepesek – Social Museum Foundation	management of research project, education, program coordination	outsider	Local, Scientific

2.2.5 Definition of innovation

The Kócsújfalu project provides an innovative touristic service and product. It has two main goals. The first one is the plan of the Social Museum including site of memory, archives on the history of deportees, a research and education centre. The project proposes to build a Museum and organise scientific and educational programmes. The Social Museum would not be a museum in the traditional sense, it would be an absolutely new institution which provides new activities for tourists, students and researchers. The proposal has three innovative elements: 1) a special presentation of history, 2) a special field for research and finally 3) a special place for education. The Social Museum would be a complex centre that can be used in an interactive way.

The second target is the touristic development of Kócsújfalu. Tiszafüred local government starts to develop tourism in Kócsújfalu, primarily focusing on the traditional activities of tourism. The Social Museum and its programs would introduce innovative practice in this development. It may have an impact on the traditional touristic businesses. The visitors of the Social Museum will have demand for traditional goods and services, developing the local economy as a result. This is why the local government is participating in the project.

The Social Museum would introduce new touristic activity in the region, linked to the local economy and regional image. Hortobágy National Park supports the project, because it could add some colour to their present image.

Definition of Innovation

Definition	Actor
new activity of tourism	Local government of Tiszafüred, Hortobágy National Park
new form of museum	Telepesek Foundation, Menora Foundation
new form of archives	Telepesek Foundation
new form of education	Telepesek Foundation, Menora Foundation
new theme in historical research	Telepesek Foundation, Menora Foundation
new image of Hortobágy	Hortobágy National Park
new practice of rural development	Local government of Tiszafüred

Different actors have different approaches to innovation due to the difference between actors and their knowledge and practises. The local government of Tiszafüred emphasises the newness of the proposed touristic service and stresses that the establishment of a Social Museum in Kócsújfalu would be a new practice in rural development. Hortobágy National Park points out the importance of the project's touristic elements. They underline the new image that the Social Museum could provide the region. However, Menora Foundation and Telepesek – Social Museum Foundation focus on the project's site of memory dimension. Menora Foundation emphasises the innovative character of the museum and research centre. Telepesek Social Foundation defines and approaches the innovation as a new form of museum, archives, and education and also as a new target for historical research. Different approaches present the actors' different interests and goals.

2.2.6 Key to success

The Kócsújfalu project with the plan of the Social Museum is innovative in many senses. Functioning as site of memory is the highest significance. The purpose of sites of memory is to stop time, to stop the process of forgetting and make people willing to remember. It is usually said that you have to be fixed in space and in time if you want to belong somewhere. The sites of memory are crucial, in the very sense of the word. They are crossroads. They are the points where space and time meet memory. Pierre Nora has tried to define the difference between *milieu de mémoire* and *lieu de mémoire*. The sites of memory are the "milieux", the real environments of memory, but today, with our lack of memory, we have to be content with *lieux de mémoire*, places that remind us of the past, of a (broken) memory. (Nora 1993)

The Social Museum equipped with elements of culture tourism provides a "milieu" where people can remember and where people have to remember.

We can view the Social Museum according to a theory that analyzes tourism as an exotic (uncommon) experience, emphasising the dimension of authenticity. The experience of authenticity is very important in the case of the Social Museum. This authenticity represents not only a strong experience shared by visitors within their own boundaries and identity, but it always carries a sense of extravagance and strangeness. This is why the Social Museum may prove successful as a touristic service. The offers of the Social Museum satisfy and contend existing demands. Many social groups, sub-cultures and individuals need sites for remembering.

The recent development of tourism in Kócsújfalu, a "sleeping village" can activate local economy. A new touristic service such as the Social Museum can also have impact on the regional tourism business and its approaches. As a representative of the Tiszafüred local

government noted, new consumers and the new emerging demand could transform the touristic services in the region, new demand could generate new supply. The Social Museum could become the base of touristic development in the region.

3. Comparative Analysis

In the case studies two different cases, two different approaches to innovation and rural development were presented, however both are closely linked with memory and the willingness to remember. Case1 presents the functions of a traditional site of memory (a churchyard) and how it is connected to local community. Meanwhile Case2 represents a new and complex type of site of memory with different functions, a form of post-modern tourism that has an influence on local economy.

The importance of memory in the context of local and regional identity is manifested in both cases. Collective memory as a social construction is the basis of collective identity that determines the local community, culture, heritage and their effect on local rural development. Local actors play an important role in both projects. Furthermore, local governments have a dominant position among the actors. In the case of the SAPARD project Gyenesdiás Local Government is the leader, while in the case of Kócsújfalu project local government is one of the key actors yielding substantial power regarding the local questions of project. Both local governments put their managerial knowledge to use in the projects and also mediate local know-how.

Local knowledge is the basis of these projects, thus leading actors must possess it. The leader of the SAPARD project was the local government and mayor of Gyenesdiás, thus these actors were of local origin, while the leader of Kócsújfalu project, Telepesek Foundation comes from the outside, but also makes use of local knowledge. In the case of the Kócsújfalu project scientific knowledge is also significant, while in the SAPARD project the managerial skills are emphasised.

Actors and knowledge

Case	Main actor (leader of project)	Knowledge of main actor	Significant knowledge in the project
SAPARD project (Gyenesdiás)	Local government of Gyenesdiás	Managerial and local	managerial
Kócsújfalu-project	Telepesek Foundation	Scientific and local	scientific

In the case of the SAPARD project there is no lack of knowledge, all types of knowledge needed by the project had been available. However, in the case of the other project a lack of knowledge is evident. This deficit can be explained by the fact that there are no business actors in the project who could mediate business knowledge, find business partners to build the Social Museum. Clearly, the construction would be an economic investment that makes business knowledge necessary. The actors of the project are civil societies and public institutions, there are no enterprises with local business network. This is the shortfall of the project.

Our cases interpret different type of knowledge transfer. In the case of the SAPARD project there is a central actor who collects the local knowledge and non-local knowledge and mediates to the actors and also to the community. In the case of the other project different actors have different knowledge, which is mediated to each other, so this is an interactive knowledge transfer from outsiders to locals and also from locals to outsiders.

Local economy and local culture are in the focus of development in both projects. Local or regional enterprises have priority in the economic part of projects. In the case of SAPARD the

local government engaged local enterprises and also in case2 the programs were based on local economy and infrastructure with the participation of local enterprises.

In addition, both projects need special knowledge coming from the outside. In the case of SAPARD this only applies to the workmanship. Meanwhile, in the case of the Kócsújfalu project, the core idea, that is, the plan of the Social Museum as well as the historical knowledge of Hortobágy camps for deportees come from outside.

The projects shape collective knowledge and collective identity in both cases. The renovation of the churchyard reminds local community of the importance of local heritage and culture. The village's rich heritage and culture is the basis of local identity and the churchyard of Gyenesdiás is an impressive example of local culture and heritage. Local inhabitants supported the project and they are satisfied with the results. The Kócsújfalu project introduces new elements to the local history and heritage. The history of different victim groups (deportees, Jewish, Gipsy people etc.) in the 20th century reveals a new dimension of local heritage. The establishment of the Social Museum draws attention to new themes of local history and it can even change local knowledge. New emphases in local history could also change local identity. As the site of the Social Museum and an authentic site of the camps for deportees, the Kócsújfalu project adds new elements to the local image.

Actors as well as local inhabitants underline the innovative character of both projects. They emphasise new relationships in local community in the case of SAPARD project, while in the other project innovation is linked with the concept of site of memory, although its touristic dimension is also important.

In the case of SAPARD innovation can be understood in the context of the process of capacity building. The range and level of innovation is local. In the other case it is the new service provided by the project (such as the Social Museum) that is innovative. The target groups of the project are regional and national visitors who need a site to remember or are interested in the theme of the project.

In the first case the key to success can be found in the local community. The project is successful, because local inhabitants are pleased and the project satisfies local demands. The SAPARD project generates new local networks and it may form the basis of future development projects. In the second case, it is also important that a new network evolved due to the project. The leading Foundation started collaborating with local and regional actors with whom it had not had connection before. The success factor of the project is the Social Museum that combines science and tourism and will become a new service in the region.

The factor that limits both projects is the lack of funds. Often the subsidy system in Hungary does not correspond to existing demands. The SAPARD project in Gyenesdiás had not financed the renovation of the local churches and churchyards. While in the case of the Kócsújfalu-project, the actors could not finance the entire project, only some programs had been supported. The progress of the project is very slow; this is the failure of the project. Actors in both projects criticise the Hungarian development system.

4. Conclusion

Drawing the conclusion from the case studies and the comparative analysis, we must emphasise that both projects carried out innovative development on a local level. The common characteristic of the initiatives was the social aspect of the projects: both of them focused on memorial sites. The essence of the initiatives was to create or develop the conditions of places that have significant meaning for a certain part of society. Concerning the SAPARD project, memorial sites have a personal feature, because mostly personal relationships and memories appear in form of social demand in this case. The economic aspect of the whole project is less dominant than the social one and the project's influence on local economy is indirect. The economic aspect only appeared during the implementation,

contributing to the strengthening of local entrepreneurs' roles. Apart from the fact that they earned money, these works also meant excellent reference for all of them and helped enlarge their social capital. The second case was more complex, having concrete economic impact. In case of the successful implementation of the project one may foresee the strengthening of local entrepreneurs since this is a group of actors that could make profit from the initiative.

Sustainability was a significant factor during the planning and implementation of both projects. The first case can be acknowledged as sustainable project in itself. According to the interviews and our experience, the project gets local inhabitants to put their own surroundings in order. In this case we are only talking of a personal and not a significant economic factor of sustainability. The second project depends on various actors and factors and cannot be sustainable without external assistance. Due to the complexity of the project, all elements can strengthen and sustain each other and therefore a structure of mutual dependence and assistance may evolve. However, it is difficult to analyse this feature of the project since it is still in a rather early period.

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Innovatory Economic Development in Poland

Krzysztof Gorlach⁷ – Paweł Starosta⁸ – Andrzej Pilichowski⁹ –
Tomasz Adamski¹⁰ – Krystyna Dzwonkowska¹¹

Introduction

“Strategy for Agriculture and Rural Development in 2007-2013,” adopted by the Polish government in 2005, declares that over the indicated period of time a model for multifunctional development of rural areas is to be implemented in Poland, the ultimate goal being improvement of living and labour standards in rural areas through economic growth considering environmental requirements. This should be accomplished by three objectives: 1. Supporting sustainable rural development; 2. Improving competitiveness of agriculture; 3. Strengthening food processing to improve food quality and safety. As regards the issue of RSD that we are mostly interested in, it is emphasised that it involves creating conditions for different types of business activities pursued with respect to environmental issues, development of social and cultural functions as well as special attention being given to providing inhabitants with good standards of living. It stresses the importance of implementation and promotion of local initiatives and programmes for revival of rural areas that constitute separate, common in Europe and complementary methods of bottom line development of rural areas with the key role of local partnerships which plan and implement development strategies. At the same time, referring to a concept of European model of agriculture, other important roles of agriculture -except food production - are pointed out as it is assumed that a concept of multifunctional agriculture indicates a possibility to combine these functions by developing food production in line with environmental requirements and landscape preservation and a possibility for farmers to pursue additional activities in order to diversify agricultural activity. Measures to be taken to realise this objective include four priorities:

1. diversification of activities to ensure alternative sources of income,
2. preservation of natural and environmental values of rural areas,
3. mobilization of rural communities and improvement of social infrastructure,
4. development of technical infrastructure.

The importance of the above mentioned priorities cannot be questioned. However, attention needs to be given to three premises, which are very important to us. Polish agriculture commonly suffers from the phenomenon of hidden unemployment and, on a larger scale, a high rate of unemployment in rural areas since *non-agricultural activities in rural areas are poorly developed mainly due to lack of adequate financial support and a low degree of social mobilization. Thus, it shall be indispensable to support any forms of small entrepreneurship in rural areas, services for economy and rural inhabitants, local initiatives for revival and development of the rural areas as well as preservation and improvement of cultural heritage and rural tourism.* Passivity of local communities is to be challenged through, inter alia,

⁷ Jagiellonian University. E-mail: kgorlach@interia.pl

⁸ University of Lodz. E-mail: socwim@uni.lodz.pl

⁹ University of Lodz. E-mail: pilan@uni.lodz.pl

¹⁰ Jagiellonian University. E-mail: e-atomek@wp.pl

¹¹ University of Lodz. E-mail: kdzwonkowska@op.pl

engaging people in development and implementation of local development strategies including support for LEADER initiatives and activities aiming at improving living standards and public-private partnership.

Context

Leader+ Pilot Programme in Poland

During the period 2004-2006 Poland is realizing the Leader+ Pilot Programme within the Sectoral Operational Programme “Restructuring and Modernization of the Food Sector and the Development of Rural Areas”. It aims to facilitate the adjustment of local partnerships to prepare for similar activities in the next programming period (2007-2013). The managing authority is the Ministry of Agriculture and Rural Development. The aim of the Leader+ Pilot Programme is to stimulate local initiatives for rural areas’ development – specifically, the creating an Integrated Rural Development Strategy (IRDS), building public – private partnerships (Local Action Groups – LAGs) and undertaking actions by the above to develop and promote a region. The Leader+ Pilot Programme allows for better usage of rural areas’ development potential, improvement of their competitiveness as a place to live and run a business, and it contributes to the energizing and cooperation of local communities.

The actors and beneficiaries of the Leader+ Pilot Programme are Local Action Groups (LAGs), i.e. voluntary coalitions of organizations covering three sectors (public sector institutions, private businesses and NGOs), with clear organizational structures, with short- and long-term projects which display an integrated approach to the development of rural regions with no more than 100,000 inhabitants. Specific to LEADER in Poland are: shorter time of programming (2004-2006) and two schemes of implementation.

Scheme I

- information, training and promotional activities designed to stimulate residents and organisations active in rural areas into participating in the strategy planning process,
- preparation of rural development strategies and technical support for their preparation in particular analyses, expert appraisals, consultation support, studies, etc.,
- advisory and expert services relating to the Local Action Groups (LAGs) creation

Beneficiaries: local governments of rural and urban-rural gminas or their associations, legal entities: foundations, associations, unions of associations and other NGOs having legal entities

In *The Program of Development of the Lodz Voivodship*, corresponding to *The Integrated Regional Operational Programme (IROP)*, the concept of innovation appears in the context of innovative enterprises, expenditures on research & development (R&D), and the activity of research and scientific institutions in the region. A weak cooperation between sector R&D and business is pointed to as a problem in the transfer of knowledge and new technology and as being a barrier in the economic development of the region.

In Priority II - *Strengthening human resources development*, Measure 2.6. – is “Regional Innovative Strategies and Transfer of Knowledge”. The objective is “strengthening the human potential for innovation in the region through the enhancement of cooperation between research and development sector and economy to improve the competitiveness of the enterprises operating on the regional and local market”.

Scheme II

- operational activities of the LAGs,
- promotion and information on the assumptions and methods of implementing rural development strategies,
- training and advisory assistance in preparing and implementing projects that are compliant with a rural development strategy,
- preparation of analyses and documents related to the detailed planning of investments and creating new products and services in accordance with the assumptions of a rural development strategy,
- organisation of events aimed at promoting the region; in particular its products, services, culture, art, etc.,
- co-operation and exchange of experience between LAGs on the national and international level among the LAGs with regard to implementation of strategies and organization of LAGs activities.

Beneficiaries: Local Action Groups (LAGs)

Leader+ Pilot Programme in Poland is aiming for the realisation of Scheme I. 174 LAGs were set up in Poland, with 11 of those in the Lodzkie Region. In Scheme I, LAGs have gained 150 000 PLN. Actually, LAGs are preparing an integrated development strategy. 80 LAGs will be qualified in Scheme II. They can obtain a maximum of 750 000 PLN for the realisation of their integrated development strategy.

Integrated Rural Development Strategy worked out by the LAGs is built around one or more of the following themes, which have been defined by the EU:

- the use of 'know-how' and new technologies to make rural products and services more competitive
- improving the quality of life in rural areas
- adding value to local products
- making the best use of natural and cultural resources

Regional governance of innovation policy matters

In the national and regional policy documents innovation is associated with industry, industrial production, and technology. Another definitive form of innovation is relating it to IT, to processes of communication and knowledge transfer. It is underlined in the Integrated Regional Operational Programme (IROP) and Regional Innovation Strategies. They stress the need and importance of transfer of scientific, expert, technical knowledge to economy, also to agriculture.

The innovations are defined as changes including modifications of existing products, processes and practises (that are new for the firm, not necessarily for industry) as well as fundamentally new products and processes (for firms and for the particular branch of industry or agriculture). Those changes and improvements are the results of research and scientific activity.

It is understandable that in the presented Strategy a measure which is supposed to support *innovative activity, especially research and development to the benefit of regional development of rural areas* constitutes a part of *Strengthening institutional development* priority to realise objective 2 (i.e. enhancement of competitiveness in agriculture) with the emphasis being placed on improving innovation in Polish agriculture. It can prove that innovative activities in rural areas are often conceived through a close link between the agricultural sector and scientific areas considered crucial for development of agriculture and the agrarian market (through Centers for Advanced Technologies or Centres of Excellence). It needs to be mentioned that in none of the Strategy activities supporting objective 1 is a notional category of *innovation* employed; instead we speak of multifunctionality, diversification and non-agricultural economy.

Support for construction of IT system is also a measure to be attained for the implementation of objective 2, which puts emphasis on the functions linked with agriculture, but it also involves tasks of non-agricultural services like Gmina Information Centres with PIAPs (Public Internet Access Points).

Certainly we stress that the Strategy is not the only planning document concerning rural areas. As is pointed out in the document, *measures adopted within the Strategy* should be complementary and should complement regional programmes to attain a superior goal, i.e. improvement of living conditions in rural areas through economic growth and in line with environmental requirements.

The development of the Polish Regional Innovation Strategies (RIS) has only started. At the regional level, the key body overseeing the promotion and development of innovation is the Marshal's Office, which is in charge of preparing regional economic development strategies, carrying out multi-year regional programmes and implementing Regional Innovation Strategies (RIS). The framework for regional governance of innovation matters is presented in the table below.

Table: Regional Governance of Innovation Policy Matters

Level of region/ locality government	Legislative and/or administrative authorities	Powers related to innovation policy, if any
16 Voivodships (regions) created on 1 January 1999	<p>The Regional Parliament (Sejmik) is a legislative and supervisory body. The members of the Regional Parliament are directly elected.</p> <p>The Executive Board of Voivodship (Zarząd Województwa) is an executive and management body. The Marshal chairs the Executive Board.</p> <p>The Marshal's Office (Urząd Marszałkowski) acts as secretariat and assists the Regional Parliament, the Executive Board of the Voivodship and the Marshal in carrying out their responsibilities.</p> <p>The Voivod (Wojewoda) is the representative of the Prime Minister in the region. He is appointed and dismissed by the Prime Minister upon a proposal by the Minister responsible for public administration. The Voivod represents the central government at regional level.</p>	Preparation of regional economic development strategies, implementation of the RIS, higher education and employment policies.

Source: Annual Innovation Policy Trends and Appraisal Report Poland 2004-2005

http://www.pi.gov.pl/upload/dokumenty/raporty/Country_Report_Poland_2005.pdf - p.7

The Regional Innovation Strategy LORIS for the Lodz Voivodship, and also its component part, the SWOT Analysis for Lodzkie region, were developed by representatives of the Marshal's Office, the University of Lodz, Technical University of Lodz, Lodz Regional Development Agency, Foundation Incubator and Foundation for Promotion of Entrepreneurship in Lodz. Some reports and data were prepared by the Academy of Humanities and Economics in Lodz and the Academy of Management in Lodz. It is a strategy for building a partnership between scientific institutions and industry, improving the competitiveness of small and medium-sized enterprises (SMEs) through the introduction of new technologies and industry cooperation between economic enterprises and research & development units. Innovations are here understood as changes that include modification of existing products, processes and practices (that are new for the firm, but not necessarily for the industry) as well as fundamentally new products and processes (for firms and for the particular branch of industry). The innovation is seen as a result of research and scientific activity. The aim of implementation of the RIS is a knowledge-based economy.

The analysis of regional documents dealing with the idea of innovation shows that within the context of business and entrepreneurship, innovation is defined mainly in the

sphere of industry manufacturing and services. Rural areas appear in the Regional Innovation Strategy LORIS only as weaknesses of the region when the level of the innovative character of the regional economy is considered. Among these weaknesses are mentioned: traditional agriculture, the limited scale of restructuring processes and modernisation of agriculture in agricultural municipalities, low dynamics of development of small and medium-sized enterprises, the lack of institutions supporting and promoting entrepreneurship, and limited Internet access for enterprises functioning in rural areas.

An implementation of the RIS economy based on knowledge

As we mentioned, innovation policy defines innovation narrowly – as connected with industry and services, and the introduction of new technologies. It is seen as a result of research and scientific activity. That means that the main role in working out the innovations is played predominantly by *scientific knowledge*, expert and technical knowledge. It is confirmed by underlining the importance of building partnerships between scientific institutions and industry, cooperation between the research & development sector and the business realm. The new project of Regional Innovation Strategy - Loris Plus - “is aimed mainly at businessmen and scientists and the representatives of local authorities from the Lodz region” (<http://www.lorisplus.pl/verang/>). One of its objectives is “to promote further innovative development and provide opportunities for enhanced economic growth at a regional level by *sharing knowledge*”.

One of the partners in LORIS PLUS is the Centre of Excellence in Knowledge-Based Economy, also Knowbase (www.knowbase.uni.lodz.pl) As we can read on its website “The KNOWBASE has been operating as a virtual research structure set up on the basis of the Lodz University since 2000. It includes the three most dynamic faculties: the Faculty of Management, the Faculty of Economics and Sociology, and the Faculty of International and Political Studies. Apart from these faculties, the Women's Studies Centre is also a part of the KNOWBASE structure. KNOWBASE carries out a wide range of research activities providing local and regional administrative and self-government authorities, representatives of companies as well as other Polish universities and research centres with the information and analyses necessary to develop, monitor and evaluate their policies. KNOWBASE has at its disposal knowledge permitting it to assist the Polish economy in its aspirations for moving towards innovative high performance industrial systems; extending the scope and efficiency of the solutions which address major societal and economic challenges, especially issues related to entrepreneurship and the development of SMEs”.

Description of LIA - the Parzeczew municipality (case study 1 and 2)

The Parzeczew municipality is situated in the northwest part of the Lodzkie region, close to the Lodz agglomeration (which is 27 km away). The municipality has 5 462 inhabitants in an area of 10,390 ha. The population density is 53 persons per sq km.

The Parzeczew municipality has a typically agricultural character. 87% of its inhabitants are employed in agriculture. There are 860 individual farms in Parzeczew, with an average size of 9.5 hectares.

The distribution of land use in Parzeczew is as follows: agricultural land constitutes 7854 hectares [75.6%], forest land covers 1652 hectares [15.9%]. The gmina has poor-quality soils. Soils of the 5 and 6 class prevail.

The distribution of the agricultural land:

- Arable land 77.5%
- Orchards 1.3%
- Meadows and pastures 18.1%

One advantage of the municipality is its well-preserved natural environment. The municipality is attractive in terms of nature and landscape. The area of the municipality is

divided into four functional zones: an agricultural area, an urbanised (built-up) area, an ecological area (forests, waters), and an area of development that is designed for investments and economic activity and is also connected with tourism. The most important planned project in the fourth area is the creation of a huge reservoir (of 220 hectares) and a water sports center with an accommodations base. The local government is seeking an investor to realise the project. The municipality is prepared to invite investors who would like to engage in business activities in the field of tourism and recreation, as well as pro-ecological industries and food processing.

Good transportation routes are what primarily determine the attractiveness and chances for development of the community. Of special importance is the A2 motorway, which is currently under construction. Two traffic junctions will be located in the area of the community: Emilia and Piątek linking of the motorway to the public road system. Another important factor is a good provision of technical infrastructure.

Actually, there are 223 economic subjects in the municipality. Their spheres of activity are as follows: 44% in trade, 11% in transport services, 7% in building, and 2% in industry. The trend of the local economy is defined as being oriented to development of services, mainly trade, and those services connected with tourism. The Agroincubator Enterprise operates in Parzeczew municipality, and supports the entrepreneurship. There are five such organisations in the Lodzkie region's rural area. Among the tasks of Agroincubator Enterprise are: training and advisory services related to the development of small and medium-sized enterprises (SMEs), help in the creation of new firms, gaining funds, etc.

According to the National Population and Housing Census of 2002, males constitute 51.6% of the population in the Parzeczew municipality, females 48.4%. The gender indicator [females per 100 males] is 94. As for the structure of the gmina population by economic age groups, in 2002, people of working age accounted for 60.3%, people in pre-working age and post-working age accounted for 25.2% and 14.5% respectively. In 2002 there were 66 people of non-working age for every 100 of working age. According to the 2002 Census the total employment rate (defined as the share of employed persons among the total number of working age people) in Parzeczew is 62%; the unemployment rate is 29.2%.

The National Population and Housing Census of 2002 indicates that among the LIA's inhabitants aged 13 and over, 36.4% have completed primary education (in Polish rural areas overall that figure is 39.8%), 29.3% have completed secondary education (rural areas 21.3%), 21% have completed basic vocational education (rural areas 27.8%) and 6.4% have a higher education degree (rural areas, over 4%).

The SWOT Analysis for the Parzeczew municipality (The SWOT Analysis is a part of the document *Strategy of Development for the Parzeczew Rural Municipality 2004-2009*) was conducted by the clerks and specialists from the Office of the municipality and by local activists. Earlier, in 1999, the development strategy had been prepared by the Lodz Regional Development Agency. In that situation, the clerks from the Office of Parzeczew municipality actively participated in work regarding the strategy, prepared the diagnosis of the situation in the municipality, and attended workshops. They used gained knowledge and experience in preparing the actual strategy and SWOT Analysis) the following strengths and weaknesses, opportunities and threats are specified as a result of SWOT analysis:

STRENGTHS

- Location in central Poland, close to Lodz agglomeration
- Well-preserved natural environment
- Potential base for development of the tourism, agro-tourism and recreation
- Good state of technical infrastructure
- Areas with a high concentration of vegetable and fruit farming

WEAKNESSES

- Little activity in the search for non-agricultural sources of income; weak development of enterprise apart from agriculture
- Poorly developed tourist facilities; lack of suitable tourist infrastructure
- Small number of nongovernmental organizations
- Low self-organization of farmers
- Low productivity of individual farms
- Small farms leading multidirectional production

OPPORTUNITIES

- Integration with UE; chance to acquire funds from UE
- Influx of foreign capital
- Motorway
- Increasing education and professional qualifications, especially of young people
- Realisation of the idea of an information society
- Potential base for “specialized tourism”: agro-tourism, eco-tourism
- Favourable credits for agriculture and its environment

THREATS

- Impoverishment of society
- Unemployment
- Low profitability of agricultural production
- Emigration of highly qualified, well-educated young people

Innovative practices

Parzęczew commune - a subject of our study works as a number of innovation projects have been carried out there for the last 5 years (this is the period of the term of office of the local government, which expires this year). As a result of structural and organisational changes, as well as active specialists, the Parzęczew community, which used to lag behind, has, over a short period of time, become one of the areas undergoing intensive transformation. The Office for Structural/European Funds has been established and young specialists provided with ongoing training have led to numerous successes in obtaining European funds and managing investment projects (over a 3-year period, the community budget increased twice). It is very interesting how local authorities of the studied gmina of Parzęczew understand and define innovation and innovative economic development.

It needs to be stressed that the gmina, both at the time of radical political regime change in 1989, and then after 10 years of political transformation, was considered to be a region of minimal non-agricultural activity. It was assumed that certain unfavourable infrastructural and demographic conditions in the majority of rural areas, as well as their great distance from cities, made it impossible to create favourable frameworks for pursuing non-agricultural economic activities (Czarnecki, Heffner, 2003). Agricultural functions dominated.

The local authorities of Parzęczew municipality are very active and undertake many interesting and innovative initiatives and activities. Two of them – the cultivation of willow trees and the project of a biomass heating system and building a local partnership within Leader+ Pilot Programme are case studies described in the report. Worth noting is also a project called “Common trademark – Taste of the country” realised within the Local Government Partnership Program in 2000-2001. A coordinator of the project was the Foundation for Promotion of Entrepreneurship in Lodz. The aim was to improve the competitiveness of local food producers and creating an image of the region by making a common trademark for food products produced in the municipality. The effect of the project was the strengthening of relations between local entrepreneurs and local authorities. Actually the common trademark “Taste of the country” isn’t used because of the lack of

bigger food producers in the municipality. A chance for using it may appear after building the partnership and close cooperation with neighbouring municipalities.

The Parzęczew municipality is very active and successful in using the possibilities of EU funds. On May 1st, 2004, a special unit was formed in the local government, which deals with applications for EU funds and implementation projects. The realised projects are related to improvement of technical infrastructure (road system, sewage treatment plant, heating system, water-supply system), development of the information society (common access to Internet), building a “multicultural meeting place” for the local community (place of cultural events, Public Internet Access Point) and local development in cooperation with neighbouring municipalities within Leader+ Pilot Programme.

Another noteworthy sphere of activity of the local government is its close cooperation with the local community. Social research was carried out among the residents of the Parzęczew municipality in 2002. Its aim was to collect the opinions of local people about problems and needs of the community, directions of local development, work of local government, etc. The outcomes of this social research are an important point of reference for ideas, initiatives, projects and decisions of local government. There are regulary-scheduled, organized meetings between the mayor of the municipality and inhabitants in every village which are an occasion to talk about problems of the local people and inform them about actions and projects realised in the municipality. Such activity by local government is not very common in the rural municipalities in Poland.

A strategic objective for the Parzęczew municipality is sustainable development of the municipality, which means that “we do not support only entrepreneurs or concentrate on education or road building. The municipality development should provide all inhabitants with an opportunity to pursue their plans, this is what “sustainability” is about. There should be something for everyone, for entrepreneurs, investors, education and farmers. In fact, such a municipality should be able to solve all problems and meet all needs. The mission of our municipality is very broad: The municipality of Parzęczew is friendly to the environment and investors, it is safe and provides good living and leisure conditions for the inhabitants of Lodz Region.”

Case study 1: Leader+ Pilot Programme in the Parzęczew municipality

Building of this five municipality partnership - Parzęczew, Wartkowice, Dalikow, Zgierz and Leczyca - began in 2003.

The initiative came from Parzęczew Municipality. The heads of the municipalities decided to create the LAG - The Foundation Municipalities Development PRYM. “Prym” means in Polish “to be a leader”, or “to lead”.

The LAG has an area of 707.4 sq km. and is inhabited by 35 500 people. In the Leader+ Pilot Programme the initiators see the possibility of gaining funds for local development and cooperation with other municipalities and undertaking common initiatives.

The main aims of the Foundation are:

- development of rural areas of the municipalities,
- mobilization of the local community,
- building partnership and cooperation beyond the administrative borders,
- raising competitiveness of the Lodzkie region.

There are five public partners on the foundation’s board - representatives of local government of five municipalities and five social partners, one from each municipality: The Agrotourist Association of the Land of Zgierz, The Association of Employers, Volunteer Fire Brigade in Krzemieniewo, The Association of the Women from the Land of Leczyca, The Association for the Development and Promotion of the Wartkowice Community.

The inhabitants of five municipalities are active actors in the project. In Scheme I 80 training-informative meetings were organised with the local community of each municipality. During the meetings the inhabitants discussed the problems and needs of their region and the aims and directions of its development. They chose a name and logo for LAG. With the active engagement of local people local leaders were chosen, who then participated in training in a range of initial aims and directions, function and managing of LAG rules, as well as possibilities for gaining the financial means for realization of the Integrated Strategy of Rural Development. Meetings with the most active representatives of social and economic organisations from the LAG area were devoted to brainstorming and discussions about the Integrated Strategy of Rural Development for the area of five municipalities.

The initiators of the project underline a bottom-up approach as an important factor of the Leader+ Programme. They understand a bottom-up approach as a situation where the local community at the gmina level can decide the directions of the development of the region and gain money to realise the ideas and meet the demands of the municipality. In fact, in the case of the project realised in Parzeczew municipality, we should instead speak of a top-down approach – the initiative of creating a LAG and participating in the Leader+ Pilot Programme comes from local authorities. The local authorities respond to this objection, that in fact this is not a bottom-up approach, by saying that they are representatives of the local community, express its opinions, problems, etc. Local people accepted the idea of the project and got involved in the realisation of the Scheme I - by attending meetings and working on the development strategy. During the meetings it became apparent that many of them have their own ideas which could be realised within the Leader+ Programme.

The strategy project which was worked out on the basis of data gathered during all of the meetings is still discussed (Are you saying that this project is still discussed by the relevant or interested people, OR do you mean that you are staying on the same subject within this paper?) . It contains the following main aims and directions for development:

I. Development of tourism taking into consideration environmental conditions and cultural heritage

1. Development of eco-tourism – constructing water reservoirs and creating protection zones
2. Qualified tourism development
3. Preserving cultural heritage
4. Marketing activities for LAG areas

II. Sustainable development of the LAG area

1. Social infrastructure development
2. Development of the environmental protection infrastructure
3. Improving internet communication accessibility
4. Improving transportation accessibility
5. Making the area and conditions for running business more competitive.

Taking into consideration the opinion and remarks about the project, essential modification will be done in order to work out a final version of the strategy. The final version of the document will be approved by its members and it will be the most important strategic document of the LAG. Integrated Rural Development Strategy worked out by the Local Action Group should have an innovative character. “Innovative” is here understood as “new to a region.” In the described case the requisite novelty is its orientation to tourism. It’s seen as a new approach to rural development by local actors. This direction for local development wasn’t included as a main aim in the development strategy of any of the five municipalities.

We have identified the innovation of the project as well as:

- The diversification of the local economy – new possibilities for economic development connected with creating and developing services for tourism, tourist facilities, accommodation base, water sports centre, horse tourism, etc.; increasing the competitiveness of the region. The initiators of the project expect development of entrepreneurship among local people and an influx of foreign capital.
- The strengthening of relationships between local actors – not only of the area of the municipality, but integration and cooperation among the communities of neighbouring municipalities.
- The intensification of interactions between the local and global context - The potential customers – tourists are seen not only among inhabitants of the Lodz agglomeration, but also among people coming from throughout Poland and even Europe. As we mentioned, the actors of this project expect an influx of foreign capital.
- Creating a new image of the region – the tourist area.

Types of knowledge involved in the project

The project is based predominantly on the expert and managerial knowledge of the initiators and coordinators of the project. The lay knowledge is in many aspects an important factor that influences the ideas and decisions of local government (close contact of representatives of local authorities with local community, outcomes of social research). Local people are engaged in the project, have an impact on the creation of the Integrated Rural Development Strategy and formulating the directions for development of their municipalities.

Case study 2: Willow Producers for biomass collection and the project of construction of biomass heating system

Context

It is emphasised that a majority of privately owned farms apply extensive production methods which is an opportunity for growth of agricultural production without causing damage to environment. In order to preserve natural and environmental values of rural areas, land of low agricultural use shall no longer remain arable land, but serve for energy purposes. The development of new technologies in power industry is closely associated with biomass and in the fuel market it is closely associated with biomass as well as the use of rape as a component to produce fuel.

These ideas are generating more and more wide-ranging interest among social actors. New institutional regulations have significantly contributed to it. The most important legal regulations that favour the development of the biopower sector include EU directives on the promotion of electricity produced from renewable energy (2001/77/EC), on the common rules for the internal market of electricity and on the promotion of the use of biofuels or other renewable fuels in transport (2003/30/EC). Another government document adopted in 2005, “Energy Policy of Poland until 2025,” points out that renewable energy development should be based on biomass and the share of liquid bio-components in the liquid fuel market should gradually increase.

However, the development of biopower is still mainly associated with the production of fuels, thermal energy and electricity on an industrial scale (as provided by law, the Energy Regulatory Authority issues a so-called certificate of energy origin. The amount of green energy in the total amount of energy sold by a distributor should be in line with the minimum required for a given year in the energy regulations (i.e. 3.6% in 2006 and 7.5% in 2010). It is estimated that in 2005 the demand for biomass amounted to 4.6 mln tons and this amount is supposed to double by 2010. However, the market for such energy materials

as willow or straw is still very fragmented. Power plants are just beginning to sign contracts with willow growers.

The Strategy for Development of Renewable Energy Resources adopted by the government (5 September 2000) stipulates that by 2010 about 140-170 thousand ha of arable land shall be used for energy purposes, whereas in 2004 it was only 99 thousand ha. Plants grown for fuel will soon become a vital part of agricultural crops. Interest in this type of farming production has grown significantly since 2005 when subsidies to energy crops (Ordinance of the Minister of Agriculture and Rural Development of 17 August 2005) were decided. There are also new possibilities for providing financial support for farmers who start growing biomass plants (The National/Voivodship Fund for Environmental Protection and Water Management).

Growers of willow (*Salix Viminalis*) and thornless rose (*Rosa multiphora*) grown as biomass plants receive subsidies provided they have at least a hectare of land. Producers who only process willow or rose on their farm do not receive subsidies. They have to sign a multiyear contract with a processing plant. Financial support for biomass plant production comes from the state budget (55 euro per ha). There is a new programme for farmers looking for alternative source of income. This programme is not delimited to any particular regions or social strata (for example, the poorest family farms). The other important goal is also to stimulate interest in production and the cultivation of alternative/biomass plants. The most important legal regulations that favour the development of the biopower sector include EU directives on the promotion of electricity produced from renewable energy resources (2001/77/EC), on the common rules for the domestic electricity market, and on the promotion of the use of biofuels or other renewable fuels in transport (2003/30/EC). Another government document adopted in 2005, "Energy Policy of Poland until 2025," points out that renewable energy development should be based on biomass and the share of liquid bio-components in the liquid fuel market should gradually increase.

Nevertheless, the local energy market is still in its embryonic form, whereas smaller facilities owned by gminas should be based on local green energy resources from nearby fields. This agricultural biomass could also be used for heating systems in houses and utility buildings. Moreover, since the transport of biomass fuel over long distances is highly discouraged, and growers need to have a contract for the sale of the biomass fuel they produce it seems that a local market is becoming an inherent part of the project!

The interest in the technology, albeit still regarded as an experimental innovation, is growing. More and more prospective producers and consumers participate in workshops and training sessions. Apart from scientists and experts the issue is also becoming popular among entrepreneurs and representatives of local and regional authorities, as well as competent agencies and designated foundations.

As regards the Lodz region "Communication on Prospects for Use of Alternative Energy sources in Lodz Voivodship" was adopted by the local government in autumn 2003.

The "*BIOENERGIA*" programme on methods of supply and use of renewable sources of energy implemented by the BIOENERGIA consortium and under the auspices of the Ministry of Agriculture and Rural Development and the Marshal's Office in Lodz is in line with the above-mentioned communication. As its authors emphasise, *the programme is one of the first complex projects aiming at replacing existing methods of energy supply with ecological methods in Poland. [...] It mainly concerns the plants to be used as fuel to produce thermal energy i.e. willow and energy grasses. [...] Another element of the ecological chain is use of boilers and other heating units adjusted to biomass burning.* (Lodz, 2004). The main objectives of the project include:

1. Promotion of ecological renewable fuels in the area of Lodz Voivodship,
2. Provision of education and training in the field of renewable energy sources,

3. Research and implementation of new technologies for acquiring renewable energy resources,
4. Involving new partners to implement project tasks,
5. Use of Renewable Energy Sources as a stimulator for economic growth in gminas and gmina associations linked either economically or territorially,
6. Prevention of growing unemployment in rural areas,
7. Assurance of the project compliance with Water Framework Directive, Natura 2000 and Polish law on environmental protection.

Thus, the project aim is:

- a. to foster interest among farmers in alternative (or complementary) production of biomass when compared to traditional food production,
- b. to boost (local) demand for biomass,
- c. to provide growers with a possibility to sign long-term contracts for biomass sales,
- d. to develop a local renewable energy sector.

The project is planned to be implemented by:

- a. launching a promotional campaign in a given area to recruit producers/acquire areas for biomass plant cultivation,
- b. creation of a production basis for biomass processing,
- c. development and implementation of an ecological energy programme for a local heating provider,
- d. long-term contracts signed by and between biomass producers, energy managers and their customers.

The unit costs of project implementation:

1. Cost of willow plantation set-up: PLN 7,000-10,000 per ha.

Cost of installation of biomass heating systems: 1MW boilers cost about PLN 800,000, plus PLN 200,000 to cover installation and documentation expenses.

It is pointed out that the project aims for job creation, including seasonal and permanent jobs at plantation set up, tree nursery and connected maintenance, harvesting, biomass processing and energy generation, all in addition to the tree farmers themselves.

The project analysis was carried out in the area of Parzeczew municipality. Among new actors in the field of innovative projects is Business Incubator. One of its key activities is to provide farmers with alternative sources of income for their rural households. One of the projects pursued within the framework of the Business Incubator that we are interested in is the development, replacement or supplementation of low income crops with biomass fuel plants, i.e. the basket willow. Farmers of willow (*Salix Viminalis*) and thornless rose (*Rosa multiflora*) grown as biomass plants receive subsidies, provided they have at least one hectare of land.

Producers who only process willow or rose on their farm do not receive subsidies. They have to sign a multiyear contract with a processing plant. Financial support for energy plant production comes from the state budget.

Apart from the Business Incubator, key actors in the project include:

- The Association of Basket Willow Producers, i.e. farmers; 19 farmers from several communities, willow is planted on 55 hectares of land in the community.
- Bioenergia Company, with 13% community ownership. "The company president owns 23 hectares of land in the community. This is how it all started. We pursued market research in Poland and decided to go for these plantations, 3 ha here, 5 ha

there. We bought saplings. Some farmers after training contracted basket willow for a 10-year guarantee of consumption of all quantities they produce.”

The Community Office – initiator of the **project of construction of a biomass heating system**. The local governor initiated construction of a biomass boiler house. The planting of a willow plantation and the construction of a boiler house were mutually necessary actions; there was no purpose for either one without the existence of the other. Changing energy sources, i.e. the transition from oil and coal to biomass, is a very strategic investment because the former boilers provided heating for school, the community office, a police station, housing estate blocks in Parzeczew, the telecommunications company premises, and a health centre, and the heating costs were, in most cases, covered by the community budget. Now, when fuel oil prices have soared, it seems the investment will bring considerable benefits. Moreover, we provided farmers with alternative income sources. In 2004 (training organised by the Incubator on willow plantation aroused farmers interest) we, along with local authorities, decided to modernise the heating system, i.e., to replace old coal boilers with new biomass boilers. Traditional fuel costs - oil and coal - provided another argument in favour of the change. The old boiler house capacity was 2.5 MW, whereas the new one has a capacity of 700kW. It makes a huge difference and we hope that our savings will be at the level of one fourth of today's oil and coal expenditure. Additionally, the school building and a teacher's house will be insulated, windows in the Community Office will be replaced with new ones, and the police station will be modernised. The whole project budget amounts to PLN 2 170 000. We hope to get some financial support from the Ecofund. Starting this year, the following environmental investments are being granted financial support (the Ministry of Agriculture signaled it some time ago): 40% of this investment, which costs PLN 2.5 million, is covered by Wojewódzki Fundusz Ochrony Środowiska i Gospodarki Wodnej (Environment and Water Management Regional Fund), Lodz, the remaining 60% we cover from our budget and the savings we will get back once the new heating system is implemented. In brief, the heating costs for all of the premises amount now to PLN 500 000, and after modernisation - which includes window replacement, insulation, replacing a coal boiler house with a biomass boiler house, and implementation of new technology solutions – we should see heating plant costs reduced by half.

Implementation: “We sign 5 or 10- year contracts with farmers from the Association of Basket Willow Producers for biomass collection from our boiler house. They need to have contracts signed in order to be eligible for the subsidies. It is sometimes hard to convince farmers to invest in willow saplings as it is quite expensive (1 ha of willow saplings costs PLN 7,000-8,000). Definitely, it is profitable for farmers. But the last two years were very dry and this is only 5 or 6 class land, so it is not good soil, but then it does not make sense to grow basket willow on rich soil.”

It is mostly young and the most courageous people who want to make this change, as they are willing to provide a fresh look at agricultural development and agricultural production - which is very different from the local tradition - since investment in basket willow is expensive (about PLN 50,000 to start) and requires a family decision, and in the case of agriculture it is often the decision of a lifetime. Investment requires courage and some knowledge to be sure that it will bring profits and can possibly pay off. In order to gather a group of farmers there were meetings held in every village with nearly all farmers (800 households) in the municipality. “There are farmers who are skeptical and do not believe in the success of new crops and stick to traditional ones; although they start asking questions and are interested in our initiatives, especially growing rape for energy purposes.”

Farmers living in the area have begun to develop interest in other renewable energy sources. There are some crops that can be adapted to local soil suitability, especially since energy willow has turned out not to grow as fast - on our poor and marshy soil - as we thought it would. The producers are becoming more and more interested in grass species that may be more profitable and easier to cultivate. We are turning to rape again. A project on coal briquettes manufactured from rape straw, cereal straw with some basket willow and grass is nearly finished.

An actor's perspective: external initiator: the president of Bioenergia company:

"A few years ago my friend and I bought a few ha of land in Parzęczew gmina. I planted chokeberry shrubs on 5 ha, but 4 years ago chokeberry production appeared to not be profitable any longer and I started thinking of something else, I was looking for a new idea.

I did not often visit Parzęczew gmina offices at that time. My perception of the gmina was not good as I found it to be a somnolent place where nothing was going on, a kind of inferior category of place within Poland. But when I started looking for new ideas on how to use my land I decided to try and get support from Parzęczew gmina. And this is how I came to the entrepreneurship incubator for agriculture that had just started operating. I talked with a director about tasks and goals pursued by the gmina. And so we pondered a type of production we could start, bearing in mind the fact that the gmina has a low-quality class of soil. And it was during that conversation that the name of biofuel willow appeared for the first time. I got so interested in the whole idea that I decided to learn more about it.

It was in the spring of 2002. At that time one of my companies had some capital and I started thinking about it as a business. At that time my company was producing promotional films, and we were about to finish one on sustainable development in the town of Nowogrodzic in southwestern Poland. The problem in Nowogrodzic was about changing the way of thinking among the local community, the orientation and activation of that area. The experience of that region and similarities between that gmina and Parzęczew brought to my mind an idea to make farmers familiar and interested in the subject of producing renewable energy from biomass given certain social and natural conditions that needed to be met.

I studied the literature and publications on this subject and I found out that the idea of renewable energy is interesting and promising, especially in the context of our accession to the European Union, which sets out concrete tasks and objectives in the field of renewable energy."

It also turned out that energy production from biomass is very well studied in theory, but this solution has never been applied in practice. Our calculations and gathered knowledge indicated that if we could assure our commitment, the interest of farmers, the support of some friendly institutions, then the idea of biomass fuel production as a renewable energy source can have a bright future despite the fact that renewable energy in Poland is mainly associated with wind or water energy. Parzęczew gmina seemed to be an ideal place to implement this project.

Knowledge and main actors:

1. **Entrepreneurship Incubator** was established as a result of local leaders' search for opportunities for non-agricultural economic growth in the mid-90s. The dairy sector was very well-developed in this area, but in the 90s, due to overproduction of milk it became unprofitable and also the marshy lands were no longer useful as cow pastures. "In Parzęczew, the first Agroincubator was set up and we employed people who started dealing with these problems. It was also a task for local self-government as everyone knows how poor a farmer is and since it is a typical rural gmina, its income was rather low. Thus, support for farmers also meant some aid for the gmina's budget. And this is how our cooperation with the agricultural universities in Poznań and

Warsaw began. We invited professor M. who specialises in energy willow.”) (KK, councilmember and a farmer)

2. **Local leader**, KK, a farmer and a councilmember, one of the initiators and a popularizer of the project in the gmina. *His active participation in the project implementation was very important as he has a considerable standing among other farmers in the gmina. It was his involvement that won over other farmers. These are mainly young people who called themselves “freaks” or dreamers who want to produce something new instead of constantly sowing oats and then queuing to sell it and waiting for the money for years. They claimed they saw it as a chance for their future. Such people came to us and wanted to participate in this unknown, risky business. (AK, an entrepreneur)*
3. **Local authorities**: the first talks on the subject were carried out during the term of office of the previous gmina governor (1998-2002), but *a crucial moment in the stage of the project's promotion was support and interest provided by the newly elected governor, RN (who in the previous term of office was a deputy governor). From their perspective, the attained goals are not only business goals but also social ones. This project and their personal involvement made the gmina popular, as it was presented on TV and radio. The gmina was successful and it was also a promotional success (AK).*
4. Interest and financial support provided by **regional authorities (the Marshal's Office) and the Regional Fund for Environmental Protection.**
5. Interest among **farmers**: *In Parzęczew, two informational meetings were held. To our surprise and joy, a lot of farmers turned out. After the meeting, 17 farmers decided to set up energy willow plantations. It seems that an important factor in their making this decision was the fact that the initiators of the whole project financed seedling purchases for plantation start-up. At this stage, farmers selected and prepared a plot and planted seedlings and took care of plantations. So the percentage share was as follows: 20% farmers' share and 80% our share. Our investment amounted to 400 thousand PLN involving seedling costs and expenses for project development and development of a system for biomass use. (AK, entrepreneur).*
6. All actors (Gmina governor, **Bioenergia, Agroincubator**) stressed considerable interest in the crop by the farmers (their participation in meetings and training sessions), who agreed to use it locally. *It was then when we signed the first agreement with the Gmina Office which stated that the gmina shall spare no effort to change the existing heating system [...] so as to create a uniform central heating system based on biomass from plantations as the main energy resource. It was an important factor in promoting the project of biomass production based on energy willow among the community. The gmina (as an authority) became a guarantor of the project's success [...] and an important factor in changing farmers' way of thinking and reorientation. (AK, an entrepreneur)*
7. **Research institutes and universities** (not only from Lodz Region).

Dissemination: “Successful implementation of the project in Parzęczew and acquired experienced allowed us to start an information campaign in order to disseminate the information to other gminas. It resulted in the signing of five contracts for implementation of similar projects. Along with the Marshal's Office we developed a comprehensive project called BIOENERGIA, which we continue to promote among farmers. In 2005 we spent 160 thousand PLN on it. We issued information bulletins, leaflets, brochures and produced campaign films, etc. My experience and observations clearly show that the success of a project, i.e. farmers' participation and production of biomass as renewable source of energy, does not depend only on advertising and a promotional campaign, but to

a considerable degree on the authority's (gmina) participation in the project implementation process." (AK)

What is the public sentiment towards the innovative economy given conditions provided by the analysed example in the gmina of Parzęczew?

The gmina of Parzęczew in the '90s was still regarded as a typical agricultural region with minimal non-agricultural economy, poor inhabitants, and low social activity, situated in the suburbs and yet also metaphorically considered as being on the outskirts of the Lodz Region. In the previous regime of the centrally planned economy the dairy sector was dominant in the region and when demand for milk significantly diminished, a lot of privately owned farms were deprived of their main source of income. There was a stable local authority governing the gmina for many years and on one hand it contributed to building confidence in the administration, but on the other hand, given intensive changes going on in all fields, a certain set governing methodology was not favourable for such innovative activities.

At the end of the '90s a dramatic change took place in this gmina, including a change in management methodology and an increase in qualifications among administrative personnel. *It did not use to be like that, I mean team work. Now when we work on a project, three fourths of the whole staff is involved in it. Every unit provides some input and so everyone, including a geodesist, the public procurement department, investment department, finance department, gmina council, gmina governor, a treasurer, the structural funds department are all involved in the project. We can speak of teamwork. If the gmina office does not work as a team and there are no educated people, it has little chance to succeed in the new European reality. In our office nearly all employees have a university degree or are working on their MA [...] and this is why we can implement more and more ambitious projects.* (JP, a head of the department for European Funds in the Gmina Office). The change also involves changes in the Gmina Council: *there used to be 25 councillors and their number was too big. Now the gmina decision-making body consists of 15 people, which means that there is one councillor for two villages. At meetings councillors are always provided with materials so they never leave the office with empty hands. They are given information leaflets, adverts, etc. to hand out to village administrators. In the past, you had to send councillors invitations to participate in meetings and now only active councillors are favoured by society. We prefer that councillors discuss problems with village inhabitants first and only then suggest solutions at the meeting with the governor.* (JP)

The management change also involves raising and managing funds. "Every gmina has its budget, tax income, grants or subsidies and needs to disperse them properly. In 2000 new possibilities appeared (Activation of Rural Areas Programme, ASAL 100, World Bank funds, pre-accession funds like Phare, Sapard). Now we have EU structural funds. There are new opportunities for the local government. We only need to meet certain criteria. And it does not matter if a gmina is rich or poor. We need to provide 25% or 15% of funds and whether we manage to do it depends solely on the activity of the office, authorities and the gmina council. If they are active, if the council are willing to work, as it involves a lot of paper work [...], for instance one application form is three or four binders and the requirements, as we now travel all over the world and we know, are not always required by the EU, but sometimes our ministries require them to insure better control over funds flow. We were not prepared for this bunch of work; even earlier programmes like Sapard did not have such requirements." (JP) We have had a chance to make use of structural funds since 2004: *It caused a major change in the way of thinking among office employees. A lot of appendices, a lot of conditions to meet. Starting from October, November 2003 I participated in every council session to acquaint councillors with the possibilities for getting structural funds [...]. While preparing a budget we drew up new tables* (for projects to be implemented with our own funds and projects to be subsidised by the European Regional Development Fund and the state budget within the

Integrated Regional Operational Programme) Now the *Regional Audit Chamber (Regionalna Izba Obrachunkowa - RIO)* provides the tables to other gminas as templates to work on. (JP)

A very sufficient organisational capacity is not enough to raise one's own funds efficiently since quite often it requires risky decision-making "and the governor and the treasurer have to decide if we could take an investment credit and invest or not. It was not a decision to be made by the Board, but by the governor and he had to convince the council to gain their backing. Again the governor had to decide if, apart from 18-20% of annual repayment, the gmina should also take 30% or 15% for new investment credits for road construction. If it had not been for that credit decision, now we would not speak of SAPARD. The decision had to be made quickly as we had only 2-3 months to get these funds. It turned out there were few funds and many local governments did not get any since they failed to meet formal requirements and there was no chance to make any corrections. We submitted the correct applications and we had our own funds in the budget adopted by the council. We vote on the budget in December so that we have a new budget in January. Since there were no funds for this purpose in the budget adopted in December we had to pass a resolution in March and take a credit so we could appeal for money in April and be able to show that we had our own funds for this purpose in the budget. [...] The Regional Audit Chamber perceives our budget as exemplary. Such a budget guarantees that a donor has no problem with finding funds for a given project." (JP)

The position of local government vis a vis central ministries is also changing. This involves also consultation functions in the process of formulating executive regulations: "We go to talk about specific regulations so as to facilitate our job in the future in complying with the provisions. [...] Now it is possible to determine different issues concerning 2007-2013 funds, but there are no regulations or acts implementing individual operational programmes. We try to monitor everything and we are frequent visitors at ministries... Due to raised funds our budget doubled over three years. Our gmina raises a lot of financial resources from outside." (JP)

The relationships between gminas and higher level administration are significantly changing. While in the past a clear-cut relation of a humble supplicant and an office was dominant now the relations are based on knowledge and competence. When applying for the funds "we need to cooperate with numerous regional and central authorities like the Voivodship Office, the Marshal's Office, the Regional Labour Office, different ministries. We submit a lot of applications to given units and departments and so we need to know how they work. Not only do we need to know the structure of our own office, but also we need to know how offices that allocate funds operate. Direct contact is of utmost importance. After submitting an application we do not simply wait and do nothing, but we make phone calls, send emails. We try to explain any vagueness and interpret ambiguities of provisions or regulations. If all doubts are resolved in discussing our application a ministry can develop their view on a given matter and the correct interpretation is more quickly disseminated to other gminas in Poland. Sometimes we receive phone calls and are asked about our opinion on a given matter as the central administration is developing a new programme and wants to know how local government perceive it." (RN)

It turned out that in this case the establishment of adequate structure, investment in human resources, learning and implementing new formal procedures was very important.

1. in 1999 a *promotion and agriculture restructuring position* was established;
2. before 2002 a *structural funds position* was set up (in the context of Poland's accession to the EU. Our gmina spared no expenses in training for these employees);
3. On Poland's accession to the EU, a *Structural Funds Department* was established. "We are very good at procedures of filling in documents and application forms. We used to commission it and other companies did it for us, but later we decided that it is

better to invest in our personnel. [...] I can speak from experience that people are the key element and 90% of success depends on a good team. [...] People need to be directly involved and find it exciting, only then is work quality different. Here we do not work like other offices do i.e. closing at 3 p.m. and going home. When we submit applications, everyone is involved, including the governor himself. Several times we even stayed until 5 am. If there is a deadline you need to meet it. [...] These are strategic issues for us and we treat them as priorities. Public administration needs to be more and more professional and we are aiming for this. There are many people working in this department who prepare new projects and manage implemented investment projects.” (RN)

To be prepared and ready at the right time i.e. a story of success:

With the department in place we put emphasis on planning the investments we were interested in. Everyone kept saying that we were to join the EU and there would be a lot of money. And so P. treated the subject very seriously. [...] We issued various newsletters, interviewed experts in EU issues and so we prepared ourselves. We also prepared our inhabitants for the accession. First of all we were busy with investment projects [...] with full documentation including appendices so that our applications were not rejected due to formal mistakes. And in June 2004 the first call for applications for Integrated Regional Operational Programme was made and we had become an EU member state only in May 2004. The procedure turned out to be so complicated and requirements so great that very few gminas managed to prepare complete applications on time. From the very beginning we counted on [...] correct, properly prepared applications [...] it involved a lot of work. All four of our projects were adopted for implementation. Only one other gmina in the Lodz region submitted four applications in the first round of calls. (RN)

The first successful projects, funded by structural funds, concerned:

a) road construction, b) construction of a huge water treatment plant, c) waste dump rehabilitation and d) building of the information society i.e. *gmina Internet network with public access centres*.

All the projects are now being implemented.

It is worth mentioning that this is not a full list of projects implemented in our gmina in the past years. Two of them have been presented in this paper. However, we want to emphasise the innovation context that makes implementation of the projects possible.

The first project is an example of an activity inspired by many actors from different social, occupational, spatial and institutional groups. Innovativeness of the project can be perceived in the environmental, economic and social dimensions. And it undoubtedly concerns RSM.

Another case presented here is the *in statu nascendi* project. It also has huge innovative potential, mainly in the social area, but also on the economic and environmental level. It is also a good example of *prospective thinking*, which is easily noticed in this gmina. Another very important project, which is another step forward as regards our future plans, is that of building local partnerships with four adjacent gminas. The project is being implemented within the framework of Sectoral Operational Programme Agriculture and Rural Development. In my opinion it is a very good programme as regards rural areas and the bottom line approach. [...] An agency is to be established to stimulate the development of five gminas. It will be responsible for investigating applications and allocating resources for implementation of the strategy we are now busy with. (RN)

The fact that the gmina developed (in July 2005) a new **local spatial development plan** is a significant indicator of its activity and the importance it attaches to management of the gmina's resources. It is a new plan, as the binding provision provides that the old plans are null and void as of 1 January 2004. The procedure for developing and passing such plans is so

long and expensive that 80% of all gminas do not have complete local spatial development plans. However, without such a plan gminas “cannot speak of investment areas, plots for development, afforestation areas, sports grounds. Therefore this document is indispensable for development. It took us 4 years to go through the whole procedure. The plan envisages various developments such as construction of a huge reservoir on the Bzura River (200ha), a motorway dividing the gmina in half and new investment areas. Now we are meeting potential investors who are interested in areas adjacent to the motorway. If we succeed we can attract a very big investor this year. Talks are being conducted, companies are performing analyses. In general we can say that they find the motorway and the location enticing. They also take into account the development of the gmina itself, openness and our service. It is important since very often things get stuck in administration. It is all about time. If an investor wants to invest, he wants to invest quickly and therefore how fast administration operates is also important.” (RN)

In the social dimension sustainability involves social participation and a type of local knowledge.

The local administration perspective is as follows: “Society needs to be involved in discussions on gmina development. And it is also about basic knowledge that inhabitants should possess, i.e. a scale of problems and what needs to be solved. Everyone perceives everything from his own perspective and so one village wants to have a road built and another water supply system installed. There are 24 villages in our gmina and certain priorities need to be set. Although we do a good job a lot still remains to be done. Thus, inhabitants need to be involved in gmina governance. They should know what administration does, so they do not take too much for granted.

We are open to co-operation, also with universities. We are trying to involve other gminas in the process and it is a new experience for us.”

The Municipality of Parzeczew is a good example of innovative activities. It stands out against other beneficiaries of development projects. Key actors claim that the success stems from organisational changes in the Municipality Office (task work in a team), personnel quality (young specialists with expertise in different fields including Pre-accession and EU funds), documentation prepared at early stage (e.g. Municipality Development Strategy, a plan for road construction in the municipality and other technical documentation), a report on attitudes of the municipality inhabitants towards the municipality and as one of very few municipalities it has developed a spatial development plan for the whole municipality area.

A strategic objective for the municipality is sustainable development, which means that “we do not support only entrepreneurs or concentrate on education or road building. The municipality development should provide all inhabitants with an opportunity to pursue their plans; this is what “sustainability” is about. There should be something for everyone, for entrepreneurs, investors, education and farmers. In fact such a municipality should be able to solve all problems and meet all needs. The mission of our municipality is very broad: The municipality of Parzeczew is friendly to the environment and investors, it is safe and provides good living and leisure conditions for the inhabitants of Lodz Region.

Case study 3: The case of “Indian” tourist farm in Szczyrzyc (Malopolska Region)

Reasons for the case study selection

Using the broad definition of innovative action adapted in the input paper we have decided to describe in the report the case of an “Indian” tourist farm in Szczyrzyc. This case

represents in our opinion a new vision of rural tourism being not only a truly original product on the local service market but also a new approach to development of local economy. Rural tourism, although seen as one of the most promising potential sources of income for the local population, still remains a rather marginal activity in Jodłownik community (gmina). The example of the “Indian theme-farm” can play a key role in triggering the growth of this sector in the future.

What is also important is the fact that “Indian Village” (official name of the farm) is an entirely individual initiative. It has no features of an organized program or project. “Indian village” was established by a young family of Mr. and Mrs. Włodarczyk, who came to live in the area few years before. It is their private idea for “living in the countryside”. Local people have been witnessing the development of the Indian plan from the beginning, on the basis of everyday interactions with the new neighbors. Such a situation gives an opportunity to analyze the process of “spontaneous diffusion” of innovation in the local community. In-depth study of this example of natural innovations can help to understand the factors determining success or failure of innovative actions in general. The conclusions and observations in this matter are a useful supplement to the case study from Lodzkie region, which describes innovative actions driven by local government.

Description of the RRA1: Malopolska region

Malopolskie voivodship covers 15,189 sq km (since the last change of administrative borders in January 2003) which is about 5% of the country’s surface area. The population is 3,217,000 (as of December 2003), which is 8.37% of the population of Poland (fourth place in the country). The population density is 212 persons per sq km, which puts the voivodship into second place in the country (behind the Silesian voivodship). The country’s average is 124 persons per sq. km.

The urban population in the region is 49.9 % of the total population, which is significantly lower than the urbanisation indicator for the whole country, which is 61.8%. That indicator has gone down since 1995 (when it stood at 50.8%) despite the fact that several localities were given town rights. This is mainly because of the migration from urban to rural areas and the negative natural increase of population in urban areas.

Rural areas were inhabited by 1,629,900 people, which gives Malopolska region the second largest rural community in Poland. In the years 1988-2002 (between the two most recent National Censuses) the rural population increased by 6.88%, whereas the urban population increased only by 2.61 %. In the same period the numbers for the whole country were – 0.57% and + 1.88%. One can observe in Malopolska the stable, yet atypical for Poland, tendency of a growing rural population. Rural areas are additionally characterized by exceptionally high population density – 119 persons per sq. km. This is more than twice the country’s average (which is 50 persons per sq km).

The urban network in Malopolska currently consists of 55 towns and cities. Most of them are small towns, having up to 10 thousand inhabitants (this describes 27 localities). The region’s capital and the biggest city is Krakow, with 706 000 people, which makes it the third largest city in Poland. Other large cities are Tarnów (118,000 inhabitants) and Nowy Sącz (90,000).

The Malopolska region’s territory is quite compact – 15.1 thousand sq km. It borders Silesian voivodship (województwo Śląskie) to the west (with a shared border of 295 km), Swietokrzyskie voivodship to the north (border of 182 km), Podkarpackie voivodship to the east (80 km) and Slovakia to the south (for 317 km, and this is the only border based on geographic criteria).

The Malopolska region has the most diversified landscape in the country. Most of its territory has an upland or mountainous character. Over 30% of its area is situated more than 500m above sea level and only 9% lies below 200m above sea level. With an altitude difference of 2340 meters, the zone of the permanent inhabitation (ekumena) is 1000 meters.

In Malopolska one can find 9 of the 17 main types of natural landscape in Poland and 7 different climatic levels. It also has the area with the highest annual average precipitation levels.

Compared with the rest of the country Malopolska voivodship has quite large groundwater resources but very limited amounts of underground aquifer waters. Due to the mountainous character of the rivers and streams, rapid rises in water level and floods occur very often in many areas. The flood plain culminates in the Wisla river valley and puts the city of Krakow and its surrounding territory at risk. It is estimated that the area especially endangered by floods is 48% of the region.

The main transportation structure of the Malopolska voivodship is based on the A4 motorway (Krakow – Katowice) and interregional road number 7 (Gdansk-Warsaw- Krakow – south country's border) as well as road number 4 in the east-west direction (Wrocław –Przemysl).

In terms of population density Malopolska is very diversified. The lowest indicator is for the gmina of Uscie Gorlickie – at 22 persons per sq km – whereas the highest is for the town of Andrychów, in the east of the region – at 2286 persons per sq km. What is interesting is that Andrychów has a higher population density than Krakow, the region's capital. This was observed for the first time in the year 2000. The areas with the highest population density lie around the three biggest cities (Krakow, Tarnów, Nowy Sącz) and in the west and central parts of the region. Areas with the lowest population density concentrate in the north parts of region (gminas in the Wisla river belt) and in the mountain areas to the south.

The economic potential of the Malopolska region accounts for 7.4 % of the country's GDP. The structure of economic activities is rather dysfunctional and needs to be transformed. In sector I (agriculture, forestry and fishery) works 34% of the total working population, in sector II (industry and construction), 25% and in sector III (services), over 40%.

Context of LIA

LIA 1 – Jodłownik gmina

Gmina Jodłownik is located in the southern part of Malopolska voivodship (see Map 1.) in the mountainous area. It is composed of 12 villages with a total number of more than 8 thousand inhabitants. It is an area of predominantly agricultural character, famous for its long tradition of breeding "Polish red cow". However, since the 1970s many farmers switched to fruit production, mainly apples (872 ha in 2002) and currants (206 ha in 2002). Nowadays, it is orcharding that forms the most important sector of local agriculture and the local economy in general. There are also some traditional types of farming, namely: rye, wheat and oats (1232 ha in 2002 altogether) as well as potatoes and vegetables (332 ha and 149 ha in 2002, respectively). Farms in Jodłownik gmina are relatively fragmented and small (see Table 2) with very low quality soil (3rd class and below). Farm areas still form the largest type of land use (see Table 3).

Table 2: Landholding structure in Jodłownik (in 2002)

Size of farm	Number of farms (%)
1 ha and less	318 (20)
1 ha – 4.99 ha	1046 (67)
5.0 ha – 9.99 ha	194 (12)
10.0 ha and more	31 (5)
Total number of farms	1589 (100)

Table 3: Distribution of land uses (in 2002)

Type of land use	Area in ha (%)
Agriculture	4032 (56)
Orchards	1196 (17)
Forests	1752 (24)
Build-up and others	213 (3)
Total	7193 (100)

The largest farm (112 ha in use and 64 rented out) in Jodłownik *gmina* belongs to the Cistercian monastery founded in Szczyrzyc (the second biggest village in *gmina*) in mid-XIIIth century. Under the Communist regime this farm has been nationalised and had a status as a state farm. The monastery regained it in 1993 and since then it has specialised in animal husbandry (mainly cattle breeding with a large herd of the endangered species of “Polish red cow”).

Due to the overwhelming agricultural character of the LIA, local government is trying to overcome this disadvantage and re-shape the track of its future development. The aspirations to become a more multi-functional type of community have been expressed in the “Gmina’s Development Strategy”. In this official plan local authorities have identified three main areas to be developed, namely: agriculture and agri-tourism, non-agricultural economy and local culture and education. In line with these assumptions many initiatives have been undertaken in the recent period, of which most were infrastructural investments involving external funding (renovation of the heating system, modernisation of roads and bridges, renovation of local schools, construction of a sewage system, etc.). The most recent improvement is an Internet café opened in the council building that provides access to broadband Internet for local inhabitants. It is important because accessibility of the Internet in rural areas in Poland is very poor (with high prices and insufficient infrastructure).

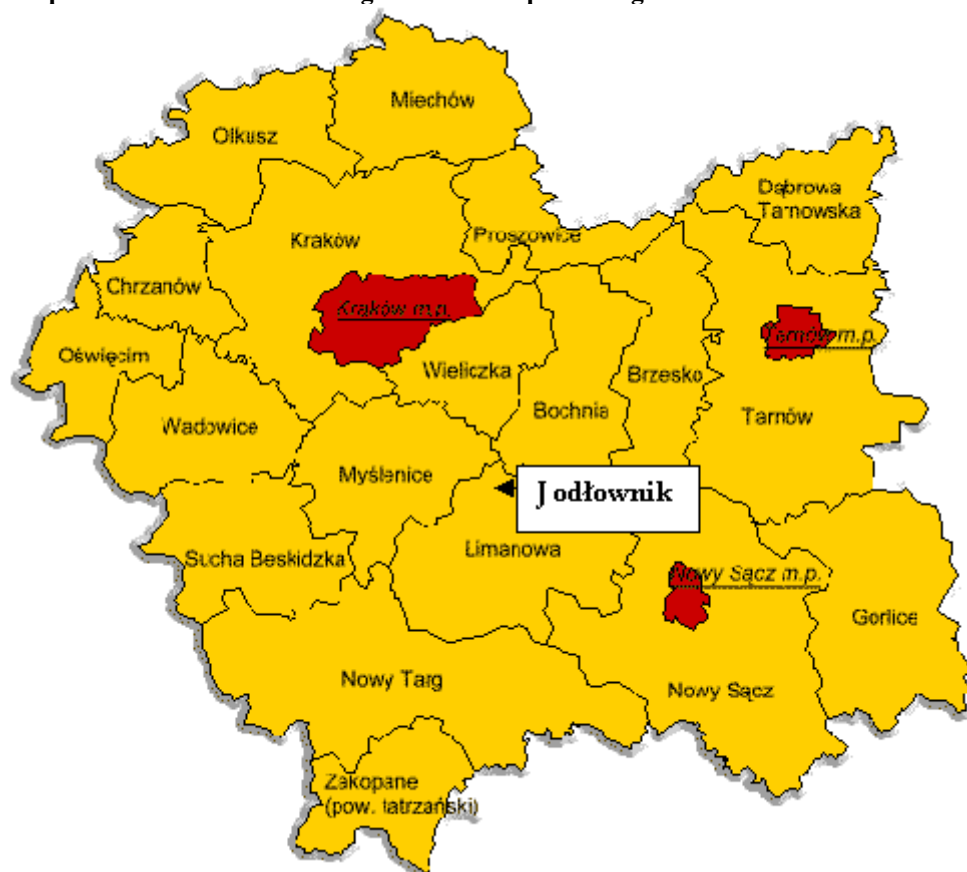
Despite these efforts, the local economy is still struggling to find the multi-functional balance. The most significant employer outside agriculture is a private factory of metal gates, garages and other structures. Apart from this there is just one supermarket, several smaller shops, bakery, bank and several pubs. One should also mention the public sector, which provides a large number of workplaces: the *gmina*’s office, primary schools and - what is rare in rural areas- a hospital and a high school.

In the context of this case study it is useful to take a closer look at the tourist sector in the LIA. As was mentioned earlier, Jodłownik *gmina* is located in the mountain area some 50 kilometres from Krakow. It needs to be emphasized however, that these are rather small mountains, not exceeding 900 meters above sea level. What is also important is that such a location makes the area rather remote as the *gmina* lies off the main roads. In general, the community suffers from the syndrome of “being in-between”: It is too far from the Krakow agglomeration to follow the suburban pattern of development. At the same time, it lies very close to the popular tourist region of the Tatra Mountains, which it cannot compete with. For

these reasons there is no tradition of mass, organized tourism in the LIA. One of the very few local tourist attractions is the monastery in Szczyrzyc with the museum of antiques from the monks' collection. The monastery and the museum are playing a key role in attracting tourists into the area, also as a pilgrimage centre. Recently, the owner of the garage factory has opened a tourist centre (including guestrooms, restaurant and a banquet hall) in the immediate surroundings of the monastery. Acting in close cooperation with monks, he hopes to develop this branch of services. Another idea for that is agri-tourism. Gmina authorities are trying to persuade farmers to create the offer for city dwellers who are willing to spend peaceful vacations in the countryside. This is supposed to be a kind of additional activity, connected with farming. Some initiatives in this field have already been launched, following the creation of the so-called "fruit trail" (promoting the tradition of local orcharding).

With regards to tourism, one more thing needs to be mentioned. Some parts of the LIA were, in the 1970s and 1980s, a popular location for summer cottages owned by the Krakow middle class. This resulted in the appearance of a significant population of temporary residents who live in the colonies of houses, situated mostly on the outskirts of villages. Recently - after reaching retirement age - some of these periodic holidaymakers have tended to move into their second houses for a permanent stay. Over the years local people got used to the presence of this parallel community. Nowadays, all the newcomers are called "Krakusy," although they do not necessarily come from Krakow.

Map 1: Location of Jodłownik gmina in Malopolska region:



Description of the case

Mr. and Mrs. Włodarczyk are both in their early thirties. Before coming into Szczyrzyc they were living in Krakow and for 6 years in Olkusz – a mid-size town in the northwest of Malopolska. As Mr. Włodarczyk has a degree in teaching music he was working there as an instructor in a cultural centre. Together with his wife they were also running an artistic agency "Baszta", organizing various events (concerts, exhibition, meetings). In 2002, due to – as they described it – complications in their personal life, "in an act of desperation," they decided to move out to the countryside. Looking for a suitable destination in different parts of Poland "partly by a chance" they discovered an abandoned farm that was for sale in Szczyrzyc. The word "partly" can be explained by the fact that Mr. Włodarczyk had visited that village in his childhood many times, spending vacations in his uncle's summer cottage. That is why he is not a total stranger in this area. Although a newcomer, he also has some knowledge of local realities (this thread will be developed in a later part of the report).

After they settled down in a new place, the Włodarczyks were searching for the idea for living in the countryside. As they say, American Indian culture was an object of their interest since childhood so the theme farm is a realization of their passion. It was not however, in their minds when they left the city. The idea was born in Szczyrzyc. At first, the family source of income was orcharding (there was an old orchard on the farm) and cooperation with the gmina office (Mr. Włodarczyk took part in the creation of the Local Strategy of Development and was working on publication of local newspaper and promotion leaflets). The vision of the Indian village was an unexpected result of a gift from one of their friends. When the Włodarczyks got the teepee – tent they put it in the orchard. It turned out to be a great attraction for friends and family who were frequently visited on their farm. This was an impulse for a broader plan. Next year (2003), they decided to tidy up the entire 1.5-hectare parcel of land and established an "Indian village". The area of the village is divided into thematic sectors (several types of teepee-tents, exposition of Indian handicraft, Indian games and plays, Indian music instruments, Indian cuisine). To create the village the Włodarczyks were using knowledge of their acquaintances from the "Polish Movement of Indian Friends" as well as information from books and Indian studies. Most of the village elements they are creating by themselves with the use of original materials often imported from North America. The animals are an additional attraction for the village: one goat, one horse and an Alaskan dog. What is worth emphasizing is that the Włodarczyks are trying to link the Indian exhibition with the local realities. They have preserved the old orchard (teepee-tents are situated among 30 year- old apple trees) and the traditional countryside-style farmhouse. Furthermore, they are buying and renovating the old wooden furniture and handicraft items from the neighbors in order to preserve rural heritage. Apart from the Indian culture the theme farm is also promoting folk music (Mr. Włodarczyk makes and plays traditional "primitive" instruments) and ecology (green education trials). Currently, the village is aimed mainly at organized groups of pupils and elderly people. Also, families are targeted clients. A visit to the farm includes a presentation of everyday Indian life, exhibition of the handicrafts, a demonstration of Indian plays and games and short lectures about Indian culture. In the longer version, tourists can learn to play Indian instruments, taste original cuisine and see a movie in the "multimedia barn." The Włodarczyks do not offer overnight accommodation, as they have no proper facilities.

The practical motivation for the Indian village is as a business activity that allows the Włodarczyks to support their family. The original idea came out of the necessity to find a source of income in the countryside. This new approach to rural tourism is interesting for two main reasons: Firstly, it is an example of an innovative tourist spectacle that links the typical assets of rural areas with an "exotic" topic. Such a combination turned out to be a very

efficient way to attract tourists to a previously unpopular region. Secondly, the successful theme farm can be a positive impulse for the local population that is struggling to build a more diversified economy. It can be an inspiration for others to follow. That is why the significance of this case is greater than the average private project.

This significance has been recognized by the local authorities supporting the Włodarczyks' theme farm. Although the financial backing for the initiative is entirely private, the local mayor has decided to co-fund its promotion during the annual "tourist show" exhibition in Krakow (2004). It should be mentioned that the Włodarczyks launched a cooperative effort with the Szczyrzyc monastery and prepared a shared presentation during the show. The stand shared by traditional Indians and "medieval monks" (all dressed up in traditional clothes) garnered considerable publicity, and won first prize. Since then, the "Indian village" has become a showcase in the gmina, being promoted by the local government and in turn promoting the area itself. Its presence in media headlines allowed it to develop as a tourist destination. Currently, the Indian village is a popular theme farm year-round, attracting hundreds of tourists.

This success in business and promotional terms has not, however, brought an expected social change. On the one hand, the Włodarczyks are cooperating with several locals (neighbors are providing meals and accommodation, and there is also a cowboy trial organized with a horse-riding centre in Chyszówki). But on the other hand, all of these initiatives were proposed by the Włodarczyk family "Indians". There is no real decision-making activity from the local people in these matters. Further, there is no visible increase in the number of agri-tourism farms in the area (whereas this was supposed to be the most desirable effect in the gmina's strategy). The innovation process has not spread within the social milieu. The reasons for such a state of affairs can be identified when one analyses the knowledge dynamics that are linked to the Włodarczyks' theme farm project.

There is no doubt that the initiative of the "Indian village" is based predominantly on non-local knowledge. This can be seen in two main dimensions: Firstly, the aspect of Indian subject matter is very much extraneous to local tradition. The creation of an Indian theme farm requires knowledge of a foreign, exotic culture. Such knowledge can be found in books or studies, whereas local knowledge often takes the form of a tacit resource, based on practical experience or orally transmitted from generation to generation. Secondly, the Włodarczyks themselves are the non-local actors. As newcomers, they represent external knowledge based on different sources and experiences. Although they are trying to acquaint themselves with local realities and the local people, these differences will be very difficult to overcome.

Developing this analysis we have identified three major factors limiting the spread of innovation in the case of "Indian Village". The first one is the problem that can be called "the outsider syndrome". In the personal aspect it means that the Włodarczyks, being former "city-dwellers," are not in the network of personal relations with local people. Locals do not know them so they keep a social distance. Innovation diffusion requires personal contact, as without it there is no sufficient exchange of information. In the LIA under consideration the negative impact of the "outsider syndrome" is additionally strengthened by the specific structural conditions. Paradoxically, the long tradition and a significant number of second houses in the gmina led to polarization of the local population. The two communities (locals and owners of summer cottages) created parallel milieus separated by a kind of "social wall". This situation is well illustrated by the words of the village mayor: "we got used to the presence of "Krakusy" (newcomers). They live their life, we live ours". The "closed character" of the local community is also caused by the unfavorable evolution of the social structure. On the one hand there is an aging population of local peasants. On the other, there is a mass emigration of local youth, leaving the area in search of jobs and education. One can

observe the “brain drain” phenomenon, the result of which is the gmina is losing its most talented and active young people to Krakow. What is more, a great number of residents under the age of 40 is temporarily migrating abroad (Germany, Great Britain, Ireland, US).

All these listed social factors result in the weak reciprocity ties and disturb the process of collective learning. This in turn makes the exchange of knowledge dysfunctional.

The third important bottleneck of innovation diffusion is found in the case of “Indian village” and the rather original quality of the idea. It is obvious that all innovation involves new solutions or improvements; however the more revolutionary ideas need time to be accepted by the local population. In the example of the Włodarczyks’ theme farm, the vision of the Indian village was found to be not only too exotic and extraneous but also irrational in economic terms. The locals adapted the “wait and see” strategy towards the “city eccentrics” (as they called the Włodarczyks). In the opinion of the local Mayor this is linked with the “roof indicator”: If the Włodarczyks manage to renovate the roof on their house this will be a clear sign to local community that agri-tourism can bring economic profits.

Acceptance of this original idea was low also because of the specific situation of local youth. These are normally the young people who are the most open and dynamic element of the local community. In this case there was not only the problem of emigration and connected brain-drain (described earlier). The focus group interviews carried out in the local high school showed that those young people who indicated that they would stay in the gmina are also reluctant to start their own business. The headmaster of this school confirmed the low level of entrepreneurship among his students. In such conditions the chances for the appearance of spontaneous followers of the theme-farm are very limited.

Three cases - the similarities and differences

	Leader+ Pilot Programme in the Parzeczew municipality	Willow Producers for biomass collection and the project of construction of biomass heating system	The case of “Indian” tourist farm in Szczyrzyc
Types of innovation*	A new image of the region. The new possibilities for economic development. The intensification of interactions between local actors and between the local and global context.	A new product (energy plant and new construction of biomass heating system), new to the commune and region; diversification of the economy.	A new vision of rural tourism; a new approach to development of local economy; original tourist product
Main actors and their interests	Insiders - local government, local NGOs, inhabitants; communities of neighbouring municipalities. Gaining funds for the development of the region.	Impetus comes from insiders (Business Incubator, The Commune Office), but with support of experts, newcomers (business activity) and regional funds (like: the Ecofund, Environment and Water Management Regional Fund) and regional government (Programme „Communication on prospects for use of alternative energy sources in Lodz Voivodship” was adopted by local government in autumn 2003).and <i>BIOENERGIA</i> ” programme on methods of supply and use of renewable sources of energy implemented by BIOENERGIA consortium and under auspices of the Ministry of Agriculture and Rural Development and the Marshal Office in Lodz	Outsiders -newcomers It is their business activity, source of income.
Forms of knowledge	Expert and managerial knowledge. Local knowledge.	Scientific, expert and managerial knowledge	Expert knowledge - knowledge of foreign, exotic culture (from the “Polish Movement of Indian Friends” and literature) Lay knowledge.
Deficit of knowledge	Scientific knowledge (seen as vital and important factor in development of innovation).	Tacit knowledge (this production is very different from local tradition. Investment requires courage and some knowledge to be sure that it will bring profits and it is possible to pay off)	Local knowledge

The capacity of local (lay) people to respond to challenge of innovation	The great interest of inhabitants, participation in work over the project.. Lack of self- initiative among inhabitants.	It is young and the most courageous people who provide a new look at the development of agriculture, agricultural production which is very different from local tradition... Investment requires courage and some knowledge to be sure that it will bring profits and it is possible to pay off")	The high originality of the idea - too revolutionary for local people. Lack of interest in following the project and developing the agri-tourism.
Ties of reciprocity and exchange/ roles of networks	Close cooperation of local government with inhabitants and local NGOs also from neighbouring municipalities.	Close cooperation of local government with Bioenergia company, local farmers and experts.	
Institutional support	The initiator and coordinator of the project is local government. Support from expert institutions.	Local government and Business Incubator, the Marshal Office in Lodz, the Ecofund, Environment and Water Management Regional Fund	Funding the promotion by local government. Cooperation with monastery.
Main features of the discourse	Close cooperation of local government with inhabitants and local NGOs also from neighbouring municipalities.	Diversification of the economy; alternative energy sources - renewable energy	
Success factors	The great interest of inhabitants and their participation in work over the project. The experience and expert knowledge of the members of local government in preparing such projects and using UE funds.	All actors (Gmina governor, Bioenergia, Agroincubator) stressing considerable interest in the crop expressed by the farmers (their participation in meetings and training sessions) agreed to use it locally. It was then when we signed first agreement with the Gmina Office which stated that gmina shall spare no effort to change existing heating system [...] so as to create a uniform central heating system based on biomass from plantations, as the main energy resource. It was an important factor in promoting the project of production of biomass based on energy willow among the community. Gmina (as an authority) became a guarantor of the project's success [...] and an important factor in changing farmers' way of thinking and orientation.	Promotion in media, great interest of tourists.
Constraining factors	Lack of own initiative of inhabitants (top-down approach).	Investment in basket willow is expensive (about PLN 50,000) and requires a family decision, and in the case of agriculture it is often the decision of a lifetime. Investment requires courage and some knowledge to be sure that it will bring profits and it is possible to pay off	"The outsider syndrome". The high originality of the idea (too revolutionary for local people). Lack of interest in developing the agri-tourism.
How does it contribute to SRD?	"Sustainable development of the region" and "development of tourism taking into consideration environmental conditions and cultural heritage" as the main aims and directions of development in strategy of LAG.	<i>methods of supply and use of renewable sources of energy</i> i.e. sustainable development of the region.	Linking traditional assets of rural areas with an "exotic" topic.

* Understanding of innovation

In the Polish case studies local actors define innovation simply as *something new to the region*, something that was not previously seen or realized in the region. In Parzeczew municipality such newness is orientation to tourism in the strategy of development. It is a new approach to development of the local economy. Another newness in the municipality is biomass heating systems and using renewable energy resources. The innovativeness of this project is underlined by clerks from the municipality office and farmers participating in the project. In the Jodlownik municipality such an innovation is the “exotic” and extraordinary tourist offer.

As we mentioned, the actors in Parzeczew municipality adopt the broad definition of innovation that functions in the Leader Programme and they understand innovation simply as *something new to the region*, something that was not previously realized in the region. In Parzeczew municipality such novelty is orientation to tourism in the strategy of development. It is a new approach to development of the local economy. Another novelty for the municipality is using renewable energy resources.

As an example, the following was learned during part of the interview with the director of the Department for European Funds in the Office of Parzeczew municipality, that is also president of the Foundation Board in Leader+ Programme: “In none of the five municipalities that create LAG i Leader+ Programme was tourism a priority in vision and strategy of development. None of them saw a purpose for actions in tourism. It is something new and a kind of risk.”

The local government of Parzeczew municipality well understands the need and the importance of implementation of innovative management procedures the municipality. It is an important part of creating an *innovative milieu* in this region. It is strongly connected with the EU Programmes and its procedures.

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Sustainable Management of Natural Resources in the Czech Republic

Irena Herová¹² – Jarmila Kuricová¹³

1. Introduction

The European Union 5th Plan of Action for Environment and Sustainable Development and the Agenda 21 comprise the framework for the environmental policy of the Czech Republic. They state the principles of sustainable development based on balancing the economic, environmental and social aspects of development.

As a part of the local Agenda 21, the Strategic Plan interconnects the economic and social aspects with environmental issues and is being created in co-operation with the public. The first attempts to implement the Agenda 21 date to the years 1997 and 1998, when it was adopted by some of the non-governmental non-profit organisations and local authorities. At the same time, the Ministry of Environment started to systematically support the Agenda 21, for the most part through the Czech Institute of Ecology. In 1999, the main thoughts of the Agenda were included in the official governmental measures. Currently, the local Agenda 21 is one of the goals of the State Environmental Policy (for the years 2004-2010). Support of the local Agenda 21 is also anchored in the State Program of Environmental Education and from December 2004, it is a part of the Strategy of Sustainable Development of the Czech Republic.

The Strategy of Sustainable Development should be an important base for strategic decision making and it is also intended to be a long-time framework for political decisions connected with the international commitments, which CR has made or will make in connection with its membership in the United Nations (UN), the Organisation for Economic Co-operation and Development (OECD) and in the European Union (EU), while respecting the specific conditions and needs of the Czech Republic.

Strategic sub-goals and instruments of the Strategy of Sustainable Development of the CR are designed to limit the non-balance in the reciprocal relations of the economic, environmental and social pillars of sustainability. They should ensure the highest possible quality of life for the contemporary generation and create the prerequisites for the quality life of future generations (with awareness of the fact that the idea of what a quality life is can differ substantially in future).

The draft of the Strategy of Sustainable Development of the CR was created as a result of a widely spread discussion. Not only the government but also all partners and interest groups in the public and private sphere are concerned with the implementation of the Strategy and realisation of sustainable development. The goal of the creators of the Strategy was to prepare a document acceptable for the whole society, respecting of which would increase the quality of life of Czech citizens and strengthen the democratic political system in the CR.

In its policy statement for the years 2002 - 2006, the government states the principles of sustainable development and environmental protection as its priorities and pledges to

¹² Department of Humanities, Czech University of Agriculture, Prague. E-mail: herova@pef.czu.cz

¹³ Department of Humanities, Czech University of Agriculture, Prague. E-mail: kuricova@pef.czu.cz

advocate the policy of sustainable development as a whole. The involvement of citizens in administration of public matters is emphasised and it is regarded as a motivation and inspiration, which help to increase labour productivity by enabling people to take part in innovations, as well as a factor increasing their self-confidence.

The active engagement of all key groups and of general public is one of the basic principles of sustainable development. The engagement of the public on the national level is ensured by legislative measures as well as by the so called “soft instruments“, such as referendum, local referendum, and the institution of ombudsman, and comments from the public on new economic legislative measures, systems of grants, etc.

Public engagement in creation of the concepts and plans and on decision making in the CR in general is currently ensured only insufficiently through some provisions in the building law, some environmental and landscape protection regulations and the laws regarding the access to information. Only the new building law and the amendment of the law of assessment of environmental impacts will change these processes so that they will be in concordance with the EU guidelines and will enable the public not only to criticise the local, regional and national concepts but also to take part in their creation. The following measures have been suggested:

- to strengthen the role of non-governmental non-profit organisations – the partners for sustainable development;
- to ensure the technical, organisational and economic conditions for the access of the public to the information about environment (public information centres, informational system of the departments, issuing yearbooks, environmental reports, publications, seminars, references on internet) and for its active use for the participation in the activities and decision making of public administration;
- to ensure the engagement of municipalities and the public in decision making about the use of mineral resources in their area.

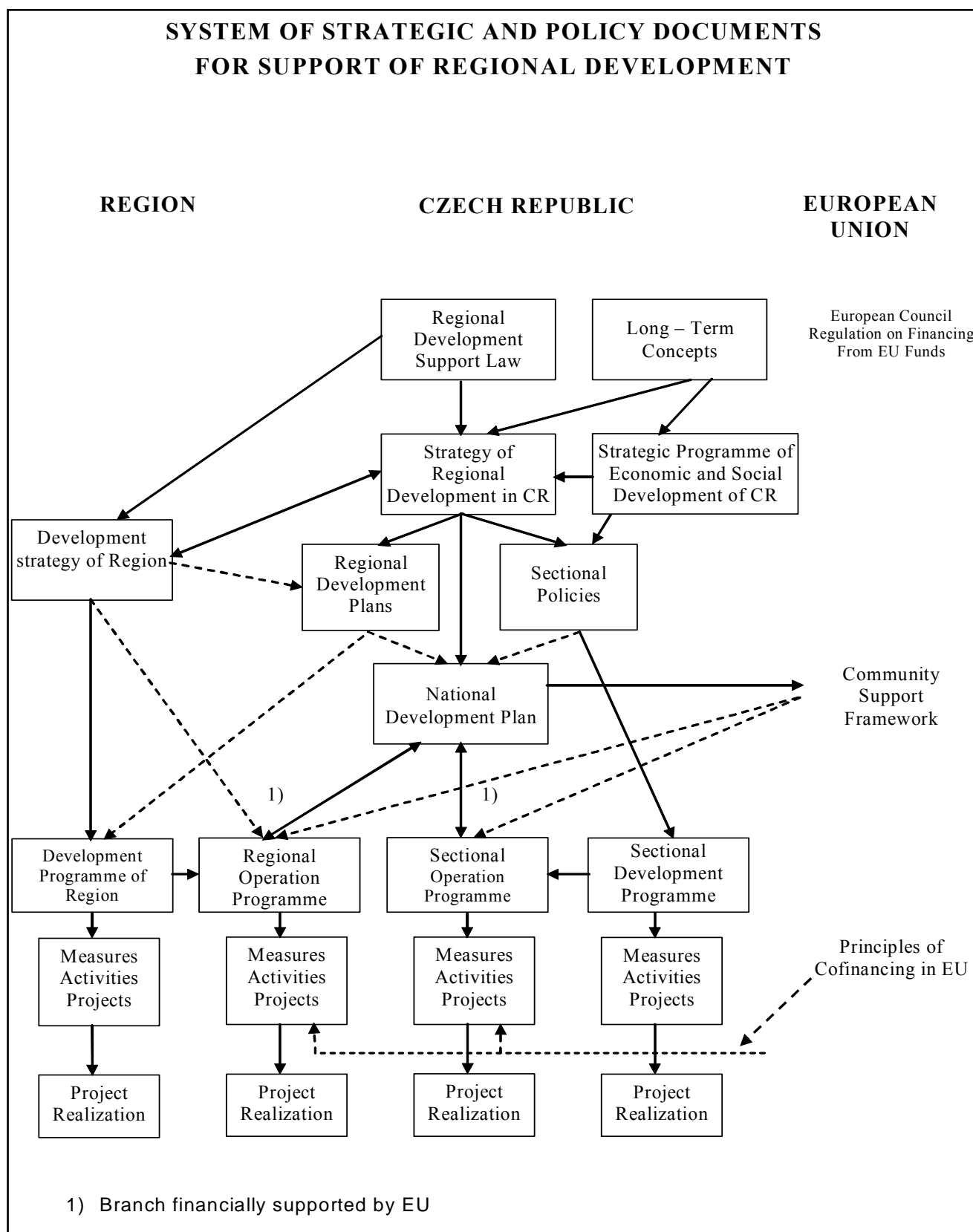
2. National policy context analysis

Regional planning in the Czech Republic is carried out on the local, regional and national levels. The strategy and policy statements are anchored in the Strategy of Regional Development and can be divided into strategy and policy statements on the state and regional level and those required by the European Union as a prerequisite for the use of the pre-accession resources for new member countries and the EU Structural Funds.

Table 1: System of strategy and policy documents

Local level	Development Strategy of Micro-regions	States common developmental priorities for a group of municipalities. Helps to concentrate resources and efforts for joint activities.
Regional level	Development Strategy of Regions	Basic strategic document stating the focus of development of the region for a certain period.
	Development Programme of Region	Tactical document, which specifies strategic goals and developmental activities in form of particular measures and projects, determines their bearers and the way of financing and implementation.
National level	Long-term Concepts	Basic long-term concepts, which establish the orientation of development of different spheres of national economy.
	Strategic Programme of Social and Economic Development of the CR	Basic strategic document on economic development for particular period of time.
	Strategy of Regional Development of the CR	Basic strategic document on regional development support for particular period of time.
	Regional Development Plan	Mid-term document postulating the attitude of the state toward support of regional development and determines the focus of support on one or several regions.
	Sectoral Policies	Mid-term documents, which specify the attitude of the state toward the development of individual sectors and their branches.
	Sector development policy	Tactical document determining developmental goals and developmental activities of a particular sector in the form of measures and projects. This document has not been constituted yet.
EU	National Development Plan	The principle document for negotiations for support from the EU Structural Funds.
	Community Support Framework	Based on the Regional Development Policy, it is the principal document defining conditions for rendering support from the EU Structural Funds.
	Operation Programmes	Tactical documents created on the ministry level working with problems of national character, which will be financed or co-financed from the EU resources. The Czech Republic has four Operation Programs ready: Industry and Enterprise, Human Resources Development, Infrastructure, Rural Development and Multifunctional Agriculture.
	Joint Regional Operation Programme	The Joint Regional Operation Programme (JROP) contains the development priorities of seven cohesion regions eligible for support under Objective 1. The JROP is based on a joint development strategy with the regional differences being reflected by different financial weights to priorities and measures in the individual regions.

Individual strategic and program documents are interconnected with each other as shown in the following scheme:



The creators of strategic and programme documents bore in mind that if the documents are to ensure the balanced development of all areas of life in the region, the principles of sustainable development have to be followed. Full implementation of the concept of sustainable development is understood as the harmonisation of economic and social development with environment protection. In practice, this means that particularly in those sectors, which have the most negative impact on environment, the criterion of environmental acceptability must be fully respected from the very beginning.

Before these strategic and programme documents were created (before 2000), the concept of sustainable development was a phenomenon unknown to the public as well as to the main social groups in the CR. A signal from the political representation was missing that would make it clear that sustainable development should be a priority and a political goal. The public was used to see the effective protection of environment rather as a contrast to economic development and even now it understands these two interests as conflicting ones. The lack of information was and still is a great problem on all levels of sustainable development.

The Strategy of Sustainable Development of the CR was adopted in November 2004 and it is a crucial document. It should become a consensual framework for further concepts and should be an important basis for strategic decision making within the individual departments as well as for the inter-departmental co-operation and for the co-operation with different interest groups. Its basic role is to alert them to the existing and potential problems, which could jeopardise the transition of the CR to sustainable development, and to initiate the measures, which would help to prevent these problems or at least soften their impact and to cope as effectively as possible with the consequences.

As well as Goodland (1995) defines the social, economic and environmental sustainability; the Strategy defines three mutually interconnected goals as the basis of sustainability:

1. **Social development respecting everyone's needs – social pillar.** Problems of the social pillar are fully dependent not only on the development of economy but in the long-time horizon also on the state of environment (state of health of the inhabitants, the space to rest and spend free time in, tourism, employment).
2. **Effective protection of environment and environmentally friendly use of natural resources – environmental pillar.** The principal challenges of the environmental pillar are to consider the requirements of the current population as well as those of the future generations and their impacts on the whole ecosystem, to provide a sufficient quality of all components of the environment, ecosystems and of their mutual relationships, to minimise the conflict of interests between environmental protection and economic development, to contribute to the solution of global environmental problems (protection of the climate and protection of bio-diversity) and social problems (employment, health care). The development of *management of natural resources* and the gradual increase of environmental stability of the landscape and of its ecological functions in the CR can be considered as the activities positively leading to sustainable development of the environment.
3. **Maintenance of high and stable level of economic growth and of employment – economic pillar.** The emphasis laid on the quantitative aspects of growth regardless its social and environmental quality is a negative factor from the view of sustainable development.

Concerning the use of renewable resources, the Strategy states the following: Within the bounds of possibility, it is necessary to minimise the material and energetic requirements in production and services, to minimise the inputs of non-renewable resources and to use the renewable resources as much as possible. Another goal is to minimise the conflicts of interests

between economic activities and environmental protection and to reach gradually the division of economic growth from the growth of the negative impacts on environment. Along with this goal, the government will ensure (in the extent given by the available instruments) fulfilling of the following sub-goals:

- In the area of production and use of energies, to increase systematically efficiency, to use the effective forms of energy saving and to guarantee a suitable ratio of use of the primary energy resources with the emphasis on the renewable ones.
- In the area of industrial production, to decrease everywhere where it is economically feasible systematically the consumption of primary raw materials and to replace it by the use of secondary raw materials and sorted waste materials instead. To support closed production and consumption cycles, the development and application of low-emission, low-waste and less energy demanding technologies and all economic activities with low material input and high added value with the objective to systematically increase their share in economic production. To support production of environmentally friendly products and re-processible wastes.
- In the area of handling wastes, to fulfil the quantity demands, especially to limit the amount of new wastes, their dangerous properties and to guarantee the maximum material and energetic use of wastes. By 2010, 50% of municipal waste should be re-processed.

The key actor in regional development is the **Ministry for Regional Development**. As the support of regional development concerns many different branches, several ministries are responsible for its assertion. The tasks of the individual departments are defined by the Regional Development Support Law. The Ministry of Environment and the Ministry of Agriculture are responsible for the environment. The following table shows the individual actors responsible for regional development of the CR on different levels.

Table 2: Actors in regional development

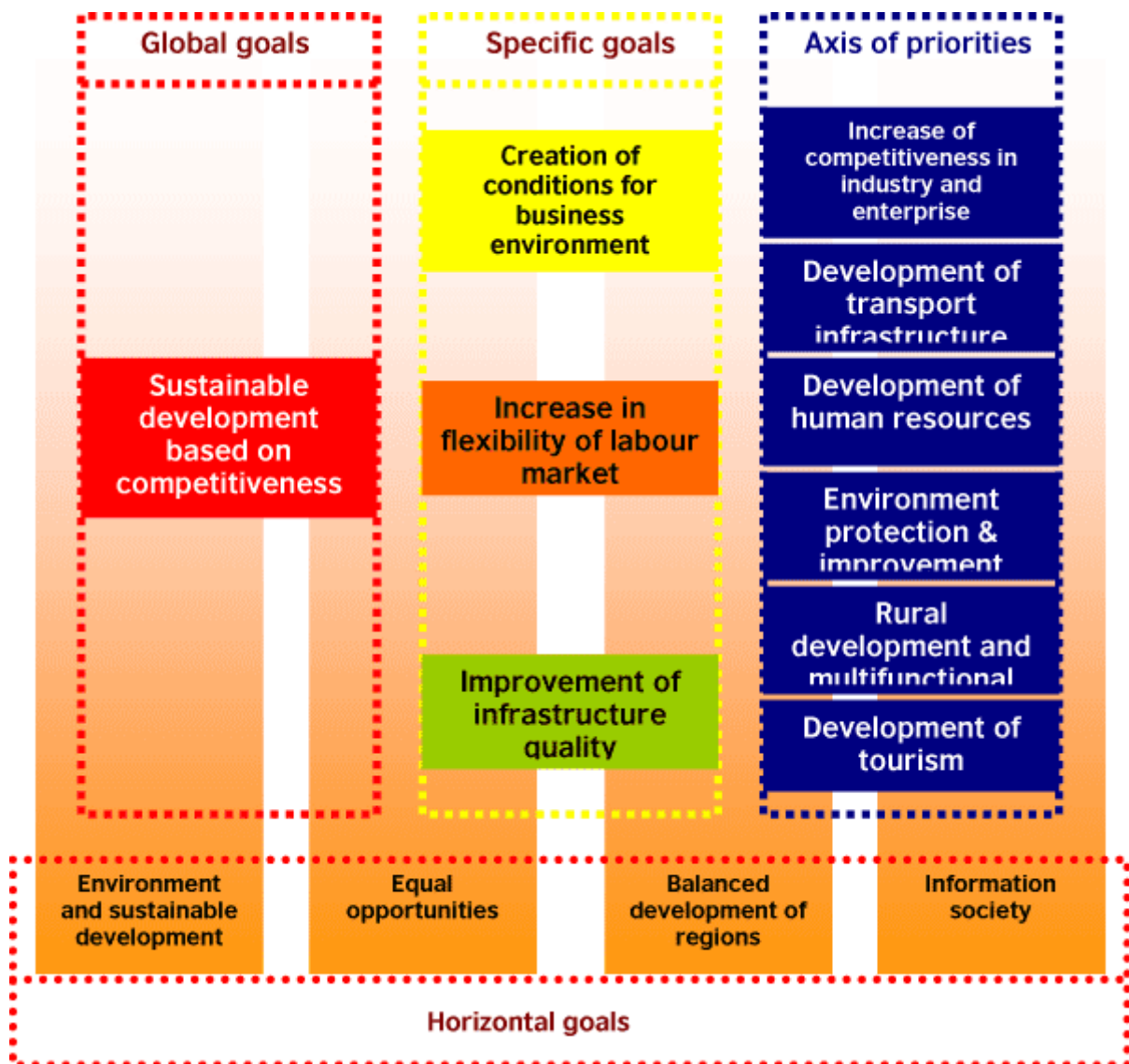
Legislative branch	Chamber of Deputies and Senate
Executive branch	Government, central administration offices and organisations governed by them including the Office for Protection of Economic Competition, temporarily also district authorities
Local authorities	Regional and municipal level
Consultative and co-ordination bodies	National Programme and Monitoring Committee, Councils for Co-ordination of Regional Development, Regional Management and Monitoring Committee
Development agencies with national or regional competence	Enterprise Development Agency, Czech Agency for Foreign Investments – CzechInvest, Czech Agency for Foreign Trade – CzechTrade, Czech Tourism Office, Czech Agency for Energy, Regional Development Agencies
Institutions in public sector	Schools, health and social facilities, cultural institutions, etc.
Economic and agrarian chambers, interest organisations, employees' and employers' organisations, agencies	
Non-governmental non-profit organisations	
Private sector	

In its policy statement, the government fully adopts the goals of the European Union and will aim at making the EU a dynamic and competitive economy, with more jobs and a greater social integrity, based on knowledge and **growing in the sustainable way**. To reach this goal, the government will seek that the politicians in the economic, social employment and environmental branches co-operate, will introduce them to the principles advocated .by

the European Union and a special attention will be paid to the development of human potential and building of knowledge based society.

The principal goal of the government in the area of environmental protection is to improve the quality of life of the citizens, to ensure environmentally friendly handling of natural resources and energies, to preserve and renew diversity of species and environmental stability, to make decisions with regard to nature and landscape and to take over a part of the global responsibility for the state of environment on our planet. The policy of **sustainable development** will be asserted by the whole government. It will be consistently demanded that the policy is followed by all administrative bodies and state institutions.

The following scheme shows the objectives of the Community Support Framework in the Czech Republic:



3. Description of the regional resource base

3.1 Natural resources

The area chosen for the study – the South Bohemian Region - is not rich with raw materials and has almost no sources of energetic raw materials. Regarding minerals, stone, graphite, gravel sand, sand, glass sand and brick clay are quarried for. Peat and, in some localities, limestone are other important natural resources. On the South from České Budějovice, raw material used for ceramics is quarried. Although this region does not have much mineral sources, its natural wealth consists of the following resource base:

1. Great percentage of woods

Huge tracts of coniferous woods constitute an important part of the natural wealth, located predominantly in the Šumava and in Novohradské Mountains. Spruce growth makes 55% and pine 31%. In this context, the use of biomass as a sustainable source of energy is considered to be very significant. Specific emissions of the main pollutants from stationary sources are the lowest in the Czech Republic. In the framework of sustainable use of natural resources, it is necessary to strengthen the environmental stability of woods and of their non-production functions.

Because the case study is engaged in the use of wood as a sustainable source of energy, we will characterise this natural resource more thoroughly:

Forrest management is poly-functional in the Czech Republic and has multiple purposes. In the past, the sole purpose of growing woods was to produce wood as a raw material, today, social and protective functions of woods become increasingly important. The owners of forests have to bear in mind the environmental consequences of their entrepreneurial activities and usually they directly and actively participate in the creation of environmental conditions.

We can divide the functions of woods into two main groups:

1. Production function as an economic function. Wood production brings financial means for further reproduction of the growth and for other economic activities of the owner. It is important to mention that the growths planted and kept with the goal to permanently produce maximum of wood provides at the same time favourable environmental and social conditions.

2. Non-production functions include a broad scale of functions, which are carried out independently or along with the purpose of wood production. These functions are ecological, social and of environmental protection.

The current legislature (Act No. 289/1995 Coll.) divides forests according to their predominant function into the following categories: protector forests, special function forests and production forests.

Table 3: Selected forestry indicators: by region, 2004

CR, regions	Aforestation/ Reforestation (ha)	Timber production (m ³ u. b.)		Cleaning, total (ha)	Thinning, total (ha)	Processed timber from salvage felling, total	Incl.: Timber from salvage felling due to insect
		Coniferous	Non- coniferous				
Czech Republic	19042	13920127	1681249	43420	91062	5378796	1267655
Prague	15	4 938	4 295	35	238	3 913	132
Central Bohemia	2528	1 438 481	191 587	4 523	10 645	451 027	114605
South Bohemia	2 133	2198 872	96 091	4 866	10060	1034438	271842
Pilsen	1 799	1 659 523	58 332	4 287	8 410	556 926	148280
Karlovy Vary	960	768 705	21 996	2 329	4 366	246 102	39549
Ústí nad Labem	1 516	252 939	92800	2828	3494	95284	18959
Liberec	843	451 641	60048	2572	4021	80221	21535
Hradec Králové	893	691 180	60 510	3 077	4 877	159 511	39 070
Pardubice	875	746 065	82 454	2 740	6 347	215 827	38 569
Vysočina	1 580	1 533 221	42 083	2 744	9 089	482 270	114 447
South Moravia	1 555	732 749	350 731	2 221	6 631	328 432	80 260
Olomouc	1 390	1 044 154	185 035	3 275	7 526	464 939	71 139
Zlín	1 049	796 155	326 368	4 316	7 013	339 742	31 677
Moravia-Silesia	1 906	1 601 504	108 919	3 607	8 343	920 164	277 591

Source: Czech Statistical Office

Table 4: Timber supplies in the CR (Thousand m³ under bark)

Indicator	1995	2000	2001	2002	2003	2004
Timber assortments from production (exc. imports)						
Roundwood						
Coniferous	5 740	7 721	7 540	7 580	8 208	8 061
Non-coniferous	347	665	689	493	517	627
Pulpwood and other industrial wood						
Coniferous	5 328	4 436	4 380	4 773	4 732	5 131
Non-coniferous	557	645	674	680	473	562
Wood chips						
Coniferous	19	34	80	7	30	28
Non-coniferous	0	0	1	1	0	2
Fuelwood, total	649	940	1 010	1 007	1 180	1 190
Coniferous	517	660	680	650	690	700
Non-coniferous	132	280	330	357	490	490
Industrial timber, total	11 991	13 501	13 364	13 534	13 960	14 411
Coniferous	11 087	12 191	12 000	12 360	12 970	13 220
Non-coniferous	904	1 310	1 364	1 174	990	1 191
Timber supplies, total	12 640	14 441	14 374	14 541	15 140	15 601
Coniferous	11 604	12 851	12 680	13 010	13 660	13 920
Non-coniferous	1 036	1 590	1 694	1 531	1 480	1 681

Source: Czech Statistical Office

2. Beautiful landscape with high natural diversity

The following areas of natural interest:

- National Park Šumava – one of three national parks in the Czech Republic
- Bio-spherical reserves Třeboňsko and Šumava, ranked among the world natural heritage of UNESCO.
- Boubín a Žofín prime forest – the oldest natural reserve in Europe
- The main part of protected areas in the CR
- Numerous places of natural interest including caves, nature trails and cycle paths

3. Wealth of surface and subterranean waters

Attention is focused on water quality protection and the abundance of subterranean and surface waters. Thanks to mineral water springs, there are several spas in the region. More than 220 small water plants (19.7 MW) function in the region. In the past, over 7000 fish ponds had been built, their total area today covers over 30 000 ha. There are several great water reservoirs – the dam Lipno (the largest water surface in CR with the area of 4.877 ha), Orlik, (the dam itself is located in the Central Bohemia region), the dam Husinec on the river Blanice, and the dam Římov on the river Malše. Recently, the water reservoir Hněvkovice was built for the needs of the nuclear power plant Temelín. The water reservoir Římov on the river Malše is the main source of drinking water in the area.

There are brown soils with low nutrient content and many wet and peat areas. On comparatively large areas, there are undeveloped soils with high percentage of stones and granite. Therefore, this region is not very suitable for intensive farming. There is approximately the same amount of agricultural land as of non-agricultural land, which greatly influences the character of landscape. 37 % of the area is covered by forests, which is quite a high share compared to other regions. The proportion of forest covered area increases towards the border with Austria on the South.

Table 5: Land use in South Bohemia, 31 December 2004

Land	Thousand hectares
Agricultural land	495
Arable land	321
Hop gardens	-
Vineyards	-
Permanent grassland	160
Non-agricultural land	511
Forest land	375
Water body areas	43

Source: Czech Statistical Office

3.2 Economic resources

According to the data of the Agency for Support of Entrepreneurship and Investments - the Czechinvest, between 1998 and 2004, the volume of capital invested in the South Bohemia region reached 146.9 million Czech Crowns and 1,398 new jobs were created. The capital invested in the region constitutes approximately 1% of the total volume of investments in the CR invested into manufacturing, strategic services and technological centres.

Table 6: Position of the South Bohemia in the Czech Republic; selected indicators 2004

Indicators	Unit	South Bohemia	Share in the CR, %
MACROECONOMIC INDICATORS			
Gross domestic product, total	<i>CZK mil.</i>	150 970	5.5
Per capita	<i>CZK</i>	241 389	¹⁾ 271 161
Gross domestic product, total	<i>EUR mil.</i>	4 734	5.5
Per capita	<i>EUR</i>	7 569	¹⁾ 8 502
Gross domestic product	²⁾ <i>PPP mil.</i>	8 801	
Per capita	²⁾ <i>PPP</i>	14 072	³⁾ 22 301
Disposable income of households, total	<i>CZK mil.</i>	81 778	5.9
Per capita	<i>CZK</i>	130 758	
Per capita	<i>EUR</i>	4 100	
Per capita	²⁾ <i>PPP</i>	7 623	
LABOUR			
Average registered number of workers	<i>actual persons</i>	159 202	5.0
Agriculture, forestry, fishing		14 281	11.2
Industry		68 542	6.0
Construction		8 935	5.5
Average monthly gross wage	<i>CZK</i>	15 771	¹⁾ 18 035
UNEMPLOYMENT: 31 DECEMBER, 2004			
Registered unemployment rate	<i>%</i>	6.59	¹⁾ 9.47
Registered job applicants	<i>persons</i>	23 021	4.2
Vacancies	<i>vacancy</i>	3 239	6.3
¹⁾ CR average, ²⁾ Purchasing Power Parity, ³⁾ Average of the EU member states			

Source: Czech Statistical Office

Table 7: Organisational structure, 31 December 2004

Registered entities:	141 375
Legal persons, total	24 042
Business companies and partnerships	10 557
Co-operatives	713
State-owned enterprises	47
Natural persons, total	117 333
Private entrepreneurs	102 054

Source: Czech Statistical Office

3.3 Social capital, membership in associations and projects

Regarding membership in communities and participation in projects, the participation in the **Renewal Countryside Program (RCD)**, which is focused on regional development of rural areas, plays a significant role. It engages in the following areas¹⁴:

- Support of the participation of inhabitants in developmental activities
- Support of the development of the spiritual dimension of village renewal
- Development of entrepreneurial activities in rural regions
- Constructional renewal of villages
- Landscape management

Hudečková, Lošťák (2002, p.154) state: "As the whole program is based on strengthening the municipalities' own initiatives, there is an apparent effort to reach the interconnection between those, whose interests are at stake (the stakeholders) and those, who influence the decision making (the shareholders). Therefore, the **RCD on the municipality level** supports the renewal of villages, especially including educational, cultural and social activities, which contribute to keeping the inhabitants informed about the preparation and realisation of the program and to initiate their willingness to participate in the renewal and development (the chronicle of the village, the local newspaper, exhibitions, educational and informational activities focused on rural development and renewal). Such projects bring the "stakeholders" closer to the course of events and make them the "shareholders" (those who are responsible for the course of events)".

On the **state level**, the RCD focuses primarily on support of education and advisory services in the field of rural renewal and development. The objective is to increase the social capital of the actors in these activities.

Agriculture and forestry have a significant influence on the stability of natural conditions and cultural features of landscape. The goal is to provide sustainable agriculture, to preserve the typical rural character of landscape and healthy environment for rural inhabitants as well as for visitors.

Traditional procedures of agricultural primary production need to be complemented with and extend by new activities, which can even become a new main source of income for the farmers. Such activities include: agro-tourism, growing of organic food, etc. The neglected former state farms and other agricultural premises often spoil the appearance of rural communes. They could be used for the needs of rural even if non-agricultural enterprises to the benefit of the whole village

¹⁴ Objective of the Program of Countryside Renewal: To create organizational and economic conditions for initiation and support of inhabitants and local authorities to, by their own means, promote harmonic development of living environment, preservation of natural and cultural values of rural landscape and the development of environmentally friendly economy.

4. Case study

4.1 Characteristics of the region



The region we have chosen for the study is in the Southern part of the Czech Republic, bordering with Austria and Germany. It comprises 7 districts. Its total area is 10,055 km² (that is 12.74 % of the total area of the CR) with 4,962 km² agricultural land and 3,740 km² of forests. The landscape is bejewelled by fishponds. The climate depends on the altitude (Southern mild zone) with the yearly average temperature 8°C. The river Vltava (Moldau) passes through the region and its main tributaries are the Malše, Lužnice, Otava and Blanice.

The population reaches about 625,000 inhabitants (6% of the total Czech population). The population density is quite low (62.1 inhabitants per km²) in comparison with the CR average (129 inhabitants per km²). There are 623 self-governing municipalities in the region, of which 41 are towns. 64% inhabitants of the region live in towns.

Traditionally, this region is considered to be an agricultural region with forestry and fish farming predominating. The industrial production is mostly connected with these two branches and it employs 1/3 of the region population. Manufacturing prevails (90% of industrial production), food and beverage production, production of transportation vehicles and accessories, textile and clothing industry, woodworking industry and paper production are other areas of production in this region. The region has a 5.3% share in the total industrial production in the CR.

The most commonly grown crops in this region are cereals, potatoes, oil crops and fodder crops and the most common kinds of livestock are pigs and cattle. Fish farming is also very important. The share of the region in the CR agricultural production is 10%.

South Bohemia has neither a great amount of heavy industry and except for the nuclear power plant Temelín, also no energy industry. The environment is in a considerably good shape, which positively contributes to the expansion of tourism. The current and future development and the social and cultural relations of this region are significantly influenced by the proximity of the old EU countries (Germany and Austria).

4.2 Svatý Jan nad Malší

The municipality Svatý Jan nad Malší has been chosen as the subject of the case study. This municipality lies in Southwest from the regional centre České Budějovice and 30km east from the important cultural centre Český Krumlov. The municipality has 300 inhabitants and comprises of 4 parts: Chlum nad Malší, Sedlec, Hrachovy Hory, Pod Horou. 50 private entrepreneurs are registered here.

In 1997, the municipality started to be interested in the use of alternative energy source – the biomass. This renewable source of energy is used for heating. Here, the waste from woodworking (sawdust, wood shavings, and bark) as well as special solid fuels (splinters, wood pellets, and wood briquettes) is meant by the term biomass. In this municipality, wood splinters are used.

The idea of heating by biomass was introduced to the mayor of the municipality by the ecological organisation ROSA. This organisation then intermediated co-operation between the municipality and the association Růže, which invited the municipality to enter a pilot project: ecological reconstruction of heating. The project managers needed a village, where heating of several small isolated buildings from one source would be tested. The boilers used for heating in the school, the town hall and the pub in Svatý Jan were in a critical state and as there is no gas supply in the village and the village owns 174 ha of forests, this offer was a perfect solution of the problem. After consulting experts and considering the experience of the partner municipality Eschenau, the municipal council decided to enter the project.

In October 1997, the first boiler with 190 kW capacity was installed in the local elementary school. At the same time, the school, the town hall and the pub were interconnected by insulated piping. The municipality bought a tractor and a splinter-making machine for fuel making. In 2002, a second 490 kW boiler was installed and other buildings were connected to it. A fuel storage was built in the municipality.

The goal is to connect all houses in the municipality to this kind of heating. The intention is gradually put into practice with the use of grant funds because the municipality does not have enough financial resources for the whole project. In the next stage, more houses should be connected to the source and the existing piping should be interconnected. In the case that one of the boilers was out of order, it would be possible to supply all the building from the other one.

With the growing number of bio-boiler rooms, there soon will not be enough of wood-waste. From the report of the Czech association for biomass CZ BIOM¹⁵ from 2003, it is clear that almost half of the amount of biomass needed for fuelling of the existing bio-boilers will have to be acquired by growing it after 2010. Therefore, the municipality plans to invest in a field of fast-growing wood plants, which would be used for producing biomass.

The advantages of using biomass do not only lie in the fact that it is a new energy source. The growing of biomass has broader consequences as it could contribute to the reduction of the greenhouse effect and saving the fossil fuels, the greens improve the landscape and enable an effective use of the land and, least but not last, the biomass growing and use creates new jobs.

The program is also very favourable because it enables agricultural production of products other than food. The plants used for energy production can be grown on agricultural land, which is not used for food or fodder production. This land covers almost 1 million ha in the CR.

The biomass used for energy production at the moment is from a great part waste or by-product of the production of another kind. Therefore, if biomass is used instead of classical fuels, the negative impacts on the environment are decreased. Biomass is also easier to access, especially in areas of less developed infrastructure and it is cheaper than classical fuels.

¹⁵ **Czech Association for Biomass – CZ BIOM** engages in the development of the biomass-energy industry in the Czech Republic. It is a non-governmental non-profit organization uniting most professionals, entrepreneurs and activists focused on the use of biomass as an energy source. The CZ BIOM is in its activities connected to the European association AEBIOM. CZ BIOM publishes for its members the magazine BIOM, organizes seminars and educational events, and puts a great effort in introducing the ideas of sustainable development into everyday life and into Czech legislature and in making background for new and forgotten technologies in the biomass-energy industry. The CZ BIOM strives to provide unbiased information about the possibilities of biomass-energy industry to the agricultural and lay public. At the moment, however, most of the public knows very little about this area of energy industry, therefore, a further propagation campaign is needed.

Table 8: Comparison of energetic values

Fuel	Calorific value in MJ/kg
Black coal	from 18.2
Brown coal	14.7
Quality fire wood	around 14
Wooden briquettes	17.9
Wood shavings	10.9

Source: <http://biom.cz/>

Renewable resources are in the South Bohemia, as well as in the whole CR, used to a low extend (only 1.5 to 2% of all energy used). Burning of biomass, especially of wood waste, is the most common way of using renewable resources. Only a few municipalities use biomass for central heating of buildings. Examples of those are: Trhové Sviny, Kardašova Řečice, Nová Pec, Deštné, Staré Město pod Landštejnem.

The Czech Republic produces a relatively high amount of CO₂ every year. The goal of the CR is to keep the production of greenhouse gases by 8% lower compared to 1990 before the period 2008-2012. A more extensive use of renewable energy sources as well as saving of energy should lead to a lower production of greenhouse gases. Heating by biomass saves yearly 55,000 tons of brown coal.

Czech-Austrian School of Rural Renewal with the seat in Svatý Ján nad Malší has extensively contributed to spreading information about the use of alternative energy sources. The director of the School is the deputy mayor of Ján nad Malší, Antonín Michal. The School was founded as a centre for co-operation of self-governing Czech, Slovak and Austrian municipalities in the framework of the Programme of Countryside Renewal.¹⁶ The goal of the school is to organise reciprocal exchange of experience in the form of seminars and hosting professionals. The principal activities are the seminars for the representatives of the self-governing units and for the activists of the Countryside Renewal Programme from the Czech Republic, Austria and Germany. The School also organises excursions to the selected municipalities in Germany and Austria for Czech representatives and vice versa. They have also organised a workshop and a seminar about the use of alternative energy sources and the growing and use of quick-growing woody plants. The objective of this seminar was to draw attention of the representatives of municipalities to the use of renewable energy sources. The participants could see the reconstructed school in Svatý Ján nad Malší, where the wood chip boiler was had been installed and representatives of several municipalities became interested to, according to the example of Svatý Ján nad Malší, build such a boiler room in their municipality to heat public buildings or apartment houses.

7 out of 18 municipalities in the micro-region Pomalší are supplied with gas and can use it for heating. Some buildings in Svatý Ján nad Malší are heated by biomass. In other municipalities, classical fuels are used for heating – solid fuels, to a smaller extend also electricity or other fuels. Regarding the development of the prices of gas and electricity, we can assume that they will become less popular as fuels for heating. As the not traditional renewable energy sources (biomass, heat pumps, solar and wind energy) are still neglected today, this could mean return to using coal as a fuel. This would not be a positive solution concerning environmental impacts.

¹⁶ The **Countryside Renewal Program** is run by the Ministry of Regional Development as a part of regional policy. The program supports development of private entrepreneurship in rural regions, the renovation of villages and landscape maintenance. From 1994, realization of the goals of the Program in the individual municipalities is covered by the state budget. The project of heating by biomass in Svatý Ján nad Malší was also financed through this program.

As stated above, the idea of using biomass for heating was brought up by the members of local ecological organisation ROSA. ROSA – the South-Bohemian Society for Environmental Protection - is an organisation of common benefit with the regional sphere of action. It was founded in 1991 as a regional information centre and its principal function is to contribute to the protection of nature and environment and to promote and support sustainable development. The organisation is active in the preventive care for environment in rural and urban areas, support and development of communication among the local administration and the national administration, research sector, public and entrepreneurs. It promotes development of local communities and supports them in solving problems. The experience of the organisation clearly shows that the implementation of the principles of sustainable development is only effective if it is done on the local level in co-operation with local partners.

Activities of the organisation ROSA:

- ecological consulting for public and public administration;
- seminars and discussions for public;
- excursions;
- periodical and non-periodical publications;
- handcraft courses, eco-markets;
- own projects;
- participation in the Regional Renewal Programme;
- support of the alternative groups, which spread the idea of sustainable development (“Venkovská Idyla – the Countryside Idyll”, the Bioclub, the LET System).

We have identified the key actors, which are:

- Regional administration (NUTS 3 administrative centre) that administrates some projects.
- Representatives of village:
- The mayor with his stabile position in village, a man who has a clear vision of sustainable development of locality in future.
- The deputy mayor - director of the Renewal Countryside School
- NGOs representatives:
- The main role in rural development was played by the regional ecological association ROSA. The local leader of the association was the innovator who suggested all projects concerning nature protection to be realised.
- Civil association the Society for the Renewal of Countryside organises competition among the villages with financial compensation for winners and operates with the Renewal of Countryside Programme. (Svatý Jan nad Malší won the environmentally oriented category Green Ferret in 2002.)
- Růže - Association of villages, where Svatý Jan Malší is a member and got a lot of useful information for the development projects.
- Universities: University in České Budějovice and the Technical University Prague provided an expert study – the efficiency analysis of the ecological central heating system

Table 9: Actors and used knowledge in South Bohemia Region

Actor	Knowledge form	Activity which prompts sustainable development
Regional administration and local government	Managerial, political, traditional/local	Strong cooperation with NGOs (national and local)
Renewal Countryside School	Traditional/local, expert	Transform the useful information and experiences of other villages in sustainable development
Ecological association ROSA	Traditional/local, expert	Transform the useful information
Růžé – Association of villages	Expert, managerial	Association is a rich source of useful information
Society for Renewal Countryside	Expert, managerial	Association is a rich source of information and its Programme can be also a money source for projects
Universities (regional and non regional)	Scientific	There is a close co-operation based on the gathering empirical data and providing expert studies

5. Integrating analysis

Because this report only describes one project, the goal of this analysis will be to show how the results of the Work Package (WP9) relate to the results of other WPs.

When choosing a project for WP9, the project described in the WP5 – Nature Protection and Diversity draw out attention. The WP5 viewed this project primarily as a way of nature protection. As the use of fossil fuels was replaced by the acquired heat energy from biomass, the negative impacts on environment were decreased and the production of greenhouse gasses was reduced.

However, when we thought about this project from the WP9 point of view, we realised that it is a perfect example of sustainable management of rural resources and that there is another dimension to the project.

Unfortunately, we were not able to find another similar project in the area, which would be appropriate for study in the framework of WP9. Therefore, we cannot carry out a comparative analysis, which would identify possible different approaches to sustainable resource management and different use of knowledge. As stated in the Input Paper for WP9, there are connections with the WPs 6, 7 and 8, which enable us to compare the impacts of projects analysed in these WPs.

Considering the topics of the individual WPs (WP6 – Local Food Production, WP7 – Non-Agricultural Economy, WP8 – Innovative Economic Activities), we see that each of these WPs somehow deals with the use of resources in the region, only from different viewpoints and with a different focus. However, they are all engaged in sustainable development of rural regions. The structure and extend of different knowledge used in the projects differ. While in the WP9 expert knowledge was of great importance and the project could not be carried out without it, in WP 6 and 7, local lay and a tacit knowledge played key roles. It can be presumed that these forms of knowledge were prerequisites for the success of the individual projects. At the same time, they guarantee, to a certain extent, rural sustainable development. In other words, based on the local knowledge, the natural, economic and social resources are preserved and developed in the given area. Naturally, the use of knowledge cannot be limited to one form of knowledge only. All the time, it is necessary to engage all or most of the forms of knowledge available, however, each activity needs different forms of knowledge in a different extend.

When assessing the benefits of the individual WPs with regard to sustainability and its 3 pillars (social, economic and environmental), we can see that each project contributed to each of the pillars to a different extent.

Again we can juxtapose the WP 6, 7, 8 and WP 9 and see that the WPs 6, 7 and 8 contributed more to the social and economic side of sustainable development while the WP9 to the environmental one.

In the global view, these four WPs make a complex of different approaches and solutions of sustainable development of rural areas.

6. Conclusions

Based on the Case Study, we can conclude that the case of heating by biomass we have described has a positive impact on local activities as well as on the maintenance of natural resource base.

Considering local activities, the project, beside its main purpose, serves as a model for other actors in the neighbouring municipalities and regions, which have a similar resource base and conditions for introduction of heating by biomass. The Austrian municipality Eschenau played the role of a model when the leaders of the municipality Svatý Ján nad Malší had been deciding about the project. Now, Svatý Ján nad Malší itself has such a function in the South Bohemia region. They spread the information and share their experience and this function is ever more pronounced by the existence of the Czech-Austrian-German School of Countryside Renewal. The deputy mayor runs the School and also the mayor and the members of the local council are involved in its activities.

At the beginning, it was supposed that the realisation of the project would open at least one new job. At present, one worker is employed as an attendant of the heating appliance. The municipality is, however, thinking about installing an automaton, and then no employee would be needed. Another possibility of creating new jobs was to grow quick growing woody plants that would be used for heating. However, this is a seasonal work. Moreover, the municipality owns enough forests and therefore it is not necessary to grow quick growing plants. Only a trial area of 0.5 ha of quick growing poplar was planted, the municipality keeps this possibility in mind for the future and the experience gained at the trial field will be used. To sum up, the project has no impact on the employment in the municipality but it also this was not its main goal.

Although the project would probably be perceived even more positively by the inhabitants if it would have brought new jobs into the municipality, the inhabitants welcome heating by biomass because it is cheaper than heating by other fuels.

The project is significant for the maintenance of natural resource base in the sense that wood is renewable resource and the combustion does not produce air pollutants as opposed to fossil fuels. Spreading of this way of heating will reduce the environmental disruption and prevent the degradation of the “natural capital“.

As mentioned above, the inhabitants see primarily the economic advantages of the project. Even the local leaders – the mayor, deputy mayor and the members of the local council – considered above all the financial aspects when deciding about the project. The environmental impacts were not the most important factor. On the other hand, the interest in use of renewable resources and environmental protection were of the principal importance for the member of the ecological organisation ROSA, who first came with the idea of heating by biomass. We can conclude that both these interests were regarded in realisation of the project and that the project fulfilled the expectations of both sides.

Indirectly, the project has a positive influence on rural civic society also in the sense that, thanks to the Czech-Austrian-German School of Rural Renewal, people from outside come to the municipality for excursions and to get information about the project. At the same time, these people bring new information and experience into the village. New contacts are made, which can be used in future for the realisation of further projects connected with sustainable management of rural resources.

From the existing project, the following demands can be identified, which should be considered when managing natural resources:

1. To enable the municipalities to manage and use the mineral resources in their territory
2. To strengthen the position of non-governmental non-profit organisations engaged in sustainable development
3. To provide technical, organisational and economic background for access of public to the information on environment and for its active use for participation in conceptual activities

Keeping the public informed about environment, about the factors disrupting it and about the possibilities of reducing these negative factors is considered to be very important preconditions for the right management of rural resources. We presume that if the public has enough information about the given circumstances, it will not only see the economic aspects of its behaviour, but it also will gradually become interested in how to use natural resources without damaging nature.

In the future, the regional strategy of sustainable management of natural resources should provide:

- Help to assess natural resources in the region and to evaluate different alternatives of their sustainable use.
- Development plans and investment programs and should enable their adequate implementation, monitoring and evaluation.
- Decentralisation of the approach of participants, which is often more effective but is dependent on the straightforwardness of local structures.

Decentralisation and transfer of the authority to the lowest levels (in our case to the members of the local council) is usually considered to be a more effective way of leadership. Based on this fact, we presume that the local leaders (representatives of municipalities or micro-regions) should in future take over the sustainable management of resources. These leaders mostly have managerial skills and the local political knowledge; however, they mostly lack the expert knowledge. Therefore, co-operation with organisations, whose members have this knowledge, will be necessary.

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Sustainable Management of Rural Resources

Eszter Kelemen¹⁷ – Imre Kovách¹⁸

1. Introduction

Sustainable development, sustainable rural development, sustainability, sustainable resource use etc. are relatively new ideas in Hungary. These words are mainly used by scientists, politicians or voluntary organizations and it seems evident that the growing interest towards them (at least in the political sphere) is the result of the EU-accession in particular. However, the methods and thus the degree of adoption and adaptation are an important issue that must be addressed in order to “translate” theory into practice (if sustainable practices altogether exist).

The story of sustainability may remind us that in later developing, industrialized countries as Hungary is, ideas, structures, developing methods and also key actors of development often arrive from more developed regions, from centres of development. The feudal structures, the Christianity and later the element and some actors of capitalist modernization came from the West. The advent of the term sustainability and the experience of sustainable development have been attendant of European integration therefore all studies on this sustainable topics, explicitly or implicitly, examine many related issues as adoptability, adaptability, local power and actors of sustainable development. The idea of sustainability is not rooted in local development of Hungarian countryside. This is not to say that sustainable development is basically extraneous but the presence and role of non-local actors in the sustainable resource use are very hard to ignore. For better understanding the socio-economic aspects of sustainable development and forms of used knowledge this paper will present elements of adoption and interpretation as well as interest of those actors who introduce and propagate the idea of sustainability and who manage sustainable programs and projects.

The focus of this WP is the sustainable use of rural resources, however this topic cannot be understood without the exploration of the discourses on sustainability in Hungary, as it is embedded in a wider conceptual frame. Therefore present WP begins with an analysis of the Hungarian political and scientific context in order to identify in what ways sustainability has spread and varied and to position sustainable resource use within the conceptual framework. Following this introductory, albeit very important part we turn our attention to the research areas. After briefly describing their respective resource bases, we try to identify sustainable resource use projects (where possible). A comparative analysis of the two research areas follows, but most importantly the case studies are placed in the above described wider context and the reasons why there are hardly any good examples of sustainable resource use are dealt with. During the research the objective has been to grasp the different approaches of most important opinion leaders, as well as local people to sustainability and sustainable resource use. However, it is clear that we also have our own interpretation of the concept and it must be presented in the very beginning in order to make our standpoint more easily understood and to facilitate the comparative analysis later on. Our starting point was the meaning of the verb ‘sustain’ in general, that is ‘to maintain or preserve something for a long time’. In this case the “something” to be sustained is the human mode of existence which can be understood only in its economic, social and ecological context where the relations between them indicate

¹⁷ Institute for Political Sciences, Hungarian Academy of Sciences. E-mail: kelemeneszter@mtapti.hu

¹⁸ Institute for Political Sciences, Hungarian Academy of Sciences. E-mail: ikovach@mtapti.hu

the order of the three systems. Economy is the subsystem of society, which in turn is the subsystem of environment (Ekins 1993; Pataki – Takács-Sánta 2004; Kocsis 2005). This triple embeddedness makes it unambiguous that subsystems (especially economy) cannot grow over the boundaries of the whole system (see Daly, 1991). Moreover, this approach relates to Goodland's (1995) three sustainabilities: the economic, social and environmental pillars, which complement one another. However, we must consider another classification besides these three pillars: i) the global, ii) territorial or local and iii) individual levels of sustainability. Most theories usually deal with global sustainability, with issues such as the sustainable use of natural resources (weak versus strong sustainability), the changes in global social and political processes (e.g. reducing inequality between "North" and "South") etc. They can hardly be operationalized at an individual level and therefore cannot be transformed into life philosophy. At an individual level sustainability means personal integrity and well-being which stems from the harmonic embeddedness of the individual in the environmental, social and economic systems. Last but not least, sustainability at a territorial or local level forms a bridge between the global and individual levels. From the individual point of view it is the arena for the process of embedding, while from the global point of view the global objectives of sustainability can be broken down to this level. In present study we mainly analyse this intermediate level, we focus on how global and international ideas on the three pillars of sustainability can be concretized at a national and especially at a local level.

The idea of sustainability also comprises the sustainable way of using natural, human and socially organized (economical) resources. The sustainable resource management – as an emerging approach to resource use – differs from the traditional approaches in many ways, e.g. it has a stronger focus on social and economical linkages, it strengthens community participation and regional networks, it applies multidisciplinary and integrated approaches and it highlights the monitoring and evaluating systems of resource use (Zammit, 2002). According to the Wuppertal Institute, the essence of SRM is the following: "Sustainable resource management aims at securing the physical basis of society and economy in the long run and in a way that neither resource extraction or use nor subsequent final disposal of waste and emissions exceed the capacities or tolerable limits of nature or society, respectively." (Bringezu et al. 2002 pp. 7) Combining these definitions with that of the input paper we can say that sustainable resource use means a kind of resource management in which natural, human and socially organized resources are combined in order not to be exhausted, in fact they contribute to sustainable local livelihoods, rural viability etc. Although all three pillars of sustainability are of similar importance in SRM, we shall give preference to examples of environmental sustainability in our empirical work (in accordance with the guidelines of the input paper), as we could not find any functioning pilot project complex enough to be studied in all respects.

2. Sustainability in the Hungarian discourses

In present chapter we shall describe the two main (political and scientific) contexts of sustainability, primarily based on documents (proceeding journals, government strategies and programs, scientific articles, books, studies) complemented by an analysis of interviews published in a report volume. Afterwards we shall outline two preliminary models of how - in what variations - is this idea perceived at a local level, what kind of interests determine its interpretation by different actors. Our aim was to understand present relations between opinion-leaders (politicians, scientists, NGOs) and local people and not to investigate the process of spreading the notion in Hungary. We did not attempt to reconstruct how Hungarian thinking on this subject developed with time, thus we did not deal with the earlier documents, only with programs and studies of the last few years.

2.1. Sustainability in politics

Regarding the political context of sustainability we used two main sources of information: i) the proceeding journals of the present parliamentary period that document how (under what circumstances) sustainability gets in authoritative regulations, ii) the accepted laws and programs that document the final, statutory form in which the ideas of sustainability have been realized.¹⁹

From the parliamentary speeches of the last four years it becomes clear that the majority of Hungarian politicians (1st group) mean balanced economic growth by the term sustainable development.

“The Hungarian economy has turned off the **growth path of sustainable development** and the double-deficit has grown alarmingly.” (*Károly Herényi, 28.02.05.*)

“In 2003 we have started the return to the **economic policy of sustainable development**, to the formation of the calculable and balanced development.” (*Imre Szekeres, 19.02.04.*)

“The stabilization of the **economic bases of sustainable development** is possible through the improvement of competitiveness.” (*Árpád Kovács, 29.10.04.*)

The EU generally appears as the source of the sustainability principle or the most important financial supporter of economical and social reorganization. However, this is usually accompanied by the pressure of formal compliance, therefore the verbal use of sustainability does not have any real function.

“Progressive governance, welfare, liberty, **sustainable development and growth** have received a new opportunity by means of **spending the Union’s financial sources** in Hungary.” (*Péter Kiss, 26.05.04.*)

“We use so many times that ‘**euro-conform**’ or ‘**sustainable**’...” (*József Ékes, 11.02.03.*)

“I accept that it (*sustainability – the authors*) has become a **trivial term** and it is not used as it should be. But if it is used everywhere, this proposal should also be acceptable (...) We should write it (*sustainability – the authors*) where the improvement of the life quality occurs and when the sentence is finished, write on the supplement: assertion of the sustainability principle. This way it could become a bit more harmonious.” (*János Pap, 01.03.04.*)

With time more and more comments can be found which underline that sustainability is inevitably accompanied by renouncement and a change of attitudes. However, even these approaches consider sustainability as an “engineering” problem which can be solved systematically (2nd group).

“The question is, whether we can **make consistent** the quality of life, the conservation of environmental values, the sustainable use of natural

¹⁹ The method used during the data gathering and analysing process was the following. I collected the parliamentary speeches of the last four years on Internet, using the search function I looked for the term sustainable and then I read all the speeches found by the search engine. I analyzed the texts by simply searching for different interpretations and their context in the speeches. Through this process I could gain insight on how representatives define sustainability in general. After that I sorted the laws and bills mentioned in the speeches, I downloaded them, read them and also analysed their interpretations on sustainability through a critical approach.

resources and the desired speed of economic development **sensibly enough.**” (*Miklós Persányi, 11.11.03.*)

Only few representatives point out the essence of sustainability like the next citation (3rd group):

“I think that sustainability – if it is taken seriously – raises at least two thoughts: on the one hand man cannot dominate nature, on the other hand nature cannot be preserved against man.” (*Sándor Orosz, 07.10.03.*)

In these remarks a new aspect appears, emphasizing participation, civic responsibility, the mediator role of voluntary organizations, agriculture based on sustainable resource use and new institutional solutions. It is also important that one cannot detect significant difference between the attitudes of the Left and the Right: both sides seem to have more and less conscious representatives and at times all parties tend to refer to this idea for the sake of nagging each other.

Regarding national plans and programs or laws somehow related to sustainability, the legislation concerning environment protection (ACT LIII/1995) and nature conservation (ACT LIII/1996) has to be mentioned. These statutes aim to ensure the conditions and bases of sustainable development and thus constitute the foundation of legislation to follow.

However, laws outside the domain of environment and nature protection have fewer and also weaker allusions to sustainability. The National Development Plan and its five operative programs²⁰ cite the relevant EU documents and underline the importance of sustainable development. Sustainability appears in all OPs as a horizontal principle, albeit the different chapters accentuate different dimensions (though mostly the economic development) of the notion. Thus, sustainable resource use is addressed in the Agrarian and Rural Development and the Environment Protection and Infrastructure OPs as a practice through which environment protection and nature conservation can be integrated into sectorial politics, mainly in the fields of land use, spatial planning, rural development, water use, waste management and environment safety. The main objectives of these two OPs are concretized in two latter laws: in the National Rural Development Plan (and the National Agri-Environmental Program) and in the 2nd National Environmental Programme. In the former a system of Environmentally Sensitive Areas (ESA) is designated for the sustainable exploitation of valuable natural areas through extensive agriculture, use of renewable energy sources, use of traditional knowledge and local resources etc. The latter deals with sustainable resource use in three out of its nine action plans: in the Biodiversity and Landscape Protection, in the Rural Environment Quality and Land Use and in the Water Conservation Action Plans. These laws outline the principles and institutional frames of sustainable resource use, although they do not really encourage its implementation as the conditions of application are complicated and as payments are delayed for months.

The most recent and up until now most important law in this field is the national Sustainable Development Strategy. In accordance with the Göteborg summit the Hungarian government had accepted the 2053/2005 decision on the content and organizational framework of creating a sustainable development strategy, as well as its appendix on the aspects and requirements of the strategy. This document goes beyond the former sustainability interpretations, as it is based on the three pillars of sustainability (similarly to Goodland’s definition). According to the decision the most important aim is social improvement that can only be reached through economic development and environment protection. The problems and challenges raised by sustainability in Hungary are regarded from a global and long-term perspective and the document also includes ethical and institutional dimensions. It underlines the importance of

²⁰ These are: Economic Competitiveness OP, Human Resource Development OP, Regional OP, Agrarian and Rural Development OP, Environment Protection and Infrastructure OP.

public participation, political impartiality and detailed establishment during strategy-making and realization. In accordance with all of this, eleven different discussion topics and nine working papers were presented during the last year on the following subjects: 1) Learning and system theory; 2) Values, principles, objectives and life quality; 3) Regional development; 4) Equal opportunities; 5) Budgetary and administrative reform; 6) Demography; 7) International development co-operation; 8) Infrastructure; and 9) Public participation (the ranking of the topics mirrors their importance). These background documents trace the main guidelines for future development, but do not deal with the operationalisation of the principles. Scientists, voluntary organizations and agents of the business life have worked together on the preparation of this material, reinforcing the principle of participation. However, according to NGOs the late ratification of the strategy shall hinder its implementation as it will not be possible to include the sustainability principle in the 2nd National Development Plan (source: www.nol.hu, 05-05-05). This fact – in spite of the progressive character of the document – questions the real intention of change existing behind the obligatory strategy-making process.

2.2. Sustainability in the scientific discourse²¹

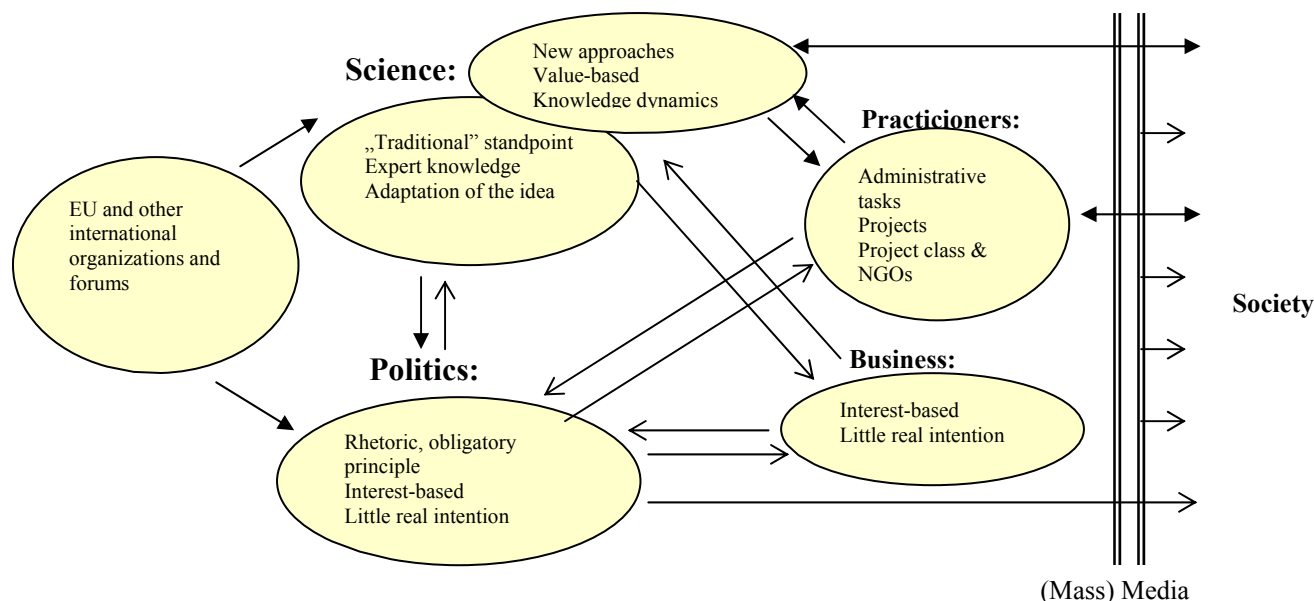
We used two different sources to grasp the scientific context of sustainability: i) important articles, books, book chapters, etc. written by Hungarian scientists in the field of sustainability; ii) interviews with scientists published in a report volume (Thoughts on Sustainable Development. Green Action Association, Miskolc, 2003.)²²

When reading the publications of the most significant Hungarian academics in the field (e.g. S. Kerekes, A. Kerényi, K. Kiss, I. Láng, A. Lányi, Gy. Pataki, F. Szakál, Cs. Varga etc.), one notes that different approaches and thus different groups seem to exist side by side. The majority of the articles take the international and EU documents on sustainability (e.g. Brundtland report, The Cork Declaration, Agenda 21 etc.) as a starting point and try to introduce and interpret these principles in the local (Hungarian) context. These authors can be considered followers of the mainstream approaches of neoclassical environmental economics and other approaches and mostly they collaborate in governmental tasks. However, there are a number of alternative interpretations based on less known theoretical (e.g. ecological economics, future studies, ethics etc.) and methodological (e.g. participative action research) work. Supporters of these new approaches often co-operate with or become members of voluntary organizations through which they can reach a wide range of society (this is also possible thanks to new methods such as participative action research). As a result they can contribute more effectively to the dynamics of lay and expert knowledge. It is also of importance that in these relatively new and heterogeneous groups the research theme (e.g. sustainability) is the result of a value-driven choice. However, according to the report volume, the “opinion leaders” (a term used for the questioned scientists) are a bit disappointed as the present processes are not sustainable and hardly any effort is being made to bring on real change.

²¹ Although scientists have an important role in mediating and interpreting new ideas coming from abroad and they have strong impact on politics and society as well, here we shall describe the scientific discourse only briefly, because we think the political context is more important and relevant to our actual research and it is also a prerequisite of the input paper.

²² This part of the research is predominantly based on my earlier readings, I do not venture to provide a comprehensive and thorough overview of the Hungarian literature on this field. This also explains why the scientific discourse is not analysed in such detail as the political context.

In summary of the first chapter let us outline a hypothetic model of reality showing how different processes, actors and interests relate to sustainability. The next figure presents a cognitive approach on how the sustainability principle gets to local level.



As we have seen earlier both scientific and political contexts are strongly influenced by the European thinking on sustainability. In political decision-making the adoption of EU practices is obligatory, however economic development is also an important aim and usually economic interests are not consistent with sustainability principles. Mainly scientists and to a lesser extent practitioners (mainly NGOs, but also some members of the project class) are asked to collaborate in the legislative process regarding sustainable development. Therefore the actual public opinion – otherwise an important factor in adapting the principle to the Hungarian conditions²³ – can influence politics only through mediators (NGOs, local or regional project class members and scientists following “new” theoretical and methodological trends) who are less influential than “mainstream” scientists (and perhaps business actors as well). Legislation enforced by the EU and established through this quasi participative method (thus mirroring the relations of interest) constitute the rules and institutional frames that apply to NGOs and business organizations and the society as a whole. Merely a small number of local people get direct impressions (from NGOs or scientists through local research) of sustainability, while most of them hear of the decision-making processes or the adaptation of the principle through the mass media in a somewhat distorted and filtered form. So it is not surprising that local people have almost no idea what sustainability is, although often instinctively they act in similar ways as far as it is (financially) possible, because this is what their traditional practices entail.

The table below shows the sustainability issue from another perspective: through an actor and interest based approach we can analyse how different actors interpret and use the term sustainability according to their specific interests.²⁴

²³ By „adapting the principle to the Hungarian conditions” we mean only that decision makers should take into consideration the local (social, economical etc.) characteristics to a greater extent than now, rather than Hungary is in a special situation which entails a significantly different interpretation of sustainability.

²⁴ This, of course, is only one of the possible theoretical frameworks in which to discuss different interpretations of sustainability and it has its limitations. For example, the interest based approach is not really able to deal with real commitment to the notion of sustainability which is a rare but not entirely absent phenomenon. The range of

Actors		Interests	What sustainability means...
National level	Political elite	Fulfil EU requirements Serve the interests of political lobbies Co-ordinate the money arriving from the EU	These three points can be harmonized under the notion of sustainability.
	Intellectual elite	Localization of theory and idea	Sustainability is an intellectual movement (related to post-modern values).
	Economic elite	Growing market share More profit	Sustainability is rhetoric with which financial support and market share become more easily accessible.
Regional level	Project class	Provide official functions Identify with the national and EU policy	Local sustainable projects provide these quasi bureaucratic positions with legitimacy.
Local level	Political elite	Retain political power Increase social legitimacy	Sustainable projects provide local government with legitimacy and financial resources.
	Project class	Gain local political power and prestige Realize their own ideas	Sustainability is a generic term under which local development projects are “marketable”.
	Inhabitants	“Survival”	They do not know what sustainability is, however thanks to surviving traditional practices and economic pressure they live in a quasi sustainable way – this could be regarded as a resource!

Following the logic of the former figure, we start the explanation of the table at a national level. As already mentioned above, there is pressure on the national political elite to fulfil EU requirements and adopt EU regulations. Powerful political and economical lobbies can also force the political elite to favour their interests in the legislation process, intertwining (in the economic sense) and financial interests may encourage members of the political elite to serve lobbies. However, as EU funds and subsidies mean a significant amount of money at the same time, the political elite is also interested in the redistribution and co-ordination of EU money in order to get its own “share”. Thus, sustainability becomes a fashionable generic term, which helps harmonize the three types of interests listed above, as it is acknowledged by important actors (EU, lobby groups).

From the intellectual elite’s point of view – as we have mentioned earlier – sustainability is a kind of intellectual movement related to post-modern values that encourage the new generation to localize scientific ideas and bring them closer to the people. Members of the economic elite at a national level – like average business actors – are interested in increasing their market share and profit. On one hand sustainability is a term they use to make themselves more attractive to conscious consumers, in order to increase the demand for their “environment friendly” or “sustainable” labelled products. On the other hand the economic

analysed actors is also restricted, so as we are interested in sustainable rural development, we shall discuss only the actors who play the most important roles in this field.

elite can obtain state and EU subsidies under the guise of sustainability more easily thanks to the power of its lobbies.

The regional project class (territorial managers, micro-regional managers and other officials) provide administrative support e.g. redistributive channels for subsidies or institutional framework for applications etc. Their position is legitimated by successful regional or local projects. Sustainability is no more than a label due to which project applications and projects themselves become increasingly acknowledged and valued and as a result the use of this term (its propagation towards local actors) helps strengthen these quasi bureaucratic positions.

At local level political elite and members of the project class depend on each other. The local political elite is interested in retaining its power and legitimacy, that is in stabilizing (possibly increasing) its social support. To reach these goals the political elite must generate local development projects (to satisfy the claims of the locals) which can be more easily financed by subsidies under the aegis of sustainability. Moreover, sustainable development projects are able to increase local living standards in a way which helps maintain and use local values effectively. This is important to inhabitants, thus such projects help local governments increase their popularity. Sustainability becomes an instrument that provides local political elite with additional financial resources and legitimacy. However, managerial knowledge and strong local, regional and political connections (at a high level) are needed to write and implement a successful application. These are often missing at a local political level. Local project class members (leaders of local NGOs for example) are usually the main initiators of development projects in villages or micro regions, as they have the appropriate skills and knowledge, as well as a generally widespread network at a local and regional (sometimes even national) level. Thus, the local project class is able to provide the local government with indispensable capabilities thanks to which the position of the local political elite can be strengthened. However, in this process project class members also gain political power and prestige due to their irreplaceable status, which is one of their goals. Besides prestige, local project class members are also interested in realizing their own (often sustainable) development ideas as they are initiators in the true sense of the word. This is why they need to collaborate with the local political elite: in general local governments or micro regional associations are the main target groups of EU and state subsidies aiding local development, while a civil organization without official partners (e.g. local government or members of the regional project class) can apply for significantly less financial support. Thus, sustainability is on one hand a generic term which makes local development projects initiated by the project class marketable towards local political elite and sponsor organizations, while on the other hand sustainability can be a “mission” pursued by local “leaders” (unfortunately the second interpretation is not so typical among the members of local project class than the first).

The last group of local actors are the inhabitants (including farmers, entrepreneurs, families etc.), who usually have no idea of what sustainability is (except for some farmers who participate in agri-environment programs or the well-educated urban strata who have moved to the countryside). From the point of view of the agents listed above, locals represent the target group of sustainable development projects (they are the quasi beneficiaries of sustainability), although they are not really regarded as partners (rather as necessary elements). Rural people simply want to survive, provide safe livelihood for their family, achieve higher living standards and maintain their inherited values and identity (not so typical). Thanks to still existing traditional practices and the economic situation that hinders continuous technical improvement, locals often live in a quasi sustainable way without knowing the term and recognizing the values of their original lifestyle.

The two theoretic models we have discussed present the same phenomenon from different perspectives. The “spreading” figure shows us how local people get acquainted with

sustainability, through what direct and indirect connections information on the sustainability discourse spreads. At the same time the actor-interest-based approach helps recognize how (due to what types of interest) the idea of sustainability is distorted on its way from higher to local level and vice versa. Regarding the two models, it can be concluded that both show the neglect of the local level in the decision-making and thus the quasi ignorance of sustainability by locals.

3. Description of the resource base

3.1. The resource base in the Mezőtúr-Tiszafüred area²⁵

Natural resources:

The Mezőtúr-Tiszafüred research area is situated in the Great Plain. Thanks to its geographical position, the **climate** is arid and warm, the number of sunny hours is great and wind is moderate. In addition to the favourable climate the **soil** is fertile as well – composed of loess, meadow-soil and loam – however, almost 40% of the land is endangered by salinification. The **water-balance** has a dual character. While the amount of precipitation is small, the area is rich in superficial streams (the most important rivers are the Tisza and the Körös), thus the level of groundwater is high and the danger of floods and inland waters is significant. The **mineral** resources are not of significance, although the land hides substantial reserves of **thermal water**. Originally this area was mainly covered by deciduous **forests** and meadows, which had gradually disappeared. Now more than 80% of the total area is used for agricultural production, while the proportion of forests is approximately 7%. A significant part of the research area is under **nature conservation** (it belongs to the Hortobágy and the Körös-Maros National Parks). There are many protected species of plants and animals, for example the bustard. Thanks to its ecological significance the land near Mezőtúr is classified as ESA (Environmentally Sensitive Area) and financial support is available for both arable land and grassland farming programs, with the purpose of protecting the bustards' habitat and grass planting. As we will see in the case studies, this form of subsidy encourages farmers to use the land in more sustainable ways.

Human resources:

The population of the area is characterized by **aging**, **out migration** and a growing proportion of **Gypsy minority**. The negative internal migration balance can be attributed to the lack of job opportunities, which is reflected in the relatively **high unemployment rate**. The population's general **level of education** lags behind the country average, though slow improvement can be detected. **Civil activity** is quite significant in the region: NGOs function mainly in the field of environment protection and education. Among the social resources we also have to mention the local **traditions** and crafts (e.g. pottery) which are gradually disappearing.

Socially organized resources

In accordance with the most significant data, the **lack of capital** is reflected in the small number of enterprises, the insufficient capacity of the processing industry and the large proportion of micro-businesses. In 2002 the average gross income calculated on the basis of

²⁵ Sources: data from former WPs, official statistics and The Complex Strategic Development Plan of the Mezőtúr Micro-region.

personal income tax per permanent population was 312,648 HUF (app. 1252 EUR). The number of enterprises per 1000 inhabitants was only 56. In the Mezőtúr statistical region only 13 companies employed more than 50 people and not one employed more than 250. Because the region is difficult to access, it does not attract foreign capital, therefore mainly state subsidies (SAPARD and other development program funds) substitute private capital. The main sector of the economy is agriculture, based on the favourable natural resources. However, **small average land size** does not favour efficient and competitive production, even though farmers often “join forces” in production and marketing **co-operatives**. It is also usual that the inputs of production (e.g. seed-corn or artificial fertilizer) arrive from outside the region and the products are processed elsewhere, in general the whole process is organized by integrators. Renewable energy sources (solar, geothermic or biomass energy) is not yet exploited, similarly to tourist potential (landscape, backwater, tumulus, thermal water). Regarding the sustainable use of natural resources the two national parks and the College in Mezőtúr has experts whose knowledge can be exploited by co-operations and different forms of education.

3.2. The resource base in the Keszthely area²⁶

Natural resources:

The Keszthely research area is situated in the Transdanubian Hills on the Western shores of Lake Balaton. The **climate** is wet and moderately warm, the number of sunny hours is a bit under the country average and wind is moderate. The **soil** is mainly composed of loess and meadow-soil – although these types of soil are not very productive most of the lands are arable. The **water-balance** is characterized by a great amount of superficial streams (Lake Balaton, Zala River and several springs), while the underground water level is low. Among **mineral** resources peat and coal should be mentioned, though their amount is not very significant. The **thermal water** at Hévíz is famous. On the hillside deciduous **forests** are the characteristic vegetation: approximately 40% of the total area is covered by forests. A significant part of the research area is under **nature conservation** – the shores of the lake, the Keszthely-mountains and the Small-Balaton belong to the Balaton Highlands National Park. There are several protected species of plants and animals, for example the heron.

Human resources:

The internal migration balance is positive thanks to the tendency of elderly people settling down here, attracted by the micro region’s remedial thermal springs, although this phenomenon also contributes to the **aging** of the population. The **unemployment rate** is lower than the country’s average, albeit the growing proportion of inactive earners suggests a less favourable situation of employment. The population’s general **level of education** is gradually deteriorating due to the out-migration of young and educated people. **Civil activity** is significant in the region: a large number of NGOs exist, most of them function actively and in close co-operation with one another.

Socially organized resources:

Except for the small villages situated on the hillside, the area can be characterized by **brisk economy**. According to official statistics in 2002, the average gross income based on personal income tax per permanent population was 410,855 HUF (app. 1645 EUR). The number of

²⁶ Sources: data from former WPs, official statistics and The Agriculture and Rural Development Program (Sapard) of the Keszthely Micro-region.

enterprises per 1000 inhabitants was 117. A total number of 25 companies employed more than 50 people and 3 companies employed more than 250. The region's favourable situation attracts **foreign investors** (e.g. the operator of the airport in Sármellék or the owners of new hotels) and there are many small and medium size enterprises as well, mainly in the field of **tourism and services**. The most significant sector is (mass) tourism, at least in the vicinity of the lake. The natural resources of the region (water, forests, landscape) are mainly used to this purpose, also enjoying the acceleration effects of state subsidies, as the region is classified stressed developmental area because of Lake Balaton. **Agriculture** is of decreasing importance, though in areas farther from the lake it provides the local livelihood. The products (mainly grain and fodder) are processed outside the region, because there are hardly any processing capacities or stockbreeder farms. The active **co-operation** between the University in Keszthely, the National Park, NGOs and business organizations creates a favourable environment for enterprises and through them expert knowledge can reach local people.

4. Case studies

During our research we could not find any functioning, complex, sustainability based pilot projects based on local rural resources in neither one of our two research areas. Thus, in the next part of the report some interesting initiatives striving realize the sustainable – or at least environment friendly – use of local natural resources shall be introduced.

4.1. The Mezőtúr-Tiszafüred research area

The description of the resource base makes it clear that the natural conditions of this area favour agricultural production and tourism, however the former sector (especially widespread intensive agriculture) is accompanied by environmental problems (e.g. salinification and pollution of the groundwater) and endangers the natural habitat. Moreover, the actual production can be characterized by external inputs, processing capacities and marketing (see a more detailed description in WP6).

The National Agri-Environmental Program (functioning since 2002) and especially the subsidy system of ESAs encourages farmers on a state level to take into consideration the aspects of nature conservation during production and thereby establishes the conditions of the sustainable use of natural resources (and multifunctional agriculture). The program provides farmers who apply and fulfill the requirements (e.g. respect the strict rules regarding the use of artificial fertilizer or harvesting methods, favouring indigenous species etc.) with land-based subsidies. In the Mezőtúr area, four types of farming are subsidized: arable farming with bustard protection, production of autumn-coleseed, grassland farming with one mowing per year and grazing. The sustainability principles, the important (endangered) local resources and the required methods of production are all defined at a state level, mainly by scientists. The boundaries of ESAs are determined by empirical studies conducted by universities or research institutes located near Budapest.²⁷ This program builds considerably on non-local, expert knowledge and therefore reflects the problem sensitivity and reality perception of “outsiders” and not of local people. This difference in perceptions is not really solved by co-operation between experts, state organizations and national parks nor by the mediator and

²⁷ The most important scientific actor is the Institute of Environmental and Landscape Management – St. István University, Gödöllő.

informing role of local NGOs, because the former means dialogue and exchange of information only at “higher” level (between different groups of outsiders), while the latter is mainly one-way flow of information. There is almost no way in which traditional knowledge can be integrated, neither as an intellectual resource, nor in the perception of reality).

Searching for new ways of livelihood, some of the farmers in the region had entered the program and changed the means of production on at least a small portion of their land. One of our interviewees (the manager of a big agricultural company in the region with more than 1900 hectares of cultivated land) said the following about his experiences with the program:

“We have applied for subsidies in the field of agri-environment, for five year long programs and we have won the tender. So now we have three areas: one of them is under nature conservation, there we are carrying on a bustard protection program on approximately 390 hectares, complying with the regulations, very strict, very difficult regulations. Well, suitable financing is provided as well, or at least will be provided, we have not received the money yet, but some other farmers in the country have already received it. Then, we do integrated plant cultivation where the usage of pesticides is permitted only at minimum level and we participate in the arable land program as well. We are establishing the professional side now, as the requirements are very strict. (...) Sooner or later there may be, I think, there will be demand for this. (...) Many-many financial sources are needed in order to satisfy the requirements. We have devised our system in a way that we can apply for every financial possibility.” (*Ferenc Nagypál*)

From the citation one can see that farmers regard the program mainly as an opportunity to make extra income. They were not involved in the planning process (except for a nationwide organization of organic farmers – Biokontroll Hungária – who were entitled to forming an opinion of the programs, but had little influence on the decision making process) and they do not really know the principles behind the program. Therefore it is not surprising that our interviewees hardly mention sustainability, in their simplified approach farmers just implement the local and regional programs planned centrally. Their local lay knowledge (as an intellectual resource) is used for nothing more than deciding to carry on intensive agriculture on land that is more fertile. However, the cited example reflects perfectly that farmers need managerial skills, as well as professional knowledge to fill in the application forms and then to manage a five-year program. If they cannot obtain the knowledge themselves, they must get in touch with actors of the project class who shall provide them with the needed skills as a service. According to the interview, it is also necessary that farmers have enough capital, because payments are often delayed, while cultivation makes continuous financing necessary. All this indicates that mostly those medium or large size producers (perhaps integrators and co-operatives) can participate in the program who are probably able to live off agriculture without subsidies and have significant bargaining power as well. Small-scale farmers on the other hand are worse off, as they do not have enough capital, appropriate skills and knowledge (as intellectual resource), adequate information, nor enough power to protect their interests. Although, the farmers who mainly produce for self-provisioning (either because of livelihood problems or just habits) and do not appear on the market, usually use fewer pesticides and produce in a more sustainable manner which stems from their traditional knowledge of local resources and methods of cultivation and is based on

their claims on safe food.²⁸ Another interviewee (a private farmer with a cultivated area of approximately 250 hectares) said the following on this topic:

“Here the peasant, if he starts to raise a pig, he doesn’t give it nourishment, because he likes to raise it on maize and barley. He doesn’t want to eat nourished pig. It’s evident. (...) And if it (*the organic or sustainable cultivation – the authors*) was worth it financially, the peasant would obviously do it this way. At least a little help should be given to him, because the farmer doesn’t have enough money, you know. Because, just to tell you one thing, if I sow a plant that I don’t spray with pesticide, because it becomes food, then I should hire people to hoe it. I don’t spray it, because I have it hoed for the price of the chemical. But it’s impossible to hire anyone. It’s impossible because too much money has to be paid to the state due to the hoers, more than their wage.” (*Sándor Patkós*)

According to the citation this medium size producer does not even know about the subsidies in connection with the ESA, though in his way of thinking the sustainable use of natural resources is not an unfamiliar idea. It seems that two not really different perceptions of reality exist side-by-side: the principle of sustainability and multifunctional agriculture in the heads of the experts and the knowledge of traditional, local resource based methods of cultivation²⁹ (accompanied with the recognition that these cultivating methods are not profitable) in the heads of local farmers. Between the two there is only a very narrow bridge provided by local NGOs (perhaps by actors from the local College). Since this link between local and non-local, lay (traditional) and expert knowledge is relatively weak³⁰, the information flow is mainly one-sided, local people cannot grasp the real meaning of sustainability and thus they cannot connect it with the traditional practices (which today are often considered to be sustainable practices by the experts). As a result, local people may show reluctance towards the programs or they may regard it only as a source of additional income (this phenomenon also appears in Western European countries, examples are mentioned by Tovey, 1999 or Grando, 2003). However, we think, this attitude is not expedient, because traditional knowledge is slowly disappearing along with the old “sustainable” approach, while the “new” sustainability remains unfamiliar and illegitimate to local people.

One of the local NGOs, Nimfea Nature Conservation Association tries to bring together the two groups mentioned above through a locally initiated project, in harmony with the National Agri-Environment Program and local development plans. Their main objective is to revive the traditional forms of agriculture and to rehabilitate the landscape. Although their goals are mainly related to nature conservation, their project aims to improve local society and livelihood as well. We can read the following description on their website in English (www.nimfea.hu – 10.01.06.):

²⁸ Small-scale farmers who produce for the market usually apply the methods of intensive agriculture and often use even more pesticides than agricultural enterprises, because their farm is only profitable this way. They cannot sell their products to big integrators if they do not fulfill quality parameters or if they do not use complimentary input materials bought from the integrator). However, when producing for themselves and their families, they use traditional methods more often, along with natural input materials in order to eat safer and healthier food.

²⁹ What we mean by traditional, local resource based agriculture is not equivalent to organic farming, rather it is closer to multifunctional agriculture. Our standpoint is that traditional („pre-socialist”) practices are based on a more sustainable use of local resources than the widespread intensive agriculture, but do not inevitably comply with the rules of organic farming.

³⁰ This may be due to the general impecuniosity of the third sector or the large number of handled tasks – see details on this topic in WP4.

”A few thousand sheep grazed on the grass-land habitats around Túrkeve until the nineties. During the early nineties grazing animal breeding started declining, because the fields got privatized and now they belong to many different owners. (...) A lot of people breeding grazing livestock lost their jobs, traditional skills and buildings gradually disappeared. Many specially protected and endangered species disappeared from this area or started to decline in number. (...) Not only were the natural values in danger, but so was the sustainable future of the region, because the youth did not have sufficient and good job opportunities.

The Nimfea Nature Conservation Association realized these problems and started taking steps in order to address them (in 2002), to stop the degradation of grassland habitats and to establish a basis for new job creation. The main objective that motivates us is to restore the grass-land habitats around Túrkeve to their original condition, to ensure habitats for endangered animals and plants whose population has started to decline in our region. Natural values could be saved by establishing a complex landscape rehabilitation and regional development program that would create new jobs for local citizens, serve the aims of nature conservation and take into consideration the priorities of the sustainable development.”

The organization hopes to improve the conditions of stockbreeding in the grasslands by encouraging farmers to breed sheep. This could furthermore create a basis for tourist attractions (outdoor shepherd museum) and small processing enterprises producing local products (cheese, wool etc.). In the future Nimfea hopes to extend its program to include traditional floodplain agriculture methods as well.³¹ However, first the organization is trying to obtain sheepfolds and grasslands to be used in common with local farmers joining their project (hopefully constituting a group of producers in the end).³² In this way stable livelihood could be provided for 200-300 inhabitants based on the sustainable use of local resources (through workplaces created by the NGO and by developing possibilities for stockbreeding, processing industry and tourism).

To achieve these imposing goals, comprehensive co-operation and participation is needed between local and non local actors as well. The main stakeholder groups identified by the organization are:

- local farmers (the target group – local lay/traditional knowledge);
- local government;
- Körös-Maros National Park (provides land for the project – local expert knowledge);
- Institute of Environmental and Landscape Management (IELM) at St. István University, Gödöllő (professional partner – non local expert knowledge);
- the Association of Hungarian Nature Conservationists (a country-wide green NGO which provides financial and professional help – non local expert knowledge) and other voluntary organizations;
- volunteers and

³¹ In connection with these four main aims, the project has the following tasks to achieve: sustainable land use, land rehabilitation, development of the town Túrkeve, environment and nature protection, employment and continuous development of the whole project.

³² Sheep-folds are bought, while grasslands are rent by Nimfea. There is no pressure on participating farmers to act similarly on the market, though by forming a producer group they could represent greater quantity and strength.

- financial supporters (EU Funds, Phare Accession Program, WWF, Milieukontakt, Hungarian Ministries, banks).³³

So far, during the first three years of the project the organization has bought buildings (only barns) that are mostly in need of reconstruction and thus further investments. Fauna and flora surveys have been launched and the promotion of the program has also begun, brochures and articles have been published and two films were broadcast on local TV. Meetings are being organised on a regular basis for local farmers who could be involved in the program. However, there are still a lot of tasks in store, for example a detailed plan and schedule has to be worked out and among others the involvement of collaborating partners, the establishment of the project's infrastructure, as well as a museum have to be dealt with.

What can be seen from this initiative is that efforts are being made in the region not only at a state, but at a local level as well. The unsustainability of the actual resource use is recognized and changes are being initiated, aiming to develop a more sustainable way that builds on local traditions. The local initiative presented above differs to a great degree from the subsidy system of ESAs as it provides wider possibilities for real participation and involves local people in the planning and realization of the project, as a result the final project can be the outcome of a common reality construction process. On the other hand, the project uses the state organized ESA program as a financial base: participating farmers applying for land-based subsidies receive help from the NGO in order to gain more and more financial sources as members of the project (and thus for the whole project). Through the participative and co-operative planning and implementation process, different forms of knowledge can be brought together and synergies can be explored and exploited. However, we must also recognize that during the last three years the planned project made very slow progress. This may be the consequence of the participative method on one hand and the lack of financial sources on the other.

4.2. The Keszthely research area

The Keszthely micro region as seen in the description of the resource base, is characterized by beautiful landscapes of forests and water (Lake Balaton and thermal spas) that make the region a favourite destination for tourists. The natural resources of the region mainly serve tourism and farther from the Lake, agriculture. Although a significant part of its area is under nature protection, the micro region is not considered an ESA like our other research area, thus farmers do not have the opportunity to apply for subsidy in return for sustainable resource use. However, it is also true that here agriculture represents a much smaller portion of the inhabitants' livelihoods than in the Mezőtúr area and tourism (mainly eco-, quiet or cultural tourism) has less polluting effects on the natural environment (but more significant impacts on the traditional landscape) than intensive agriculture. The practice that natural environment is regarded as the main attraction for tourists results in circumspect development plans valuing natural environment as an important resource to maintain, though all this simply stems from profit-oriented thinking and definitely not from any kind of sustainable approach. However, this does not mean that tourism in its actual form would be sustainable, because for example, it converts the traditionally cultivated landscape into a built-in tourist area, contributing to the disappearance of indigenous species. Nevertheless, the shortage in projects with the sustainable use of local resources as their primary goal, may be considered the result of this tourism-oriented economic structure and development. Apart from a few organic farms and

³³ The co-operation between these actors has already played an important role in the planning and implementation of the project so far. For example the plan of the project was framed by the help of IELM (one of the authors of the National Agri-Environmental Program) and judged by the members of the National Park and the local government.

projects of quiet tourism (e.g. the extension of bicycle routes around Lake Balaton towards farther villages, the registration of wine cellars and typical wines of the region or the maintenance of the Valley of Arts – see details on this topic in WP7) hardly any projects or even plans on this issue can be found. One of the more or less related projects is the plan of a biomass power station.

As described in WP4, there were three different associations of the local governments in the region that started co-operating almost as soon as they were established. In 2000-2001 the local governments of the associations created a common development plan for the region in which the most important local resources were also described in detail.³⁴ The significant biomass potential of the region was recognized during this process by the central development organization managing the planning. According to the data the heating value of the biomass mainly constituted by wood waste, reed, sedge and bulrush, is equivalent to that of 4,600 tons of brown coal which means it is able to satisfy the energy demand of ten villages' central buildings (approximately 70-80 houses and 90 official buildings). This huge amount of renewable energy source is reproduced every year to be reaped, then burned in open air. Thus, using it to produce energy does not entail the growing exploitation of local natural resources or planting any kind of energy plants (forest or grass), in fact it does not even require long distance transportation, as the biomass (reedy and forested areas) is situated no further than 2-8 kilometres from the villages. Moreover, burning the biomass in environment-friendly, mini power stations contributes to the reduction of air pollution (CO₂, CO, NO_x, SO₂ and dust as well) as this way the natural gas demand could be reduced. In order to exploit this renewable energy source small power stations, biomass storages and roughly 200 meters of pipes have to be built in every village. The necessary amount of investment is approximately 900 million HUF (app. 3.6 million EUR), the micro region hopes to finance the project from EU Structural Funds.

Among the social and economical impacts of the project the creation of new job opportunities should be mentioned. According to estimations the gathering, storing and preparation of the biomass and the tasks related to servicing and logistics would provide more than 200 unemployed (unskilled or possibly handicapped) locals with workplaces during the whole year. However, it would hardly bring about changes in attitudes, way of living or cultivation, as it would only mean putting a previously not exploited renewable energy source to use and thus making the structure of energy use more sustainable (locally based). This project does not encourage local people to change their standard practices towards sustainability as they are not involved, not even in the planning phase of the project. The idea of the biomass power station was proposed by the micro region's leaders. They had local knowledge of the huge biomass potential and then obtained non-local experts to work out the detailed plan by co-operating with organizations with expertise in this field (such as the Hungarian Society for Biomass and Austrian models) and contracting a company from Budapest to elaborate the plan. Managers are employed in the central organization of the micro-region, so the managerial knowledge is provided locally. As a result, the project seems to be a sustainable initiative conceived locally, but organized from above, however it makes the participation of local people unnecessary and thus it questions the social pillar of sustainability. Beside the lack of participation other obstacles that hinder the realization of the project should be mentioned. Up until now the management of the micro-region was not able to obtain enough money to start the implementation, while the permission and co-operation is also missing from part of the National Park.

³⁴ The description of the biomass power station is based on the article of Levente Huszti (2003).

5. Comparative Analysis

In the following comparative analysis we will discuss how successfully the three cases realise the goals of sustainable resource use defined in the first part of the WP. First we will compare the cases from different aspects such as target groups, interpretations of sustainability, knowledge forms etc., then a short integrative analysis will follow, referring to the previous WPs in search of progress in sustainable practices.

Although we carried on research work in two different micro regions of the country, we could not find any complex, functioning pilot project of sustainable resource use, only partial solutions. In the Mezőtúr area we analysed two different cases targeting the sustainable exploitation of one of the most important local resources, agricultural land. The state-organized program targeting multifunctional agriculture (ESA) is not well known among locals, people are suspicious and they regard it only as a new opportunity to receive supplementary income. This program is planned and managed on a state level by scientists and politicians who do not have local connections or knowledge. Decisions on the classification of areas, cultivation methods, amounts of payment per hectare etc. are based on non-local expert knowledge, only strong lobby groups can influence the process in favour of their own land. Local people can only participate in the implementation phase (applying for subsidies and cultivating in the prescribed manner), they are not regarded as real partners. The other project is a locally organized civil initiative (by Nimfea Association) towards a more sustainable use of local resources (grasslands) and traditional knowledge forms (grazing). This locally conceived project is based on local participation and a wide range of various forms of knowledge provided by different actors (non local expert knowledge by research institutes, local expert and managerial knowledge by the Association and the local college, local lay knowledge by locals). The participative process and the local initiators make the project more legitimate among inhabitants. However, this so-called advantage also accounts for the slow progress of the project (there are diverse interests and approaches) which is hindered by the lack of financial resources as well. In our opinion a combination of the two programs would be an ideal solution to the weaknesses of both, as their target group is almost the same. Farmers who are engaged in the project of the local NGO should apply for subsidies in the agri-environment program, thus the local initiative could get financial resources, while the state program would gain legitimacy and increase participation.

In the Keszthely region there are fewer interests to stimulate sustainable resource use. There are hardly any complex projects based on this principle, except for a few organic farms (however, they own only a small portion of the arable land and generate livelihood for just a few families) and regional plans on quiet tourism. As our case study, we chose the plan of a micro-regional biomass power station, an initiative of local governments targeting environment friendly energy use. The planning of the project is done by different actors using local (the university in Keszthely and the local governments) and non-local (an engineering company from Budapest) expert knowledge and the managerial knowledge of the micro-regional associations. Local people are not involved in the process, as they are seen as participants, rather than partners in the realization. Although this is a local initiative, it is managed from above, “over the heads” of the locals. When comparing this case with the others, it seems to be concentrated on environmental effects in the stricter sense and furthermore, it focuses on a local resource of a lower order. Since this plan does not involve livelihood in general (such as tourism or to a lesser extent, agriculture), it cannot induce a long term change in the attitudes or in the actual methods of resource use.

We summarized the most important features of these cases in the next table in order to compare them more easily.

	ESA in Mezőtúr region	Project of Nimfea in Mezőtúr region	Biomass energy in Keszthely region
Idea from...	State level.	Local (civil) level.	Local (authority) level.
Resources	Land – one of the most important local resources.	Land – one of the most important local resources.	Biomass – big volume not exploited yet, but not a central resource of the region.
Target groups	Local farmers.	Local farmers and others (tourism), local consumers, tourists.	Local unemployed people, local offices.
Range of effects	Moderate influence on local economic and social situation (better livelihood for farmers), perhaps changing attitudes of farmers, positive environmental effects.	Strong influence on economic and social situation (better livelihood for a lot of people), changing attitudes towards sustainability and democratic decision-making, positive environmental effects.	Positive environmental effects, moderate impact on economic and social situation (smaller energy costs and new workplaces), hardly any change in attitudes.
Motivation	At state level: EU requirements and perhaps the unsustainability of present production. At local level: (farmers) the supplementary income provided by the subsidies.	To the NGO: the protection of the landscape and the traditional livelihoods. To the participants: workplaces (livelihoods) and traditions.	To local governments: exploitation of the unused energy potential, financial sources from the National Development Plan and the EU. To inhabitants: workplaces.
Knowledge	During the planning only non local expert knowledge. Local lay knowledge is not really used, but farmers need to have managerial knowledge as well.	Merging of different types of knowledge through the wide range of collaborating partners: local – non local, expert – lay knowledge. Managerial knowledge is needed.	Local and non local expert knowledge is used as well. As there is no participation, lay knowledge is not utilized. Managerial knowledge is provided at local level.
Sustainability	Defined at state level by experts – not equal with local reality perception but the common platform is not even an objective. The focus is on environmental (and to a lesser extent economic) sustainability.	Used carefully, through local forums people can familiarize with the idea and link it to the traditional manners of cultivation. The project targets the three pillars of sustainability in equal proportion.	Used in documents (just in rhetoric?) common platform is not even an objective. The focus is on environmental (and to a lesser extent economic) sustainability.
Participation	Only in the realization.	Both in the planning and realizing process.	Only in the realization.
Results so far	Growing proportion of reorganized areas all over the country. Just a few changes (if any) in the local people's approaches towards sustainability.	Very slow process of realization together with some changes in the attitudes.	Detailed plans on the project but no more.
Obstacles	Unfamiliar idea – not local, it is out of the community. Delayed payments.	Lack of financial sources. Circular planning process.	Lack of financial sources. Unfamiliar idea – not local, it is out of the community.

After the comparison we can briefly conclude that the chosen cases (especially the two related projects in Mezőtúr) indicate slow progress on part of local development projects towards a holistic sustainable approach. However, a common understanding of sustainability and even developmental principles is often lacking in this process and this impedes the projects in becoming socially sustainable as well (besides the other two pillars). This phenomenon can be explained by the fact that different actors interpret the concept of sustainability (SRD and SRM) according to their different interests (that are usually hidden from other participants). Moreover, actors do not benefit from making their interpretation public, because often it reflects and makes their concerns and (financial or power-oriented) interests clear. The whole process is rather like a game where nobody puts his cards on the table than a common problem solving process based on the true recognition of local environmental or social problems. Fortunately local initiatives (like the project of Nimfea Association) set good examples of how locals can get involved in development projects, even if they struggle with financial problems and lack of political knowledge.

Comparing the results of WP9 with those of previous WPs (6 to 8) the statement on partial efforts towards local sustainabilities seems to be reinforced. None of the analysed cases reflects an accomplished holistic approach of sustainability existing on national or regional level. Problems with merging different types of knowledge are also general. However, the gravest difficulty is that local initiatives analysed in different WPs, but functioning in the same region are also isolated from each other. Local or micro-regional development plans do not provide an appropriate framework for these diverse initiatives, thus they cannot be integrated in a holistic development concept which handles local problems from the very beginning.

6. Conclusions

This paper has sought to make a contribution to research on sustainability and related knowledges in Hungarian rurality by exploring the relationship between sustainable development, concrete project forms of sustainable resource use and management, discourses, actors' interest and knowledges on national, regional and local levels. Inspired by the theoretical works and outcomes of case studies we approached issues of sustainability as being embedded in a broader framework. In our understanding sustainable resource management means a kind of resource management in which natural, human and socially organized resources are combined in order not to be exhausted, in fact they contribute to sustainable local livelihoods, rural viability etc. Thus, SRM is (or at least should be) more than a simple conservation policy which aims to preserve and improve the natural environment, because it not only deals with natural resources but also the management of other important local resources in order to make rural livelihoods more sustainable economically, socially and ecologically as well. This also means that sustainable resource management builds upon co-operation between local actors and pooling of different types of knowledge and ideas, which necessitates participative and democratic decision making processes. It is essential that through debates, work shops and local forums participants could share ideas and form a common understanding on the vision of the community and on the sustainable practices that help to realise this vision. In spite of the comprehensive character of the notion, the starting point is often nature conservation in case of SRM projects that are extended by the sustainable management of social and economical resources only in latter phases.

Sustainable resource management differs from rural sustainable development, although the two notions and joint practices are strongly related. Theoretically it can be said that SRM is a tool for achieving rural sustainable development as SRM improves rural livelihoods through combining different local resources in a sustainable way. This relation between the two notions seems to be strengthened by countrywide development policies, where goals of RSD are defined in a broader sense and SRM appears as a part of rural sustainable development but also as that of other policies (e.g. nature conservation). Policy definitions mirror also that SRM practices cannot be defined at state level as they have to build on the local or regional resource pool and also have to integrate different types of knowledge which are crucial factors in the success of SRM projects. This phenomenon is a question of power over development sources, localization of development and decentralization, thus the analysis should be extended by approaches of political economy.

We underline that in the transforming societies of new EU member states the non-conventional understanding of sustainable resource management has special importance because of the weakness of local civil society. “Sustainability” should mean social term as well, and “resource” needs also reinterpretation. In our understanding the non-conventional resource management should include capacity building of local society, where communal and individual social capital need to be considered as a resource for sustainability. In advanced societies SRM is a managerial term of development which is strongly related to natural resources what means that in this case societal component of sustainable development is less problematic and local societies actively search for the ways of sustainability without outsiders’ intervention. In less developed states or regions as new EU member states and Hungary are, sustainability has a much stronger social character and social capital should be interpreted as a crucial resource for sustainable development.

In our work we tried to avoid to restrict resources into natural resources, however, as the input paper suggested also, we focused on natural resources and gave smaller significance to social and socially organized resources. In the Mezőtúr area the most important local resource is the land and the agro-ecological characteristics, because these have provided here the basis of livelihoods for hundreds of years, but regarding the local SRM programs we considered local knowledge forms and traditional agricultural practices as valuable resources as well. In the Keszthely study area the most important local resource is the landscape and the flora and fauna which attracts tourists, but local cultural traditions are also important resources as they provide possibilities for alternative types of tourism. Knowledge resources on agricultural practices and local traditions are equally relevant in rural Hungary; however, we think that regional networks of these knowledges are not really significant and that local knowledge resources are not really embedded in regional development programs. We do not exactly know any government program which clearly targets to promote the use of local knowledges. The entire economy and agriculture in Hungary are still in the state of “original accumulation of capital”, thus many Western terms are not relevant including capacity building or state programs to improve local knowledges, while the role of intermediating project class is rather strong.

It is apparent that all around rural Hungary there are some surviving peasant practices – for example self-provisioning production of food, labour exchange at house constructions or for a much less extent at peak agricultural works, and community volunteering – which carry the fundamentals of sustainability and represent a potential for sustainable resource use. Self-provisioning (which is nearly to ecological sustainability and builds on local knowledge) means supplementary income for families; however, in most cases products produced in small family farms for self-provisioning are not marketable. This production system cannot be sustained in the economic sense in the long term; it is mainly maintained by the relatively low

living standards that force rural inhabitants to produce some food on their small farms cheaper than the supermarket prices.³⁵ Labour exchange (e.g. building houses by the help of community members in return for “helping back”) and community volunteering (e.g. renovation of community places and parks by community work) are examples for co-operation among inhabitants and common use of local resources. Usually all members of the community can participate in these practices and community members are all equal. All these examples present existing/surviving traditional practices in rural Hungarian societies which are related to the principles of sustainability, thus which can be a basis for SRM. However, these practices are mainly related to underdevelopment and they are not positively evaluated in public opinion. It is also an open question whether rural actors, who have been involved in surviving traditional practices, would give up these activities in the case when their income reach remarkably higher level. We mean by this that many of the existing quasi sustainable practices are rather consequences of economic forces than represent post-modern approaches to sustainability.

In the Mezőtúr area farmers often use sustainable practices rooted in traditional (archaic peasant-style) farming methods when they produce for self-provisioning, because they are aware of what they and their family eat, and sometimes because they cannot afford to buy pesticides. It is also usual that they respect the environment (land, animals) which provides them food. However, the market pressure (and often the big integrators) forces farmers to increase their productivity, thus they more likely to use conventional agricultural practices than archaic or organic ones. Besides the ecological pillar the recent agricultural practices weakly responds to the social and sometimes to the economical sustainability. On the one hand self-provisioning means a supplementary income, but in most cases products produced in small part-time family units are not marketable. On the other hand modern organic farming (which often builds also on local and traditional knowledge) necessitates new and more complicated practices and thus some extra energy (in care, time etc.) from farmers that they do not want to (or even not able to) put into the production. Both of these two quasi sustainable resource management practices appears as individual strategies of farmers – co-operation between them or between farmers and other rural actors (project class members, local governments, community members) is rare, the collective decision making and participation is also not typical – except in the projects presented in the case study.

In Keszthely study area most of the natural and cultural values are used as a tourist attraction. At the lake Balaton mass tourism is typical which – despite the landscape must be tidy and nice in order to attract tourists – does not go hand in hand with sustainable resource management; moreover, a guard from Balaton Uplands National Park explained us the classical conflict situation between nature protection and mass tourism saying that too many visitors can endanger habitat and protected nature. However, further from the lake alternative forms of tourism seem to expand which supports (and also which builds on) the sustainable management of local resources. However, the current practices can mainly be characterized by individual initiatives of sustainable (organic) farming or tourism that seem to be a bit separated from each other without a common understanding or common will on make the micro-region more sustainable. As in the Mezőtúr area, the co-operation between local actors is not very significant here as well. The individual (quasi sustainable) resource management practices do not result in a complex, micro-regional SRM project which could integrate local

³⁵ The significance of self- provisioning is shown by a recent survey of us which indicated that almost of 44% the population (Budapest is also included) produce some kind of food (vegetable, fruit, chicken etc.) for self-provisioning, and those who are full time agricultural employees or farmers all produce for themselves as well (not just for market). In 2003 from the 765600 registered agricultural units only 11,6 % had commodity production while 59,4 % produced food for self-provisioning and 33,3 % sell out surplus.

resources and different types of knowledge. Perhaps the evolution of a participative SRM strategy or program is hindered also by the more individualistic social historical background of this area which sets back the co-operation between the National Park and the local community too. Both in the Mezőtúr and Keszthely study area National Parks are significant actors in rural development projects and SRM practices – they manage different projects with the main aim of improving the recent state of the natural environment. However, National Parks often appear in the local community as regulating organizations and the co-operation between inhabitants or farmers and NPs are sometimes difficult.

As a main conclusion it can be said that there is a critical need to rethink approaches on sustainability in the European and in the Hungarian context as well. The creation of the EU is often characterised as a top-down project of pan-European intellectuals and technocrats which necessitates a continuous integration on different lower levels. The story of introducing the term and practice of sustainable development mirrors duality of top-down and bottom up process. In this paper we presented how the top-down/bottom-up project of sustainable development works and what kind of power interests constitutes the political framework of sustainable development in Hungary. Given the increased use of the term sustainability in political and other discourses and the attempt to introduce an integrative (sustainable development) project on regional and local level, the aim of the paper was to explore the nature of contradictions deriving from the early stage of uneven European integration and from the different approaches of sustainable development existing parallel.

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Sustainable Management of Rural Resources in Poland

Krzysztof Gorlach³⁶ – Paweł Starosta³⁷ –
Andrzej Pilichowski³⁸ – Tomasz Adamski³⁹ – Krystyna Dzwonkowska⁴⁰

Introduction

The Polish Constitution provides for a sustainable development principle which shall be achieved by employing the precautionary principle (prevention measures principle), strongly related to the principle of integrating environmental policy with sectoral policies i.e. a requirement to equally pursue environmental objectives along with social and economic ones.

Ministerial projects mentioned in the paper are documents providing for objectives and tasks for state administration and regional and local self-government in regulated areas. For instance, according to Act of 27 April 2001 regarding Law on Protection of the Environment the Ministry of the Environment drafted a document on the 2nd National Environmental Policy which was adopted by the Council of Ministers and then by Parliament. The document was drafted in accordance with principles and rules provided for in the “Long-term Strategy for Sustainable Development - Poland 2025.” The act obliges boards of voivodships, powiats (approximately equivalent to counties) and executive bodies of gminas (similar to townships) to develop environment protection programmes in order to implement state environmental policy.

The principle of SD (sustainable development) was used in numerous legal acts as the basic criterion used to determine current development models. Recently, it seems that this fashionable notion has been commonly used by various groups, especially from the field of philosophy, in relation to the expected fast economic growth of Poland. An example of such legislation is the document prepared and approved by the Council of Ministers on the 25th of February 2003, called “National Strategy and Agenda for Protection and Controlled Utilisation of Biological Diversity” contains some basic assumptions, vision and targets for the four-year time perspective spanning 2003-2006.

“Strategy for Agriculture and Rural Development in 2007-2013” adopted by the Polish government in 2005 declares that over this period of time a model for multifunctional development of rural areas is to be implemented in Poland, the ultimate goal being *improvement of living and labour standards in rural areas through economic growth with consideration given for environmental requirements*. This should be accomplished by three objectives: 1. Supporting sustainable rural development, 2. Improving competitiveness of agriculture, and 3. Strengthening food processing to improve food quality and safety. As regards the issue of RSD (rural sustainable development) that we are mostly interested in, it is emphasised that it involves *creating conditions for different types of business activities pursued with respect to environmental issues, development of social and cultural functions, as well as special attention being given to providing inhabitants with good standards of living*. It stresses the importance of implementation and promotion of local initiatives and programmes for revival of rural areas that constitute *separate, popular European, and complementary methods of bottom line development of rural areas with the key role of local partnerships*

³⁶ Jagiellonian University. E-mail: kgorlach@interia.pl

³⁷ University of Lodz. E-mail: socwim@uni.lodz.pl

³⁸ University of Lodz. E-mail: pilan@uni.lodz.pl

³⁹ Jagiellonian University. E-mail: e-atomek@wp.pl

⁴⁰ University of Lodz. E-mail: kdzwonkowska@op.pl

which plan and implement development strategies. At the same time, referring to the concept of the European model of agriculture, other important roles of agriculture, except food production, are pointed out, as it is assumed that *a concept of multifunctional agriculture indicates a possibility to combine these functions by developing food production in line with environmental requirements and landscape preservation and a possibility for farmers to pursue additional activities in order to diversify agricultural activity.* Measures to be taken to realise this objective include four priorities:

5. Diversification of activities to ensure alternative sources of income
6. Preservation of natural and environmental values of rural areas
7. Mobilisation of rural communities and improvement of social infrastructure
8. Development of technical infrastructure

The importance of the above mentioned priorities cannot be questioned. However, attention needs to be given to three premises that are particularly important to us. Polish agriculture suffers from a common phenomenon of hidden unemployment and, on a larger scale, a high rate of unemployment in rural areas since *non-agricultural activities in rural areas are poorly developed, mainly due to a lack of adequate financial support and a low degree of social mobilisation.* Thus, *it shall be indispensable to support any forms of small entrepreneurship in rural areas, services for economy and rural inhabitants, local initiatives for revival and development of the rural areas as well as preservation and improvement of cultural heritage and rural tourism.* Passivity of local communities is to be challenged through, inter alia, *engaging people in development and implementation of local development strategies including support for LEADER initiatives and activities aiming at improving living standards and public-private partnership.*

And last but not least, it is emphasised that a majority of privately-owned farms apply extensive production methods which is an opportunity for growth of agricultural production without causing damage to environment. Passivity of local communities is to be challenged through, inter alia, *engaging people in development and implementation of local development strategies including support for LEADER initiatives and activities aiming at improving living standards and public-private partnership.*

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The idea of sustainable resource use and sustainable development appears in the following national documents: *Poland National Development Plan 2004-2006*, *National Strategy for Regional Development 2001-2006*, *Poland Strategy of Sustainable Development 2025* (2000), and *Second National Environmental Policy* (2000). National Environmental Policy defines the following principles that are taken into consideration also in other documents.

- principle of sustainable development

The basic assumption for sustainable development is to manage policies and activities in particular in economic sectors and social life, so as to preserve environmental resources and values in the condition that secures sustainable - without any harm - opportunities to use them, while the sustainability of natural processes and natural biodiversity performance is secured on the landscape, ecosystem, species and gene level. The essence of sustainable development is an equal treatment of social, economic and ecological reasons, which means the necessity to integrate environmental protection issues in policies within particular economy sectors.

- precautionary principle

It provides that emerging problems should be solved on their “safe side”, i.e., that adequate responses to potential environmental threats should be undertaken as early as at the moment when justified likelihood appears, calling for solution of the problem in question, and not as late as its absolute scientific evidence has been presented. This allows the avoidance of resistance resulting from time-consuming research, lacking resources, or conservative behaviour of individuals or institutions concerned.

- principle of high level environmental protection

It assumes that the application of both the principle of prevention and the precautionary principle should be focused on a high level of environmental protection that ensures human health.

- principle of integration of environmental protection into sectoral policies

The principle of integration of environmental policy into sectoral policies results from the constitutional principle of sustainable development and it effects the principles of prevention mentioned below (including the idea of pollutant control at source), the precautionary principle, and the principle of high-level environmental protection. In practice it means having equal regard in sectoral policies for environmental objectives as that given to economic and social objectives.

- principle of equal access to the natural environment

It is considered in the following categories: *inter-generation equity* (i.e., satisfying material and civilizational needs of the present generation with creation and retaining at the same time the conditions for satisfying the needs of future generations); *inter-regional and inter-group equity* (i.e., satisfying material and civilisation needs of societies, social groups and individuals in the framework of fair access to limited environmental resources and values, with equal treatment of general social needs and the needs of local communities and individuals); *balancing the chances between Man and nature* (by means of securing healthy and safe functioning (in the physical, psychological, social and economic sense) of humans, with retaining the sustainability of the basic natural processes, including continuous conservation of biodiversity).

- principle of regionalisation

It means: enhancement of territorial self-governments’ and the voivods’ powers in the sphere of setting out ecological regional fees, standards, levies and requirements for economic entities; regionalisation of country-wide tools for environmental policy.

- principle of socialisation

It is implemented by means of establishing institutional, legal and material conditions for participation by the public, social groups and non-governmental organisations in creating a sustainable development model, with simultaneous strengthening of environmental education, awareness and sensitivity, and further developing environmentally sound behavioural ethics. This process will be supported by the use of mechanisms and recommendations resulting from the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters.

- principle of prevention

It assumes that counteracting negative environmental impact should be started during the project planning and implementation phases on the basis of current state-of-the-art procedures implemented for environmental impact assessment, and monitoring the projects under implementation.

- the principle of applying the best available technique (BAT)
- the principle of subsidiarity

result from the European Union Treaty and means that the European Union shall undertake activities which do not fall within its competence only in cases when the objectives of proposed activities could not be achieved by the member state. For Polish environmental policy this will mean that a portion of activities is to be passed on to the appropriate regional or local level (provinces, counties, and communities), so the objective could be achieved at the most local level possible, where it could be solved more effectively and efficiently.

- principle of security clauses

Application of this principle will allow implementation of the aforementioned principle of regionalisation, and to apply adequate legal and economic instruments in heavily transformed and degraded areas.

- principle of environmental effectiveness and economic efficiency

It applies to making the selection of planned environmental protection investment projects (or in a wider sense - for undertakings which require financial outlays), and consequently, in the course of their implementation and upon their completion - to the assessment of achieved results. In practice, it means the need to minimise financial outlay per unit of effect achieved.

- 'polluter pays' principle

This means that full responsibility, including material responsibility, for any pollution effects and for posing any other environmental hazards, is to be the polluter's burden, i.e. it will be incurred by entities that have made use of environmental resources.

A voivodship self-government is held responsible for creating regional development policy (NUTS II). The basis for development of this policy is a regional development strategy. In recent years its frequent updates can be observed. For instance, the Development Strategy for Lodz region which is binding until January 2006, and was adopted in 2000, was updated in 2004. Due to development of National Cohesion Strategy for 2007-2013 by the Ministry of Regional Development and the constantly changing external and internal conditions of the voivodship development that require verification of strategic objectives and priorities, a new Development Strategy for Lodz Region for 2007-2013 was adopted on 31 January 2006. A regional development strategy constitutes a reference framework for local development.

A clearly drawn procedure at the level of NUTS IV and NUTS V is reflected in the Programme for Environmental Protection of Łowicki Powiat (County) (There is no English word "powiat" – but I understand that it's the equivalent of American English "county") (developed by The Institute of Environmental Protection, Warsaw, 2004). Based on an analysis of resources, a mission for the region using resources and techniques that are friendly to the environment defines a strategic objective. Such an objective has been identified as a coherent development of the local community by better implementation of public tasks with the aim of improving standard of living for the inhabitants. Four categories of key actors in the programme implementation are depicted i.e. actors responsible for programme organisation and management, actors responsible for programme implementation, actors responsible for monitoring the programme and assessment of results and *the county community, the main programme beneficiary*. Implementation of the sustainable development programme requires engaging as many partners as possible since this ensures its acceptance and accountability for its successes and failures (Programme, 2004, p. 62) The main contracting authority is the powiat board but "methods to assure reconciliation regarding protection requirements and requirements for economic use of land should be regulated by gmina environmental programmes that take into account local economic, social and environmental conditions" (Programme, 2004, p. 45). This is how all levels of managing structures should be engaged in implementation of principles of sustainable development.

A regional development strategy constitutes a reference framework for local development strategies and differs from them in terms of level of generalities and a longer time horizon.

However, tasks assumed in the Gmina Development Strategy cannot stand in contradiction to the Regional Development Strategy. A document of Development Strategy for Parzęczew Gmina for 2004-2009 reads “A strategic objective for Parzęczew gmina for 2004-2009 is promotion of sustainable economic development of the gmina that would stimulate improvement of the standard of living for its inhabitants” and “meeting the strategic objective of Parzęczew gmina shall contribute to attaining a main goal i.e. sustainable development of Lodz voivodship.” Moreover, WP8LAG describes in detail five adjacent gminas that have two common objectives i.e. 1) promotion of tourism and recreation based on natural resources and cultural heritage and 2) sustainable development on LAG area to be attained through development of social infrastructure, environmental protection, improving internet access and transportation, enhancing area competitiveness and securing economic activity. The above mentioned objectives result from a profound analysis of resources according to SWOT methodology.

Polish case studies have been conducted in two regions or RRAs, namely: in Malopolska voivodship and Lodzkie voivodship. In the case of RRA Malopolska region, the Krakow team has decided to focus specifically on the detailed analysis of the formulated strategy of regional development. There is almost no analysis of its implementation yet since it has been formulated and approved quite recently. The process of its implementation started in 2000 and, according to the schedule, should be completed by the end of this year, i.e. 2006. Since the idea of the strategy has been declared as an idea of sustainable development therefore we decided to focus almost exclusively on it in order to answer the question of sustainable resource management at least in a way that it has been perceived by regional authorities and cooperating institutions. The Lodz team has decided to focus on what is happening on the ground, especially urban pressure on rural areas and the impact of the Landscape Park on SD/SRM in their area. Choosing the Nowosolna municipality as LIAs we were to a large degree motivated by the fact that 54% of its area lies within the borders of the Landscape Park of Lodzkie Hills. Simultaneously, its location in the direct vicinity of a large city (Lodz) as well as the A-1 highway project, which is just now entering the construction phase, both generate extremely strong factors contributing to growing interest in the matters of land use management among all interested categories of actors. The local population, newcomers, agricultural farm owners, landscape park management, owners of agricultural land aiming to change its designation from agricultural or even recreational to building, local authorities aiming to realize changing developmental goals (among which, at the beginning of the 1990s, dynamic economic development played the most important role, while at present more and more meaning is attributed to sustainable development) create an extremely diverse arrangement of influencing the shape of agrarian structures and ways of land use management.

Brief presentation of the regional resource base in RRA1 – Malopolska region

Basic natural and economic resources⁴¹

Considering the natural resources of Malopolska region one should stress the variety within the natural landscape and an environment that has been recognised as the strongest one in the whole country. Various types of protected areas (national parks, reserves, landscape parks, etc.) occupy more than half of the region's territory (the second position among the 16 regions of Poland). The natural resources have been varied as well, including coal, oil, natural

⁴¹ Data from: *Województwo malopolskie, 2003*

gas, gravel as well as mineral and thermal water. The last one has been exploited from 15 sources.

Almost 28% of Malopolska inhabitants have their main income source in manufacturing and services now, while only slightly more than 4% are in agriculture. In turn, in the case of another 28% of Malopolska inhabitants the main source of income can be identified as pensions and other types of social benefits. Despite economic problems an increasing number of economic enterprises in Malopolska has been visible. In 2003 more than 270 thousand private enterprises as well as more than 8 thousand public ones were registered. Five years earlier the numbers were 223 thousand and more than 5 thousand, respectively. One has to stress that 8% of the total number of economic enterprises in Poland have been registered in Malopolska, which gives the investigated region the fifth rank among all 16 regions of Poland. According to the last National Agricultural Census slightly more than 370 thousand farms exist in the region. The overwhelming majority of them have an area of less than 5 hectares, while significantly less than 1% of them have over 15 hectares. Therefore, Malopolska agriculture has been dominated by small and dispersed farms that have their properties divided into more than one piece. The ecological farms (with certificates) are a quite new phenomenon. Only one farm in a thousand has such certification presently in Malopolska.

Malopolska could be seen as a region with relatively strong foreign investment. The value of such investment was slightly more than \$600 million in 2003. In the last ten years, the highest level of foreign investment (more than \$900 million) has been observed in 1999. Recently foreign investment has been put mostly into manufacturing industries, however one might also observe a rising tendency for investment in tourist infrastructure (mainly hotels and other such services). The possible results of these tendencies are namely, the formation of economic enterprises as well as foreign investments might be mixed in the context of the idea of sustainable development. Creating new jobs and providing the regional population with new sources of income might be viewed as a contribution to the economic dimension of sustainability. However, it should be stressed that the development of manufacturing industry by itself cannot be treated as a certain contributor to such a development type. It might contribute to that only if the damage of natural environment has not been done. On the other hand the development of tourist infrastructure might be perceived as a possibility for regional sustainable development. It has been based on valorisation of natural as well as cultural regional resources. But again, in the case of creating mass tourism the danger to the natural environment might increase. Therefore, such a tendency should be treated only as a possible and partial condition for sustainable development. However, they do not seem to contribute in the development of civil society. There are also no signs of using local knowledge.

Agencies, foundations and civil society in Malopolska

In the context of economic development one should stress the network of various organisations that might form a peculiar type of social capital base. Let us mention that there are 6 such agencies covering all the area of the region with their activity, namely The Malopolska Agency for Regional Development, The Malopolska Agency for Energy and Environment, The Fund for Partnership for The Environment, The Malopolska Institute for Territorial Self-Government and Administration, The Tarnow Agency for Regional Development, and The Agency for the Development of Co-operatives. These agencies have been strongly connected to government as well as regional administration. Moreover we might point out that chambers of commerce and associations (eight such main organisations) as well as some other institutions supporting business. Their position has been definitely stronger than the influence of typical civil society organisations briefly presented below.

According to the Klon/Jawor Association there are about four thousand non-governmental organisations (NGOs) registered in Malopolska. In Malopolska, exactly like that in all of Poland, an increase in this third sector – very intensive in the nineties - has slowed down, however we are still dealing with a progressive tendency. Malopolska has the third highest density of NGOs (number of NGOs per 10 thousands inhabitants) among all the regions of Poland. According to GUS the highest NGO density in Malopolska is in Nowy Sącz (26) and in Kraków (21.1). Generally, it should be noted that the western part of Malopolska is much more developed considering the density of NGOs. It is worth noting that half of the population of Malopolska (50.1%) lives in rural areas, where there are a small numbers of registered organisations. High density of NGOs is typical for urban areas, especially for larger cities. However, one mustn't forget about the many informal forms of associating and civic activity of rural inhabitants. There are many civic committees, parish councils, school groups, informal sport clubs, associations of housekeepers, and Voluntary Fire Brigades (OSP) that organise public life in rural areas. Taking into account these types of organisations and local activities, civil society in rural areas seems to be much stronger than what is shown in official data.

The main areas of NGOs activity in the region are: sports and recreation, culture, and social services. There are very strong sport organisations, which run many types of teams, clubs, and gymnastic associations. There are also many cultural organisations working for culture, preserving cultural heritage, traditions and monuments. They include associations of enthusiasts for towns and villages; organisations connected with Malopolska's theatres, music and dance organisations, science associations and artists associations. Nowadays the strongest organisations are those that provide social services. This is a very large and strong group of organisations, which takes over many of the local governments' tasks. Unions and associations of national minorities are strong in terms of financial and human resources. Other significant groups of organisations are ecological and humanitarian ones. On the other hand, organisations supporting civil initiatives are relatively weak and underdeveloped. However all such entities have a very weak impact on the creation of the regional strategy of development that is described in the next part of the report.

Activity of NGOs in Malopolska plays a significant role in development of the communities in the whole region and is appreciated by the local governments. Local NGOs take over many of the local government's tasks. At this point, it is worth highlighting the unusual effectiveness of informal groups and committees (e.g. committees in favour of building a school, water supply or road, etc.) functioning in rural areas. They are jointly responsible for the infrastructural progress taking place in Malopolska in recent years. Again, the contribution of civil society described above to sustainable development might be perceived in a two-fold way. On the one hand we would argue that the vibrant civil society might be treated itself as a sign of the social dimension of sustainability. Building social networks as well as encouraging activity in various areas of public life might contribute towards the sustainable development. However, on the other hand, there are no signs of this type of civil contribution to sustainable resource management. We might point out at least two main reasons for such a state of affairs. First, such representatives of civil society have, as was already stressed above, a rather weak impact on the formulation of the development strategy. Second, the areas of interest presented by various social actors in the civil society sphere seem to be of a rather narrow and "sectoral" character, lacking an integrative perspective that should form the backbone of the idea of sustainable resource management.

Examination of the resource management practices in RRA1 – Malopolska Region

In order to analyse the problem of resource management on the regional level our team has decided to look at the regional development strategy. Malopolska regional authorities have prepared the so-called “Malopolska Developmental Strategy”⁴² (further called “MDS”) as a key document with the main task to design key types of activities aimed at three strategic goals, namely: planning of self-government institution activities both on regional as well as local levels; gaining financial support both from national government as well as the European Union; co-ordination of activities of various actors focusing on the development of the Malopolska region. The goals mentioned above have been intentionally connected to each other in order to combine the valorisation of various regional resources as well as the support of various social actors with the external resources. Such a combination might be treated, in our opinion, as a sign of sustainability forming the backbone of the regional resource management and development strategy.

However, the aims openly formulated above have also have other meanings. First of all, the prepared document has been treated by regional authorities as a kind of a list of priorities to use regional financial resources. Secondly the same document has been perceived by regional authorities as a tool to apply for support from the national government as well as the EU, and at the same time as a base for negotiation with government agencies to get financial resources. Thirdly, such a document has been treated by regional authorities as a sign of their focus in the involvement of Malopolska inhabitants in the processes of regional and local developments. One might read in the analysed document that “Development of Malopolska region has been a result of efforts carried out by all its inhabitants as well as all the acting enterprises, institutions and organisations.” However at the same time this document has seemed to be treated by regional authorities as their tool to co-ordinate and connect various independent activities of different agents participating in the development process. That might be perceived as well as a slightly masked effort to control independent activities performed by social actors in the region.

Let us spend a few moments focusing on the so-called “mission” or “statement” contained quite openly in the MDS. The strategic goal of the analysed document has been focused on creating Malopolska “(...) as a region of opportunities and sustainable development of people and modern economy based on the activity of its inhabitants using their past legacies and preserving identities in the integrating Europe”. The welfare of future generations has been stressed several times in the introductory part of MDS as well.

The whole strategy has been based on the certain model of territorial development characterised by two key factors, namely: a/ integrated and NOT sectoral approach towards the process of development; b/ the peculiar and clear structure of the developmental strategy consisting of four “fields of strategy” and three “contexts”. “Fields of strategy” have been perceived as key areas of activity that have been treated as necessary for the successful development. In turn, “contexts” have been understood as the most important conditions and frames to evaluate the effectiveness of the strategy.

The starting point of the formulation of strategic aims and solutions has been rooted in the critical review and an attempt at synthesis of information coming from four types of sources, namely: a) social consultations that contained three elements: the so-called “Malopolska List of Opportunities,” list of the most important issues of development in local communities as well as results of consultations with the authorities of neighbouring regions; b) self-government perspective based on the various documents prepared by the regional

⁴² Data from the *Strategia rozwoju województwa małopolskiego*. 2000

council, various ideas prepared during the workshops organised for regional council members as well as the members of the Regional Executive Committee, etc. c) expert opinions presented during various “sectoral” meetings; d) laws and standards prepared by external actors (for example: national government, EU agencies, etc). Basing on such preliminary characteristics of the strategy regional authorities decided to construct it under the following five-level structure, namely: 1) areas of strategy, 2) basic aims (one or two inside each area), 3) strategic aims (three to six under each basic aim), 4) solutions (policies or key projects), 5) priorities (particular projects of primary importance).

The analysed MDS has consisted of four areas of strategy. The first one has been directed towards regional inhabitants, especially their attitudes, qualifications and activities. The basic aim identified inside this area has been focused on the improvement of regional human resources, i.e., on better education, level of activity as well as entrepreneurship among regional population. Such a basic aim has contained five strategic aims, namely: flexible and economic-related needs of the regional educational system, promotion of entrepreneurship and agency among inhabitants, cohesive, safe and unanimous communities, healthy family and life-style as well as efficient and patient friendly healthcare system. Let us also point out several key projects formed inside the strategic aims mentioned above. The MDS has identified 21 key projects (solutions) in the area of human resources improvement. In the aim of education one might name here: establishment of local educational and library centres, improvement of conditions and quality of post-grammar and secondary schools, improvement of academic centre in Krakow (the capital city of the region), establishment of educational centres for adults as well as a regional scholarship fund for adolescent people. In turn, within the goal of the development of entrepreneurship we might find promotion of entrepreneurial attitudes and achievements, the development of entrepreneurial education, the development of citizen education and, last but not least, the improvement of co-operation among NGOs, public institutions and economic enterprises. The next aim, namely, that safe, solid and cohesive communities have been interpreted as resulting from an improvement of law and order, elimination of negative social outcomes resulting from unemployment as well as the struggle with social pathologies and equal opportunities for disabled persons. Moreover, within the strategic aim focused on family one might find pro-family solutions to social problems, health education and promotion as well as the development of sports and recreational facilities. Finally, inside the fifth strategic aim focusing on the improvement of the healthcare system regional authorities have stressed the development of emergency services as well as early diagnostic and therapy centres together with the improvement of connections among various units of the healthcare sector and their flexibility. However, with respect to sustainability, the ideas to improve “human capital” described in this paragraph seem to be insufficient. The main efforts seem to be put into dissemination of scientific as well as managerial knowledge in order to improve entrepreneurship and efficient functioning of the whole society in the region. The strategy does not seem to be focused on the valorisation of local/tacit knowledge and its possible co-operation with other types of knowledge that have formed the backbone of sustainable development in various spheres of society.

The second area of strategy has been directed towards the landscape. The basic goal identified inside this area has been focused on the improvement of the quality of the natural as well as the cultural environment. Such a basic goal has contained four strategic aims, namely: amelioration of already existing degradation of natural environment, rational management of environmental issues, protection of nature and biodiversity as well as shaping of the cultural landscape. In turn, all four strategic aims mentioned above have contained 18 key projects. Again, let us point them out in the following order. As crucial dimensions of the first strategic aim, regional authorities have identified water quality improvement, reduction of air and

water pollution, re-cultivation of polluted areas, as well as improved waste collection. In turn, the second strategic aim focused on the rational management of environmental issues has contained six key projects, namely: reduction in usage of natural resources and energy, improvement of the usage of alternative sources of energy, reduction of waste, safe disposal at waste sites as well as the intensification of re-cycling, the improvement of anti-flood safety and, last but not least, reforestation of low fertility lands. The third strategic aim of nature protection and diversity has been converted by regional authorities into two key projects, namely: the enlargement of the protected natural areas and the development of ecological tourism. Finally, the last strategic aim has contained the following key projects: establishment of cultural landscape protection procedures, suburban sprawl prevention project, protection of rural cultural landscape, protection of traditional farming, especially in the mountains, protection and renovation of traditional buildings as well as the “humanisation” of urban neighbourhoods.

The third strategy area has been directed towards the economy. The basic aim identified inside this area has been focused on the sustainable (!) – this is the only situation in which the term has been used in the analysed document - economic development. Such a basic aim has contained six strategic aims, namely: restructuring and improvement of the competitiveness of traditional industrial sectors, competitive market agriculture, innovative enterprises, advanced sectors of the “regional opportunity”, advanced business environment, and a high level of investment. In turn, all six strategic aims have contained 20 key projects. As key dimensions of the first strategic aim, regional authorities have pointed out a support for the marketisation of traditional industry as well as the acceleration of privatisation of state and communal enterprises. In the second strategic aim four key projects have been mentioned, namely: support for modernisation of farms and standardisation of agricultural production (especially in animal production and the fruit and vegetable sectors), the improvement of agricultural production quality, development of the agricultural market, and development of organic agriculture. In turn, in the third strategic aim regional authorities pointed to their support for research and development as well as partnership for innovation and innovative enterprises and advanced technologies. The fourth strategic aim is composed of the following key projects: support for information technologies, “leisure time industry,” “culture industry,” and the development of spas. The next strategic aim has consisted of key projects focusing on the development of the institutional environment of agriculture, financial and consulting services as well as market centres and stocks. Finally, in the strategic aim focused on the high level of investment in the investigated region, the improvement of the regional marketing strategy as well as regional technical infrastructure has been considered. Such an economic strategy seems to propose a rather conventional economic development. The idea of its “sustainability” seems to lie in the promotion of the idea of diversified economy for the region. We would argue that such a weak “sustainability” component of the strategy for economic development lies in the idea of “catching up” to modernisation that is still important for regional authorities, and not only in the Malopolska region.

The fourth area of MDS has been focused on improvement of communication and co-operation inside the Malopolska region as well as its accessibility. It has been composed of six strategic aims, namely, an advanced system of transport between the region and its surrounding areas, efficient system in intra-regional transportation, infrastructure required for the development of information society, advanced network of economic co-operation, regional circuit of culture as well as regional information market. In turn, all six strategic aims have been “translated” into 19 key projects, in sum. In brief, they are as follows: modernisation of main roads, international checkpoints with the Czech Republic and Slovakia, railroad network, creation of logistic centres, as well as the development of the

Krakow International Airport (first strategic aim); modernisation of regional and local roads, improvement of traffic safety, restructuring of the regional public transport (second strategic aim); development of internet facilities as well as telecommunications, especially in rural and small town communities (third strategic aim); continuous co-operation of businessmen inside the region as well as support of the co-operation between enterprises (fourth strategic aim); establishment of the regional centre for the promotion of culture, regional culture management, development of the regional education, support for regional cultural events, inclusion of national minorities and ethnic cultures (fifth strategic aim); support for the regional media and regional information services (sixth strategic aim).

However, as we mentioned earlier, there are some priorities stressed in the presented strategy. According to the authors of the MDS such key projects have been treated as necessities to complete particular strategic aims. It seems to be extremely important once one wants to make an attempt at evaluation of the character and content of this strategy, especially from the perspective of its sustainability, because they point out peculiar parts and aims of the strategy. At the same time, they might be treated as a result of the impact of some powerful interest groups. In turn, the latter factor might be interpreted as a threat to a sustainable resource management and an opportunity to orient the whole strategy and its projects towards particular interests of particular lobbies. Therefore let us mention MDS priorities below.

In the first area of analysed strategy focusing on human resources one might point out 12 priorities in total. They are as follows: development of the new Jagiellonian University campus, establishment of new occupational colleges, establishment of a regional centre for educational research as well as establishment of a scholarship fund for regional youth, establishment of a regional centre for entrepreneurship trainers and a regional grants system for NGOs, establishment of the Regional Centre for Addiction, and training and rehabilitation centres for disabled persons as well as the computerisation of the police force; dissemination of self-government units' and NGOs' projects focusing on the family as well as the project of building one swimming pool in each powiat⁴³, a sport-hall in each gmina as well as a playground in each school.; establishment of the Regional Centre for Early Cardiologic and Chest Surgical Intervention based in the Specialised Krakow Hospital as well as the Regional Oncology Centre for Outpatients. As one can see, such a priorities list is focused largely on human resources in centres located in the region's capital city. Only very few priorities might touch especially rural areas, namely, the idea of playgrounds and sports-halls in schools and, to some extent, the computerisation of the police force. Of course, one might also say that all the projected centres in science, health services and entrepreneurship might be also accessible for rural inhabitants, however they are not designed especially for them.

In the second area of MDS, focused on natural and cultural landscape, 9 priorities have been pointed out, namely, prevention of the ecological degradation of water retention systems (such as dams and levees) as well as reservoirs and water resources, development of the waste utilisation system in Krakow as well as modernisation of the waste purification plant in Krakow; completion of the retention reservoir in Swinna Poreba and intensification of geothermal water usage in Podhale (mountain area); marketing project for tourist attractions located outside of nature protection areas and, finally, protection of the architectural monument in Nowy Wisnicz, as well as development and protection of the regional wooden architecture trail. Again, many priorities have been located in the capital city of the region (Krakow). However, in this area of strategy one might also find various priorities located in rural areas (water supply projects, tourist attractions, as well as architecture). Bearing in mind

⁴³ Powiat is an administrative unit between the level of voivodship (region) and gmina (local community), comparable to a "county" in the USA.

such a statement one might argue that in this particular strategy area some signs of sustainable management of rural resources might be visible to some extent.

In turn, in the third strategy area concentrating on economic development (openly referred to as sustainable in the analysed document) we might enumerate 14 priorities (key projects). Let present them starting with the struggle with unemployment especially in gminas under the economic restructuring. Three other priorities have been focused on agricultural issues, namely: support for producer groups, development of wholesale markets and establishment of the regional centre for agricultural extension. Moreover other priorities might be framed as the developments of new technologies (establishment of the regional council and the network of centres); as the development of tourism and recreation (establishment of the regional tourist organisation, establishment of culture economy trade, construction of the regional convention and music centre, development of the sport centres; as the business support (establishment of the local business service centres and creation of the warrant and loan funds), and, finally, as the support for the coming investment (establishment of industrial and technological parks and the development of the regional investment service centre). Let us point out that all the priorities focused on agriculture have stressed mainly its productive character. Therefore we might argue that it is hard to find an approach towards agricultural sustainable development at the level of regional strategy. Moreover, in this part of the regional strategy no priorities especially focused on rural sustainable development have been found.

Finally, in the fourth area of strategy the MDS has pointed out 10 priorities: the new highway between Krakow and Tarnow (70 kilometres east of Krakow), modernisation of the railway between Katowice (Silesia region, west of Malopolska) via Krakow and Tarnow to Rzeszow (Podkarpacki Region, east of Malopolska) 240 kilometres altogether, modernisation of the runway at the Krakow International Airport, construction of the new bus station in Krakow, new regional roads and improvement of the telephone network, creation of the database called “Malopolska Business On-line”, establishment of the Annual Malopolska Business Days Trade as well as Malopolska Cultural Heritage Days, and, finally, regional internet information service and the improvement of the access of services and public institutions via internet. Again, priorities openly focused on sustainable rural development have been hard to find in the analysed document. However, one might stress that the ideas of the Malopolska Cultural Heritage Days might be treated as an effort to promote rural cultural legacy, at least to some extent, as well.

In order to evaluate MDS to see if it conforms to the standard ideas of sustainable management of rural resources one should briefly describe the process of its formation as well. The idea of MDS was presented in the first half of 1999 and a particular law was passed by the Malopolska Region Council on April 22 of that year. The whole process was divided into six phases, namely: 1) the analytical and diagnostic period, 2) the “assumption” period, 3) the expert analyses period, 4) the consultation period, 5) the synthesis period, 6) the implementation period.

In the first period the diagnostic study called “Malopolska – integration and development was prepared, forming the background for the projected strategy. The main idea of the planned strategy originated in the aspirations and demands of particular local communities (gminas). In order to identify such aspirations members of the Regional Executive Committee met with representatives of powiats and gminas. Such meetings took place in the first half of 1999 and resulted in exchange of ideas among the members of various levels of regional government (voivodship, powiat and gmina) and resulted in the exchange of ideas that were later collected and elaborated by the so-called Regional Synthesis Team.

In the second period the Regional Executive Committee accepted the document called “Assumptions for the Regional Development Strategy.” Such a document has been later passed by the Regional Council on August 30, 1999. It was supplemented by two annexes, namely, statistical data covering key characteristics of Malopolska region compared to other regions of Poland as well as recommended aims of strategy and priority investments sent earlier to the Regional Executive Committee by particular powiats (middle level of regional administration system). The regional document has also been supplemented by the expertise contributed by the Institute for Research on Market Economy (department in Warsaw), an independent think tank that issued the positive evaluation of the “Assumptions for the Regional Developmental Strategy”. Once accepted by the Regional Council the document was sent to the “wojewoda” (the representative of the state administration in the region) as well as to all administrative heads of powiats and gminas and other public institutions in order to be, as it was called, “socialised”.

In the third period the Regional Executive Committee invited several expert teams to prepare so-called “sectoral analyses” in the areas of: “human resources and demography,” “protection of natural environment,” “economy,” “education, science, and permanent training,” “culture,” “tourism,” “transport,” “settlements,” as well as “development of agriculture and rural areas.” All the expert analyses were prepared by the end of 1999 or the first quarter of 2000 by scientists from Jagiellonian University, Agricultural University, Educational University and Economic University (leading regional academic institutions). Experts met with some representatives of Regional Executive Committee and some members of Regional Council. Moreover the so-called “round tables” were organised to discuss all the sectors of expertise. Again experts met with various representatives of regional authorities.

The next, fourth period was devoted to the so-called “social consultation.” Such meetings were organised in each powiat by representatives of the Regional Executive Committee and regional Council together with experts from the Regional Development Agency. In the first part of each meeting/workshop the organisers presented key elements of the proposed strategy, while in the second one participants (representatives of public and social institutions) pointed out the most important – according to their opinions – projects from the presented list of 156 opportunities. In such a way the so-called “Malopolska List of Opportunities” was constructed. Later inhabitants had an opportunity “to vote” by internet or by press for the 50 most important projects from the list mentioned above. Then, the first draft of the strategy was presented at a conference focusing on the problems of development in various regions from Southeast Poland (which includes the Malopolska region). Such a conference was organised by the national government and was followed by a discussion of regional representatives with members of government administration broadcasted by public television, presidents of regional academic institutions, representatives of self-government structures as well as representatives of major political parties in the region.

The fifth period has been referred to as “the synthesis phase”. Based on the expertise and discussions briefly described above the final document was prepared. This work was carried out as a PHARE-INRED project named “Support of building development strategies in regions” and was executed by “Halcrow Poland Ltd.” This means that some foreign and Polish experts took the leading role in this phase. They used the Malopolska List of Opportunities to name key and most important projects based on so-called “social support.” “Social support” was determined by the number of internet and press opinions registered during the “social consultation phase” as well as by the “significance” of powiat representative votes for particular positions on the “Malopolska List of Opportunities” as measured by the number of inhabitants of particular powiats. The regional strategy was finally

accepted by the Regional Council on August 28, 2000 and is still being carried out (the sixth phase) until the end of this, 2006.

Brief presentation of the resource base in RRA2 - Lodzkie Region

Lodzkie region is situated in the central part of Poland. It covers 18 219 sq km. The region's capital is Lodz, and other main cities are Piotrków Trybunalski, Tomaszów Mazowiecki, Bełchatów, Kutno, Sieradz. The surface is mostly plain and forest covers 20% of the area (the smallest ratio in Poland).

Natural conditions: Lodz region is located in a zone of poor biodiversity when compared to the northern and southern parts of the country. The underlying cause of that situation was severe natural transformation initiated by the development of agriculture and settlement and followed by industrialisation and urbanisation. As a result the region's area is largely deforested. The forest cover in the region is the smallest in the country and amounts to 20.6%. However, it does not mean that the central part of the country is deprived of significant natural values. A good example is the river valleys, such as the Pilica river valley that runs - apart from a short section near Tomaszów - in its natural bed and yet is still extensively developed. The Warta river valley has been altered more, although some of its parts are also highly valuable i.e. swamp belt of the ice-marginal valley of the Bzura and Ner rivers stretching up to the Warta River. Despite its severe transformation, it is still home to many birds and swamp plants. A distinctive feature of the region's natural value is its location within the range limits of important tree species i.e. beech, fir, spruce and Polish larch. Near the city of Lodz there are beech and fir forests, covered by several reserves, which function as border poles marking natural distribution of these tree species.

In Lodz Region the most important places for the protection of species, ecosystems and landscape biodiversity are landscape parks, nature reserves, ecological grounds and Natura 2000 areas.

Economy: The most important factor of the Lodz region's economic growth is its natural resources supply potential. The district of Bełchatów owes its rapid growth to the fields of brown coal found in the area. The geothermal water resources in the northern part of the region have helped develop spa, recreation, and tourist services, while the districts of Kutno, Leczyca, and Lowicz are traditional agricultural strongholds.

In the Lodz region there operate over 200 thousand companies, most of which are micro-enterprises with up to 5 employees. Over 90% of these companies are private. The public sector is represented by the remaining 10%. Small enterprises, i.e. partnerships and private workshops represent an overwhelming majority in all of the region's districts. Nearly half of these workshops are located in Lodz – the region's capital.

Agriculture: The Lodzkie region has the typical agricultural features. Agriculture covers 1,25 million ha, which is about 70% of the general area of the province (the highest index in the country). The agricultural and food industry represented by nearly 3000 units employ 42,000 people. The average farm size in the region does not exceed 15 ha. This size is, however, the standard in Poland, for it involves up to 91% of farms. The total number of farms in the province is over 170,000. The equipping of Lodz with agricultural machines puts the region in the 4th position in the country.

The Lodzkie region is considered by experts as unsustainable which means that the level of local development of different municipalities in the Lodzkie region (voivodship) is very diverse. In the southwestern part of the region traditional agriculture dominates (with a low level of specialization and productivity, a disadvantageous agrarian structure of private farms) and in the northern part of the region agriculture is well developed, more specialized,

and individual farmers are more educated.⁴⁴ Sustainability is in that case understood as equalizing the level and dynamics of development of different areas in the region leading to better integration.

Social resources, civil society

With regard to civil participation the Lodzkie Region is one of the most passive regions of Poland. The rates of participation in the latest presidential, parliamentary and local government elections are lower than the national average, respectively – 61% turnout in the presidential elections (2000), 46.59% turnout in the parliamentary elections (2001) and 41.8% turnout in the local elections at municipality level (2002). One should underline a very high level of differentiation of the citizens' electoral activity. The lowest rates of participation occur in the largest cities of the region: Lodz, Pabianice and Zgierz (respectively, local elections in 2002 in Lodz - 25.1%, Pabianice – 31.5%, Zgierz – 33.1%), the highest in rural municipalities (Kleszczów 88.8 % and Paradyz 71%), i.e. in areas where large and effectively functioning industrial enterprises are located. It should be explained that the Belchatow electric plant is situated in the territory of the Kleszczow municipality and there is a large ceramic tiles factory in the territory of Paradyz municipality. Generally, the population of rural municipalities manifests higher electoral activity than the population living in urban municipalities.

In the Lodzkie Region in 1997 there were a total of 1547 non-governmental organisations registered, the total number in the country being 32,000. In 2003 the number grew to 2235 in Lodzkie Region and to 58,565 in Poland. This constituted only 5% of the total NGOs operating in Poland. In the total number of the organisations mentioned foundations made up only 14%. As the studies conducted by KLON/JAWOR revealed, in 1997 about 25 % of registered organisations did not show any activity at all. The data from 2002 show that the rate of inactive organizations has increased to about 45% of the total number of registered organisations. According to surveys, about 10-12% of the total adult population of the region declared participation in an NGO activity.

The main areas of NGO activity in the Lodzkie Region are: 1. Education and Childcare (45 % of organizations point to that sphere of activity), 2. Science and technology (27%) 3. Health protection (25%) and 4. Charity, self-assistance (19%). The activity for solving the problems of the rural areas occupies a very low position (3%), and so does the activity for regional and local development (9%).

In the Lodzkie Region four programmes connected with the development of civil society are carried out: the "Against Corruption" programme organised by the Batory Foundation, "Transparent Municipality" organised by the Polish-American Freedom Foundation and the Batory Foundation, the "Laboratory" programme organised by the Local Democracy Development Foundation, and since 2004 the Leader+ Pilot Programme.

SWOT Analysis for rural areas in Lodzkie region

Among the strengths of rural areas that are noted are the high level of animal production (when compared with the state average), areas of highly concentrated vegetable and fruit production, and the environmentally valuable areas. Among the weaknesses of rural areas are a large and growing share of people employed in agriculture (their number increased from 31.3% in 1999 to 33.2% in 2002), a relatively high level of unemployment (including "hidden" unemployment), low search activity for non-agricultural sources of income, low

⁴⁴ Interview with an expert of strategies of local development and land use management, Urszula Nowakowska, University of Lodz

levels of education among rural inhabitants, low level of self-organisation among farmers, soil of low quality and high acidity, widely dispersed farms, and unfavourable agrarian structure of private farms in agriculture. Opportunities for development of rural areas are seen in: improved ecological awareness among society, promotion and investment in renewable energy resources (including development of heat engineering based on geothermal water), favourable environmental conditions for ecotourism development and tourism for urbanites, subsidies for rural areas from state and EU resources, including environmentally sensitive areas, development of manufacture of high quality foodstuffs and prospects for land consolidation.

The necessity for multifunctional stimulation is also noted, especially for ecological development of rural areas, including organic farming, which is competitive on the regional level. It should improve the economic and social situation in rural areas, as well as the environmental condition.

Resource management practices in RRA2 - Lodzkie Region

The Strategy of Development of Lodz Voivodship can be analysed from the perspective of resource management. This key document contains the diagnosis of the socio-economic and spatial situation in the region and points out the objectives and priorities of regional development. One “mission” - the basic aim of the regional community, determining future of the region - is “raising attractiveness of the Lodzkie region as a favourable area for inhabitants and business and forming the internal coherence of the region through the preservation of the variety of its places, utilising the advantage of the central position of the region, and the transformation of the regional economy from production (industrial and agricultural) to service-production”. The formulated mission is oriented to residents and the quality of life as well as investors and conditions for business activity. It is aimed to raising the higher civilizational level in the region by improvement the quality of life and bringing it closer to the average European standard and securing permanent development based on a solid modern economic base. The vision for the development of the Lodzkie region is focused on the following aspects: a region with educated and active society, open to the world; a competitive economy open to international cooperation; an open region possessing its own cultural and economic identity.

The strategy for regional development is based on the principle of sustainable development which is defined as “an orientation to the improvement of the quality of inhabitants’ lives, reached as a result of economic growth, with preservation of the social, ecological and spatial sustainability”.

In fact, the idea of sustainable development in the regional strategy is connected mainly with the economic and social sphere. Three directions for development are pointed to:

1. social sphere

The main aim is to increase in the general level of the standard of living in the region.

The priority areas:

- knowledge and competence → raising the educational level of inhabitants
- quality of life → improvement of the quality of life
- social policy → reducing social exclusion and modernisation of systems of social assistance
- civil society → raising the level of the social activity

2. economic sphere

The main aim: improvement in the competitiveness of the regional economy.

The priority areas:

- accessibility → increasing the economic accessibility of the region
- economic base → creating a modern and innovative economic base
- information society → building an information society
- rural areas → permanent rural sustainable development
- labour market → raising the general employment level and vocational mobility of inhabitants
- image → creating an image of a friendly and attractive region for living, investing and cooperation.

3. functional – spatial sphere

The main aim: creation of the real socio-economic region having its own cultural and economic identity

The priority areas:

- settlement system → stimulating transformations in the settlement network of the region, leading to an increase in the role of towns and cities in the spatial and functional organisation of the region
- spatial order → ordering spatial management
- regional identity → strengthening the inhabitants' identification with the province
- nature protection → improvement of inhabitants' life conditions through improvement of the quality of the natural environment

Rural areas are pointed to as the strategic sphere for development. In that context appears a concept of permanent sustainable development that is connected with the restructuring of agricultural production, increasing economic efficiency as well as development of civil society and quality of life in rural areas. According to experts – authors of the document – the specific nature of agricultural farms in the region and the natural environment create the possibility for building a strong agricultural sector based on eco-agriculture, which will improve the ecological situation of the region.

The idea of sustainable resources management and sustainable development is formulated rather in the context of nature protection. It's closer to the 'pure' or 'classic' environmentalist definition of SRM. However, in The Program of Nature Protection in Lodz Voivodship we can find other aspects of sustainability apart from the environmental issue – social and economic. It is related to Strategy of Development of Lodzkie Region. The ecological aims formulated in the Program “are determined by both planned socio-economic development and the need for improvement of environmental safety, in that there is a need for a solution that resolves the conflicts between the economy and the environment. Proecological measures are integrated also with spatial planning and land use management, which leads to “rational management and use of resources and space”. The Nature Protection Program is “a basic strategic tool of environment management” and “guarantees permanent and sustainable development of the Lodzkie region.”

The Ecological Policy for Lodzkie Region is a document of great importance for optimisation of solutions securing a suitable direction for economic development and land use management for reaching improvement of life quality and environmental safety. It allows the Lodzkie region to participate in realisation of a national strategy for sustainable development. In designing the regional Ecological Policy the principle of sustainable development and other principles were taken into consideration⁴⁵.

⁴⁵ The principles are defined in National Environmental Policy – see Introduction.

The basic objective of The Ecological Policy for Lodzkie Region is to provide for regional environmental safety (of the population, social infrastructure, and natural resources) through realisation of sustainable development that enables effective regulation of the use of the environment, whose type and scale, when pursued by all the users, does not pose any hazard to natural resource quality and sustainability.

The issues of strategic nature are: improving environmental quality within all the environment components (air, water, soil, ecosystems, species and their natural habitats, climate, landscape) especially in intensively utilised areas and areas of high biodiversity and high nature and landscape value; limitation of consumption pressure on the environment by means of developing pro-environmental consumption patterns (the rationalisation of consumption scale and the preference for environmentally sound products and services), as well as developing a pro-ecological value system in the spirit of the principle of sustainable development.

Regional environmental policy objectives related to the rational use of natural resources are: rationalisation of water consumption in industry and agriculture, reduction of material consumption and waste-generation in production, reduction of energy consumption in economy and growth in renewable energy use, enrichment of forest resources and their sustainable management.

It is worth mentioning that documents of ecological policy dealing with the issue of sustainable resources management and sustainable development are also worked out by experts on the lower regional levels – in powiats (NUTS4). An example can be The Program of Nature Protection for Łowicz Powiat.

Presentation of the most important local resources in LIA1 – the Raciechowice rural municipality

Definition of sustainable management means a strategy focusing on environmental, economic and social sustainability. Therefore we decided to focus on the management strategies performed in the investigated gmina that have been defined by local authorities as the strategy of “ecological gmina/community”. Such a strategy has been based on the valorisation of local natural resources. Based on interviews with members of the local council the importance of two types of natural resources need to be stressed, namely, the soil and the landscape. One might point out that the soil might be treated in this context as a kind of a negative natural resource. It means that its quality has not been sufficient for development of the typical agriculture in the community. Especially during the process of post-communist transformation and the introduction of a market economy in Poland agricultural production collapsed as a main source of income for local inhabitants, with just one, albeit very significant, exception, namely, fruits, most especially apples. What gives the Raciechowice community a kind of comparative advantage in fruit production? One has to mention the soil factor, which has not been advantageous for traditional agricultural production overall, but has been advantageous for fruit production. But the soil factor alone has not been sufficient. As we mentioned before the landscape might be treated as an important contribution in this context as well. The investigated community is located on the hills and the southern sides of the hills receive the proper amount of solar energy in order to grow apples as well as other fruits, such as blackberries, strawberries, etc. Such a landscape has also been attractive for people coming from the city of Krakow, the capital city of the Małopolska region, located about 35 kilometres from Raciechowice. Many of these city dwellers are buying houses or building new ones as second homes. Therefore tourism and recreation have been treated by local authorities as an important activity in the area.

Examination of the resource management practices in LIA1 – the Raciechowice rural municipality

Considering the issue of sustainable resource management one should stress that there is not much in the way of a formal strategy in the investigated gmina. However, as the investigated deputy head of the gmina says: “ecology has always been on our minds.” Undertaken activities have usually been a kind of spontaneous reaction to observed problems or “grasping opportunities” created by higher level authorities and/or various funds having financial resources at their disposal to fix various problems connected to the protection of natural environment. The main document prepared by the local council that mentions environmental issues has been named as a strategy of development for the years 1995-2005. It point out several priorities, namely, the construction of a sewage system, a waste treatment plant, a water supply system and a gas supply network. Such a document was necessary in order to send applications for various financial resources (“grasping opportunities”). As a result, several projects have been started based on financial resources received by local authorities, namely, selective waste collection, modernisation of insulation systems, construction of a sewage system as well as a water supply system. All of them have been focused on protection of the natural environment and were started in 1996 and 1997.

Selective waste collection seems to be a leading “ecological” project in the investigated gmina. It was started as a result of the personal experiences of some gmina leaders who observed such an initiative in the town of Żywiec (located in the western part of Małopolska). They participated in a conference organised in Żywiec in 1995, where this initiative was discussed. The first step of the project of selective waste collection in Raciechowice focused on the education of inhabitants. The representatives of the gmina council participated in various meetings with local inhabitants informing them about this initiative as well as explaining the whole idea of selective waste collection as a sorting and recycling program. Pupils in local primary schools as well as children in pre-schools became the targeted population in this educational phase as well. Then the whole system and calendar for picking up the waste was prepared with the full cooperation of the local community. Based on such an idea local authorities prepared an application to the Regional Fund for the Protection of the Natural Environment. This application was accepted. As a result, gmina authorities received money to buy plastic trash bags (for a 5-year period) as well as to print information and a waste pick-up calendar for every household in the investigated gmina. The project started in 1996 and embraced 15 thousand households (that is, the entire gmina).

At the same time, gmina authorities tried to get attention from the media in order to disseminate their ecological ideas and attract people from outside. As the gmina’s deputy head told us, there were some articles in the newspapers and the regional TV network sent a crew to prepare a report about the project. Gmina authorities received many calls from other local authorities who wished to duplicate such an initiative. School pupils from Raciechowice got many awards for their pro-ecological activities. Pupils from other local communities (even from Krakow) came into Raciechowice to learn about the project. Such publicity also became an important facilitator for the next phase of the described project. In this introductory period the project faced one important bottleneck in the issue of the disposal facility for the selected waste. There was no such facility in the gmina and regional sanitation authorities decided to have a closer look at the whole project and were eager to stop it because of the lack of such a facility. However, the media publicity helped. A transportation firm from Nowy Sącz (a town located about 70 kilometres south-east of Raciechowice) learned about the project from TV and decided to get involved to provide waste-hauling services for the gmina. Today, two such firms cooperate with the gmina, collecting bags of trash and transporting them to the processing facility located in the Silesia region (west of Małopolska region). Their agreement

with Raciechowice gmina has been purely commercial. The firms sell the selected waste to the mentioned facility as well as use their own money to print the collection calendar and buy trash bags.

The project, which started in 1996, has been perceived as successfully completed and after 10 years has become a routine activity in the investigated gmina. It helped local authorities to solve their waste problems. Before the implementation of the project local authorities used two huge containers to collect unselected waste. Such a procedure had several disadvantages. First, such containers had to be removed every second day and transported to the regional waste disposal facility. Local authorities had to pay 1650 PLN for one container, which resulted in a high cost for the whole procedure. Moreover, there were some people from neighbouring communities who illegally dumped their waste in the Raciechowice containers. Some other people illegally dumped waste into the forest in various places in the community, which was against the natural environment protection rule. In such a situation the implementation of the selective waste collection project fixed all the disadvantages mentioned above. It is much cheaper because the transportation firms covered the cost of transport, plastic bags and printing of materials using money they got from selling the selected waste. It has significantly reduced illegal waste dumping in various places in the gmina. It has also stopped the illegal dumping of waste by people who are not community inhabitants since the plastic bags are registered and distributed exclusively among the gmina households. The idea of pre-selected waste collection by itself does not seem qualify as sustainable resource management. However, we would argue that as part of other efforts taken by local authorities it might be a sign of the emerging sustainable management of local resources. It should also be seen in the context of the situation in Poland where quite a few local municipalities have such a waste policy. Moreover, this municipality policy has been connected to an education programme addressed towards school children. Therefore, it might be treated as an effort to create pro-environmental attitudes among future citizens, which means it might be considered a kind of “investment” in sustainable development for the future. Such an approach might be treated, in our opinion, as a contribution to the greater concept of sustainable resource management as well.

As we stressed before, the policy of sustainable resource management in Raciechowice gmina is not limited to just one single project. Quite to the contrary, gmina authorities, in order to keep up with environmental sustainability, are trying to implement other projects. Let us briefly present the programme of thermal modernisation which has been focused on to introduce a more environmentally friendly heating system. The heating system in both public buildings as well as in private houses has been based on coal, resulting in heavy air pollution in the area. The more ecological heating system has been based on heating oil. Local authorities launched this project in 1997, directly responding to the call from the Małopolska Regional Fund for Environmental Protection offering financial resources covering 50% of the cost of such an initiative. The gmina had to gather the other 50% using its own financial resources in order to start the project. As the deputy head told us, “it was just an opportunity we grasped.” As a result of the implementation of the project, 16 public buildings (schools, kindergartens, the cultural centre, the local fire department and two local authority offices) switched to the oil heating. What is also important is that such a switch in the heating system was accompanied by the thermal insulation (thermal insulation) of the building (new windows, modernisation of building walls, etc.). Following this example the thermal modernisation initiative has also been undertaken by several private building owners. However in total, only slightly more than twenty such owners decided to join the project [which means that a very small minority participated in the project as the gmina consists of roughly 1500 households]. This small group of pioneers was, according to the plan, to become

a herald of environmental friendly practices in the community, as - according to deputy mayor - people who joined the project demonstrated the most pro-ecological attitudes. However, the project has been stopped by the rising price of heating oil. In 1997 (the first year of the project) the price of one litre of heating oil was 0.67 PLN. Nowadays, it is about four times higher. Such a situation has not only prevented more people from joining the project, it has also made some of those who had already been taking part in it to return to the traditional system of coal heating. In such a way – as the deputy head stressed – “ecology has lost with economy.” Of course, the truth is that oil heating is not, in itself, fully “ecological.” However, it can be considered as such when compared to the traditional practice of heating with poor quality coal, resulting in rather heavy air pollution in the area.

The third project we want to present here is concerned with the health of the local population as well. Gmina authorities, following EU directives, recently launched a project to modernise building roofs. The majority of building roofs have been made of asbestos covers. The project has been focused on removing such covers and switching to more ecological and healthy materials. However, gmina authorities do not have any financial resources to support such an initiative. Therefore, local inhabitants have to take low interest credits offered by the Bank of the Protection of the Natural Environment in order to make the necessary modifications to the roofs of their buildings. However, this requires the involvement of private funds, which most of the local people are lacking. Again, the economy is a factor limiting pro-ecological activities. However, as the deputy head stressed, people are more concerned about the health effects of asbestos roofs and are more inclined to take such a move than to modernise the system of heating as it was described above. But the “roof project” is still far from complete.

As we stressed before sustainability can be perceived in three dimensions. Aside from the ecological/environmental one, the economic dimension seems to be important as well. That is why we will present an example of an economic project that might be treated as a realisation of the principle of sustainability. The project that is called Integrated Fruit Production is based predominantly on local natural as well as social and economic resources. We already pointed out natural resources in this context, namely, the landscape, the soil and local climate at the beginning of this section of our report. By social resources we mean the strong tradition of fruit growing in the community. Many fruit farms here are family enterprises passed from one generation to another. By economic resources we mean the relatively short distance to the outlet markets of the Krakow agglomeration. Using the resources mentioned above the project of integrated fruit production was launched shortly after 1989. It was created by experts from two fruit production research centres. The idea of Integrated Fruit Production has been focused on the “ecological” production of fruits, i.e. on the strict regulation of chemicals and pesticides used in the process. All the produced fruits have to be tested for the presence of chemicals and pesticides. The “ecological” apples and blackberries cannot have any traces of chemicals and/or pesticides throughout the entire fruit. As the local fruit producers in Raciechowice gmina established the so-called “Producer’s group” in 1995, they were searching for new market possibilities. They got in touch with Carrefour, which was opening its first supermarket in Krakow. It turned out that the retail chain accepted only suppliers who can provide a certificate of ecological quality (it was a necessary condition). This was an impulse to join the regional association promoting Integrated Fruit Production.

After fulfilling the strict requirements the producer’s group got the certificate of Integrated Fruit Production and then signed a contract with Carrefour for supplying apples to the Krakow supermarket. This cooperation continues presently, and apples from

Raciechowice can be bought in several Carrefour chain stores as well as in Lidl, another retail chain.

To sum up, one can say that this case is an example of a situation where a global retail chain has positively influenced the local ecology. However these were the local producers who played the key role in introducing the IFP Project. The economic opportunity provided by Carrefour was just the catalyst for the decision. The role of NGO experts from Warsaw should also be stressed here, as they advised concrete solutions to the producer's group (managerial knowledge).

The project has its strong social dimension as well. Once we consider that the development of group initiative can be treated as a form of social sustainability we have to stress that the project under consideration might be treated as an example of this particular dimension of sustainability as well. Once the project was launched fruit growers decided individually to participate in the initiative. Finally about one hundred fruit growers joined the project and were trained by scientists from the centres mentioned above. After a few years, in 1997, a so-called "producer group" was established. All farmers who participated in the project had an opportunity to declare membership in such a group but not all decided to do so. Such a group became a collective actor and a collective representative of the whole fruit grower community in Raciechowice gmina in business with external actors (for example, the TESCO retail network). This group has played a leading role in negotiations with TESCO to sell apples from Raciechowice via the TESCO supermarket chain in Krakow and other places. It has also bought fruits from other producers who have met the Integrated Fruit Production regulations in the area. According to the deputy head of the gmina, the motivation of fruit producers has been primarily an economic one. But they have understood that in this case the economic value of their fruits has been based almost exclusively on ecological standards. As they say: "If you want to get a good price for your apples you have to have the certificate that there are no chemicals and pesticides in or on them". The main message they got – according to the deputy head – is that ecology matters in an economic sense and the protection of the natural environment might result in economic profits. The other dimension of this relationship between ecology and economy seems to lie in a more rational and less intensive use of chemicals and pesticides in fruit production in the investigated gmina.

As we see in the context of the presented project the social dimension of the development of a producer group seemed to be of vital importance. That proves, in our opinion, that social sustainability has to be in a close and strong relationship with the environmental dimension, as well as the economic one. In fact, the analysed project shows that the producer group became an agent for the development of the Integrated Fruit Production in the area. The fact that the idea to establish such a group was born among the gmina council officials, expert scientists and representatives of fruit growers also shows the sustainable character of the launched strategy of local resource management. The strong interaction among these three types of actors has showed the presence of idea and practice of governance in the investigated gmina under the project taken into consideration.

This social dimension of sustainability might be also observed in two other cases. As we mentioned earlier the new strategy of local promotion called "ecological gmina" was launched in 1995. In order to support this initiative gmina officials established an association called "Association Raciechowice 2005". This, however, was not a kind of bottom-up initiative as the average local inhabitants are not its main members. Quite contrary, these are Gmina officials and some regional activists who form the core of "Association Raciechowice 2005". Therefore it should be treated rather as a kind of supporting network or even a lobby group that is trying - especially on the regional level - to get various financial resources to support the development of the gmina. But one might find in the gmina the examples of

bottom-up initiative as well. The Association “Small Homeland” has been formed in Raciechowice gmina to run a grammar and secondary school for adolescent people helping them to complete their education. Such an initiative headed by one local businesswoman might be treated as an effort to improve human resources in the gmina.

Bearing in mind all the projects briefly described above we might try to theorise about sustainable resource management in the investigated gmina. One might risk the statement that some signs of such management can be observed in the case of integrated fruit production. Firstly the presented projects seem to form a kind of diversified and partial, but nonetheless still noticeable, strategy. The selected waste collection together with the Integrated Fruit Production and thermal modernisation supplemented by action of removing asbestic roofs and some new socio-economic initiatives (producers group) concern all three strategic dimensions of sustainability (environmental, economic and social). However, these three aspects are not developed to an equal degree. Based on the results of the observations one might treat the environmental dimension as the most developed and the social one as the least developed part of the described strategy. The fact that the gmina has made visible progress over the recent period is unquestionable (as the deputy mayor told us during the interview “people start to think in ecological terms here”). However, the majority of local inhabitants seem to be passive and not involved in the projects launched by local authorities. Moreover, various attempts by local authorities towards the sustainable resource management have been more of the “grasping an opportunity” character than the result of a systemic inclination towards environmental protection or ecological production. Financial resources offered by regional authorities (both national and EU funds) seem to be a major factor facilitating such activities by gmina authorities.

A major problem, as we might theorise based on our investigation, seems to lie in the lack of coherence among various types of knowledge carried out by various types of actors involved in the projects under consideration. The idea of sustainable resource management seems to be quite openly present in the scientific knowledge (for example scientists involved in the integrated fruit production project) and in administrative /managerial knowledge carried out by regional authorities. On the gmina level, some elements of this concept are present, but many activities, however, are undertaken rather intuitively and somewhat incidentally. In turn the local knowledge (local fruit growers, inhabitants participating in selective waste collection) seems to be dominated in this aspect by the pressure of economic rationality. If ecological practices (thermo-modernisation, selective waste collection) or environmental friendly economic activities (integrated fruit production) do not require great investments or actually bring profits (or savings) they are widely accepted by local inhabitants. In another case, people have shown tendencies to be reluctant or even withdraw from the projects (thermo-modernisation). This might be explained by the difficult economic conditions of the local population. As people are struggling to secure income to satisfy their basic needs, even relatively small expenses for ecological benefits can become an obstacle impossible to overcome. The rural community in transition is more occupied with surviving until next month than with long term gains for the environment. Scientific and administrative/managerial knowledge has been based, quite contrarily to the local/lay one, on long-term rationality. The idea to protect the natural environment (the ecological dimension of sustainability) has not yet been fully recognised as a profitable strategy in the system of local/lay knowledge. And even if it was recognised by some inhabitants the lack of economic resources has still been the key factor in preventing the accomplishment of ecological initiatives. Therefore, the economy seems to be the strongest barrier to the idea of a complex sustainable resource management in the investigated gmina.

Presentation of the most important local resources in LIA2 – the Nowosolna rural municipality

The gmina of Nowosolna is located in the eastern part of the Lodz region (Lodzkie Voivodship). This gmina is located close to the urban agglomeration of the city of Lodz. The gmina occupies an area of 54 sq km.



The gmina has poor-quality soils. These are mainly sandy and gravelly soils, lacking nutritional elements. Soils of the 5 and 6 class predominate.

The area has well-preserved natural environment as well as healthy climatic conditions. In the southern part of the gmina, a large forest area encompasses 980ha (Wiaczynski Forest). In the northern part of this forest, in an area of 8.29 ha, the Natural Reserve was delineated in 1958 with 17 three-hundred-year old beeches, sycamores, firs and larches. The most important feature of this gmina is the unique upland landscape of the marginal zone of Lodz Heights that stands out against the lowlands of central Poland. Frontal moraine ridges, outlying hills, gullies, deeply incised river valleys – these are just a few of the geomorphological attractions worth seeing in this area. The Wzniesienia Lodzkie Landscape Park (The Lodz Heights Landscape Park) was created in 1996 on an area of 13,767 ha. It covers the most valuable parts of the edge zone of Lodz Heights. The park area is also an important water junction. The bigger (northern) part of the territory of Nowosolna gmina (54%) is situated in the Wzniesienia Lodzkie Landscape Park. The major part of this territory is covered with farmland. Forests occupy 28% of its area.

The area is gaining greater and greater popularity among the inhabitants of Lodz who are interested in settling in the area. The rich flora and relief have been preserved since 1996 when the Wzniesienia Lodzkie Landscape Park was created.

An important factor for the development opportunities of this gmina is an advantageous transportation system within the gmina area and good transportation links with neighboring towns. The motorway planned for this region will run through Nowosolna gmina.

In 2003 there were 267 registered economic entities (excluding private farms in agriculture) registered in the municipality register, 264 of which were in the private sector. As for the structure of entities recorded in the register the biggest number operated in the trade and repair (33.4%), industrial processing (19.1%) and construction (13.1%) sectors.

As the results of the 2002 Census indicated, the total employment rate (defined as the share of employed persons in the total number of people of a given category) was 51.2%. The employment rate for men was 56.6% and it was higher than the employment rate for women by 1.6 percentage points. People with higher education constituted the largest group of the employed and the employment rate for them was 81.1% whereas the smallest group (comprising 28.9%) included people with completed and partial primary education or without school education.

The 2002 Census indicated that the unemployment rate in Nowosolna community was 13.4% (men had a rate of 14.9% and women were at 12.7%). People with higher education were least threatened by unemployment (with an unemployment rate of 2.8%), whereas people with complete and partial primary education or without school education were most liable to become unemployed (and had an unemployment rate of 19.1%).

In the development strategy (2002) Nowosolna municipality is shown as a gmina of sustainable, multifunctional economic growth and an increasing quality of life for its integrated local community. The issue is with the possibility of integrating the Landscape Park into the common sustainability strategy for the gmina.

Social resources in the Nowosolna rural municipality

As of 31 December 2003 the municipality population amounted to 3439 inhabitants (i.e. 5.4% of the total Eastern Łódź district population), with men accounting for 48.9% of that population. The National Population and Housing Census of 2002 indicates that among the municipality inhabitants aged 13 and over 931 people, or 34.4%, had completed primary education (of which females accounted for 51%), 598 people (22.1%) had completed secondary education (of which females accounted for 56.9%), 591 people (21.9%) completed basic vocational education (of which females accounted for 39.9%) and 257 people (9.5%) had a higher education degree.

There is a high level of civil participation in the Nowosolna municipality. Within its territory actively operate such NGOs as: the Association of Rural Housekeepers, Voluntary Fire Brigades, the Rural Youth Club, Folk Sport Clubs, the Association of Rural Clubs and Organisations, the Municipality Women's Council as well as the Association for the Development of Nowosolna Municipality. The large majority of active organisations are the structures with a long tradition. The municipality has also participated in the 4th EU Framework Program "LERNing." The municipality mayor participates actively in the National Association of Rural Municipalities.

The level of residents' participation in local elections is also high. In the first free elections in 1989, 48% of legitimate voters participated in Nowosolna, while the national average was 42.3%. In the last municipality government (in 2002), when the national average turnout was 46.2% and the province average turnout was 44.64%, in Nowosolna there participated as many as 64.23% of legitimate voters. In the municipality under study the participation rate in presidential elections was higher than the rate for the province. However, at the same time, the participation rate in the parliamentary elections is systematically low in Nowosolna - 40.36%, with the national average being 46.2%.

A specific feature of the municipalities in the area of the landscape park is the division of the population rooted in the municipality for many generations and the newcomers who settled down just several years ago. This group of "newcomers" is significantly different from the "old population" in terms of social characteristics. The old inhabitants are usually farmers with little education while newcomers usually represent the intellectual and economic elites of the Lodz metropolis. Both populations have and use different types of knowledge. Lay knowledge of old and new inhabitants has different roots and conditioning, the first one is formed in rural conditions, the second one in conditions of the big city. People who have had contact with nature since birth, every day, who run or work on farms and people who consciously and intentionally have chosen the area of the landscape park as a place to live have a different attitude and relation to nature and landscape values. Those differences can raise some problems of social integration in the community; create a kind of social split in the community. One interesting example situation can be observed in the analysed municipality Nowosolna. *The Association for the Development of Nowosolna Municipality* was set up in 2001 on the initiative of newly arrived intellectuals and businessmen. It is led by a professor at Lodz Technical University, but it attracts not only newcomers but the original population as well. As we can read in a statute of the organisation, it is open for everybody who cares about sustainable development of the municipality. Among the purposes of that NGO are:

- initiation of enterprises that aim for the protection of nature and cultural values of area
- popularising in society issues of nature and cultural protection
- increasing the local community's participation in actions aimed at broad development of the area and at preservation of natural values and landscape
- supporting the development of the environmentally friendly technical infrastructure with the purpose of reducing the emission of pollutants
- cooperation with the Lodz Heights Landscape Park
- actions aimed at increasing public funds (from the central and local level) allocated to the protection of nature and landscape values.

As the new inhabitants were the main initiators of the Association for the Development of Nowosolna municipality, the local farmers could feel that their municipality was dominated or even taken over by the external elites. That is why it was so important to include the representatives of the “old inhabitants” in activity of the association. The commonly organised events and initiatives will help to overcome the differences and to build mutual trust. If Nowosolna municipality is to have a strong civil society, the internal integration of the community is a necessary condition.

Sustainable management of natural resources – the landscape park

As we mentioned, over half of the territory of Nowosolna municipality (54%) is situated in the area of Wzniesienia Lodzkie Landscape Park. Landscape parks are areas with strictly defined boundaries, subject to protection due to the outstanding value of their natural environment as well as the high aesthetic and tourist value of the landscape. Within its area “natural, historical and cultural values are protected, and the aim of its creation is to preserve, popularize and disseminate these values in conditions of sustainable development”⁴⁶. Any investment activities that could result in degradation of the natural environment are prohibited in these parks. This form of nature protection has a history of over twenty-five years in Poland.

In contrast to a national park, residences and leisure housing developments are allowed within the boundaries of a landscape park. This development is, however, restricted to housing zones specified in the ground management zoning plans of individual communities which are located within the park area. There is also a ban on industrial development and construction sites which may negatively influence the landscape and natural values of the park. This can make the financial situation of municipalities in the park area difficult, because they have no perspectives on industrial investment profits. As the mayor of the municipality said, due to location in the area of the landscape park, and connected with its limits and bans, those municipalities ought to receive extra money as compensation for the prohibition on industrial development. The question is how to integrate the Landscape Park into the common strategy of sustainability for the municipality.

The landscape park can be treated as a laboratory for sustainable development. The idea of creating a landscape park is directly connected with the principle of sustainable development that is generally understood as harmonious development in three spheres: social, economic and environmental. It is clearly formulated in *The protection plan for the Lodz Heights Landscape Park*⁴⁷ where we can read as follows:

General purposes and functioning principles of the Landscape Park are:

⁴⁶ The brochure for the Lodz Heights Landscape Park

⁴⁷ From the document made by governor of Lodzkie voivodship to establish the protection plan for the Lodz Heights Landscape Park 2003

- 1) preservation of natural, historical and cultural values and popularising them in society currently and hereafter;
- 2) recognition of sustainable development as a base for development and land use management in the area of the park, ensuring maintenance of the balance between the environment and the effective social and economic development;
- 3) protection of the park values in connection with social and economic development, ensuring optimal living conditions for its inhabitants;
- 4) reconciling various functions within each unit of the planning system in accordance to the need for nature protection and the local communities' development.

Among the primary objects and tasks of the protection plan are: harmonising natural conditions with existing forms of area use and social and economic activity; raising the local communities' ecological consciousness, referring to the need for keeping the whole natural variety as intrinsic to the heritage and common good; in social and economic development, taking into account the conditions resulting from needs for protection of natural and cultural resources and features of the landscape.

In the context of sustainable management of natural resources two projects are considered in Nowosolna and neighbouring municipalities located in the area of the Landscape Park. The Project of Care and Preservation of Traditional Orchards aims to preserve the local traditions of fruit processing and having a traditional rural landscape with old orchards. It includes cataloguing of traditional orchards in the area, transplanting traditional species of fruit trees, setting up orchards, and leading the training for local people. The scheme is addressed to farmers and other people living in the country in the area of the Landscape Park that are interested in preserving the old orchards and old species of fruit trees. The active actors are also local teachers and village administrators. The outcomes of the project are long-term: preserving the existence of old species of fruit trees and traditional orchards; setting up new ones; restoration of the traditional rural landscape with traditional orchards near houses; raising people's awareness of the importance of maintaining traditional rural landscape and of the great and unique value of old species of fruit trees.

The Scheme for the Protection of Bumblebees in Central Poland is carried out by *The Society for Nature Research and Conservation*, the NGO for people interested in conserving Polish nature. In the area of the Lodz Heights Landscape Park in 6 villages participate in the scheme. The main objective of the project is preservation and growth of the population of *Bombus* bumblebees, as well stimulating societal interest in nature and disseminating environmentally friendly knowledge. The users of the scheme are farmers, other people living in the countryside, and foresters. Their task is to sow or plant the special plants for bumblebees in their gardens or fields and put out a hive box for bumblebees nearby to use for reproduction. The outcomes of the project are long-term: supplying special long-term plants for bumblebees, making people aware of the importance of the bumblebee as natural pollinators and the need for their protection, generally raising ecological awareness, restoration of the traditional rural landscape with flower gardens near houses, orchards, areas with wild flowers and trees in the fields.

The activists and coordinators of the schemes are educated in the field of the environmental protection – they have professional competence and expert knowledge. The projects also refer to the local, practical knowledge of farmers. They know local names for species of fruits, places in the area where interesting and sometimes regionally unprecedented variations of pear trees and the apple –trees occur; have practical knowledge in the field of fruit tree reproduction and adequate cultivation of plants for bumblebees; know a lot about the history of fruit farming and traditional ways of making fruit preserves. Both projects also refer to traditional rural culture - to the custom of maintaining flower gardens and orchards near the

house, which nowadays are often replaced by lawns and coniferous evergreen bushes. They make a strong contribution to nature protection and the preservation of a rich mixture of various plant and animal breeds in the environment (biodiversity) as well as the ecological education of society. The projects focus also on an integrated approach towards the restoration of the traditional rural landscape and biodiversity. They also might support the statement focusing on sustainable development options for the investigated area of the Landscape Park. The sustainable characteristics might be found in the restoration of a traditional rural landscape as well as more extensive forms of fruit production. The cases also show the strong impact from interaction between various types of actors (scientists, managers, activists, farmers and other local people) involved in the increase of rural sustainable development. Such an interaction leads to the confrontation of different points of view and finally to a more comprehensive and complex vision of local and regional development.

The Landscape Park has formed a “political opportunity structure” that resulted in training programmes and an increasing level of mobilisation among the local population. It has an opportunity to use already collected assets (finances, professionals, existing regulations, etc.) to disseminate the new idea and to create a network of various types of actors involved in the development of the projects. The success of the realised schemes is rooted in cooperation among various actors (scientists, local people (farmers and others), teachers, priests, etc.). The basic strength both in knowledge generation and its use seems to be located in the direct and positive contacts between scientists and/or project managers and local people. That might be a kind of proof of the validity of social capital possessed by initiators as well as managers of the projects. The whole range of dissemination techniques (workshops, posters, exhibitions, mass media coverage, etc.) have been used in both schemes. Financial resources used to cover various activities (documentation, printing of folders and other materials, etc.) have contributed to the development and use of knowledge as well. Skills demonstrated by activists (landscape park workers and/or members of Society for Nature Research and Conservation) seem to be of primary importance as a strong factor in knowledge generation and use.

The establishment of the Landscape Park leads to a growing consciousness of the area's value either among the local occupants and administration. The management of the park, in recognition of the developmental needs of municipalities, attempts to implement the principles of economical use of the area of the park. The limitations resulting from the existence of the park should not constitute barriers to normal functioning of its residents or to the freedom of economic activity which respects the rules of environmental protection. Generally, local governments respect the limitations related to the ban on situating sites which are dangerous to the environment in the protected area. They take into account critical opinions voiced more and more often by the original population of the settlements located in the Park referring to bad spatial policy of some municipalities leading to loss of the land's “rural character” which is connected with urban pressure on the area.

It is worth underlining that a lot of inhabitants in the area of landscape park are still not pleased with the establishment of the park and they understand it only as bans and restrictions of their activity, e.g. limitations regulating the division or designation of land imposed by landscape park management. Simultaneously, when they are selling their land they are pointing out that it is located in the territory of the landscape park. They expect a higher price due to the location of the land.

New value of natural resources – land

The Nowosolna municipality has been an area of quite significant interest in agricultural land, especially interest in the designation of land (agricultural, recreational, building, industrial) since the early 1990s. This is related on the one hand to the enhanced

protection of land, which since 1996 has lied in the territory of the landscape park and on the other hand to the extremely strong demand for land from the city occupants that has been growing in 1990s. The area of the landscape park is gaining greater and greater popularity among Lodz inhabitants who are interested in settling in the area.

The 90s were a time of heightened activity on the land market. It should be underlined that there was a strong increase trend with its apogee of the number of transactions in the year 1999 and a considerable decrease in the recent period. Some inhabitants link this characteristic *freezing* to the restrictive requirements of the Landscape Park – “it brings about negative associations for the inhabitants of this region – business previously brought in because of the terrain, the park, and the weekend used to exist, too. But now, because of the plan there are only restrictions and limitations, no benefits. Inhabitants’ decisions regarding management of their property were limited – the ban to sell [land] for building sites.” (R1) A closer analysis of purchases and sales of land using a spatial approach – shows their significant quantitative differentiation. Transactions in the most attractive - from the point of view of landscape and standard of living - parts of the municipality prevailed: in Kalonka, Kopanka and Grabina.

Presently, a new municipality spatial plan is in the phase of social consultations. Among the postulates made in reference to the plan, 80% related to the change from agricultural or recreational designations of the land to the building designation. However, as the municipality mayor underlines – not the industrial destination. People do not want industrial investments.

A growing interest in the matters of land use management appears among all interested categories of actors. The local population, newcomers, agricultural farm owners, landscape park management, owners of agricultural land aiming to change its designation from agricultural or even recreational to building, local authorities aiming to realise changing developmental goals (among which, at the beginning of the 1990s, the dynamic economic development played the most important role, while at present larger and larger meaning is attributed to sustainable development) create an extremely diverse arrangement for influencing the shape of agrarian structures and ways of land use management.

The conclusion is as follows: the analysed rural municipality located in the area of the landscape park is changing quickly, and to a considerable degree, the character of its resources. The number of farms depending exclusively or mainly on farming income are dwindling in the municipality; there is more and more uncultivated land, on the other hand. Considerable amount of land have been sold to locals or newcomers – but *de facto* agricultural functions and production development opportunities should encourage farmers to apply for measures from agro-environmental programs and to fulfil tasks of landscape protectors. In single cases, ecological farms are expected to appear; and in a larger number, agro-tourist farms (but it should be remembered that they involve a difficult skill or linking agricultural functions with customer service functions). In this situation the residential-housing functions (including the settlement ones) which were dynamically developing in the 90s, gain significant and multidimensional meaning (i.e. economic, social and cultural).

Analysing planned and implemented actions aimed at the protection of biological diversity in the area of Lodz voivodship (administrative region), one may conclude that the programmes led by non-governmental organisations, in which the protection of diversity is the main goal, deserve particular attention. It is worth underlining that local communities are involved in these programmes. Furthermore, it is clearly observable that all undertakings are organised only in the areas of landscape parks, where there is specialised staff who have sufficient skills to participate in the projects carried out. (NT)

SD is often understood by local authorities as: “satisfying the most important needs of the local community, maintaining cultural life and a good technical infrastructure, comparable to the town’s infrastructure. Using clean air, physical and geographical space, without interference with nature.” (TB)

“We are only just starting to obtain knowledge, as we are doing the so-called cataloguing of human resources and institutions they work for. And after this recognition, we will be in the programme of countryside revitalisation which is being introduced as well as in a partnership and we will make an effort to use people's free time, translating it to work in social groups, knowledge about advising the authorities and creating local activity groups. On the other hand, authorities must understand that part of the power should be delegated to society organised in non-governmental organizations; inform the leaders of non-governmental organizations that they make up "the motor," "the engine" of the local area development.” (TB)

In academic environments it is often underlined that the category *sustainable development* should incorporate natural, social and economic aspects. “Today, unfortunately, it has become an empty slogan, allowing limitation of efforts for the protection of nature. ‘There is sustainable development so we can do what we want.’ Sustainable development in rural areas requires expert's knowledge and practice. Relevant personnel are necessary. At present, rural areas are not well prepared for proper understanding of this principle and its implementation. Sustainable development is perceived through the prism of permissions and prohibitions – ‘something is allowed, and something is not.’ Introduction of, for instance, a new protected area is perceived by local authorities as a prohibition. Also, the foundation of a landscape park is perceived as a prohibition and not a form of promotion. If the gmina's office supports the foundation of the landscape park, this is only because it brings about the growth of the value of land. The landscape park is a certain burden for the occupants themselves and is associated negatively rather than positively. Only the realisation of particular programmes (...) in which organizations go out to speak with individual people, help to alter this picture a little.” (TB) Sustainable development in rural areas should mean, for example, promoting farming and environmental programmes in order to grant farmers the possibility of using these programmes. Also, strengthening the role of landscape parks, so that these structures are associated not only with prohibitions but are equipped with mechanisms, mainly financial, which allow organisation of training for the local population. More specialised personnel is needed at the gmina offices, who are able to identify the most important conflicts and find a reasonable compromise solution, taking into account all aspects essential from the point of view of the principle of sustainable development. The position for the specialist dealing with environmental protection, having the essential "environmental" education, that is, being able to recognise ecosystems, those which are more or less valuable, identify threats, and make rational decisions, simultaneously as an expert and practitioner, seems necessary.

Evaluation of the resource management practises on the regional and local level

In order to make a few conclusive points let us evaluate some of the characteristics of management practices both at the regional as well as the local level. Trying to address the problem of sustainability of management practises we have to focus on two different types of issues. First, we have to consider once again the content of analysed projects. We have to check them against the assumption that the presence of environmental issues as well as economic ones supplemented by the development of civil society seems to be the indicator of the sustainable management of resources. The second type of issue to be reconsidered lies in the way of constructing such projects. In this case we should quote two important statements found in developmental sociology literature. The first one has is from Geoffrey Lawrence, addressing the issue of regional governance in its relation to sustainable development. Such a governance is associated with “five discernible characteristics, namely: (...) A so-called

‘bottom-up’ approach to decision making, with local communities being encouraged to take ownership of development and natural resource management problems. (...) The devolution of responsibility to the regional level. As an element of this, the desire to ‘empower’ citizens both to understand the issues and to act collectively to overcome them – that is, to raise their capacity to act for themselves. (...) A more responsive bureaucratic response to community plans and needs particularly ‘whole of government’ approaches and an alteration to the organisational culture of ‘stove piped’ government agencies. The state becomes an ‘enabler’. (...) Creation of a community-initiated action plan, with clear goals and timelines. (...) A series of (often complex) measures for accountability in the expenditure of funds, and in the monitoring and evaluation of sustainability applications (...)” (Lawrence, 2005: 167). This idea has also been supplemented by the characteristics of institutions involved in the project construction process. As, again, Geoffrey Lawrence stresses, “(...) the broadening of the mandate and accountability for such institutions (...) allows the long-term perspective necessary for environmental sustainability, thereby overcoming the short-term planning timeframe linked to 3- or 4- year election cycles (...) provides an opportunity to restore trust between citizens and government departments... with a move beyond rigid one-way forms of public consultation to more diverse, flexible and open systems of engagement that involve a broad spectrum of the regional population and encourage deliberative and discursive participation (...) gives legitimacy to local knowledge and the sharing of values, with local people not only having a voice in regional planning, but also helping to shape the process of change” (Lawrence, 2005: 165).

Case studies carried out within the project indicate that key local actors are more and more aware of the fact that sustainable resource management is not only that of natural resources. It seems that the process is ensured only if regional development policy is taken into account on the local level.

In such a situation an analysis of available resources, as well as discourses, knowledge and practices of rural actors seems a key element in the whole process. The studied cases showed various examples of resource management practices on the regional and local level. In the gmina of Nowosolna available resources (additionally certified by creation of the Landscape Park of Łódź Heights) contributed to stimulation of intensive market exchange and very often spontaneous processes, that have led to conversion of rural area functions on a large scale. Undoubtedly, local actors did not pay adequate attention to the process and in this situation the benefits of Landscape Park of Lodz Heights to SRM cannot be underestimated.

The analysed cases often indicated a lack of appropriate reflection among local actors about the application of concepts of sustainable development. On the other hand, however, the cases provide for positive examples of skillful, efficient and effective management of local resources, including natural resources as well as traditional local practices and knowledge about resources and their use long-forgotten by stakeholders and only now retrieved. It is symptomatic that the process is partially exogenous in nature, that is, the forgotten knowledge resources and practices are often disclosed to local communities via expert knowledge or as a result of urban pressure on rural areas.

According to one of the academics and experts, only old people still possess traditional, local knowledge, which is flavoured a bit with sentiment and emotions, and thus provokes some suspicion. However, a considerable qualitative change in the awareness among old and young generations has occurred in their approach to nature and ecology. Today, nobody is hunting toads, owls, bats or even snakes or vipers. The protection of stork nests on electricity poles has spread widely. Landscape parks contribute immensely to enhance social awareness as they pursue such schemes as protection of bumblebees or old fruit tree varieties on the spot, among people. Not only do farmers become aware of the value

of old orchards but also keep a nursery of old varieties and provide seedlings for those who are willing to cultivate those trees. Farmers react to such activities positively.

At present, Poland still has a long way to go to achieve sustainable development in rural areas. The principle is not well known nor universally understood. The Polish Constitution says that Poland must follow the principle of sustainable development. But has this reached the awareness of the local community? This is often a kind of slogan which some people use for different aims, but in the awareness of the average villager the principle does not register, he or she would not be able to define it. In general, the local community populations are often passive; they do not undertake any activities for the protection of environment or the protection of nature. They limit themselves to the purchase of litter containers, reporting a neighbour who disposes litter in an illegal way to the relevant authorities, or participating in actions for cleaning up litter. Despite this passivity, there is, however, a strong emotional bond between nature and the rural population. They voice an opinion that areas of the highest natural value should be sustained - because they are a value in themselves, a common good, related to human health, and as such, should be preserved for future generations. On this emotional level, nature is perceived very positively, however it is difficult to say what would occur if, for instance, an investor chose a beautiful forest as a site for a factory, offering employment to the locals.

In turn, concerning the problems of sustainable management of resources on the local level (LIA1 investigated case), one might argue that all three dimensions of sustainability mentioned above, namely, ecological, economic, as well as social ones seem not to be treated and considered equally. Local authorities seem to stress the primary importance of the ecological dimension, especially in the idea of calling their gmina “ecological”. At first glance, such a statement might be perceived as a pure marketing strategy with little substance behind it. However, while taking a closer look we were able to consider a few issues that might support such a prioritising of the image of a gmina. We might point out here the valorisation of most important – according to gmina authorities – local resources that are clearly located in the characteristics of natural environment (landscape, soil). The economic dimension of sustainability has been strongly connected to the ecological one as well, mainly in the case of the Integrated Fruit Production. However, various initiatives that formed the strategy of resource management the investigated community were mainly formed by local authorities with only minor involvement from what might be called the local civil society. Therefore, one might sum up that both issues mentioned at the beginning of this paragraph of our report lack a sustainable character. The content of management strategy lacks a fully developed holistic ecological-economic-social character, and at the same time the process of creation of a local management strategy lacks an interactive and citizen-involved character and has been dominated by managerial knowledge of grasping opportunities provided by higher levels of government and self-government institutions. In other words, it lacks the fully developed, three-dimensional content, as well as a creation strategy based on the developed idea of governance.

The situation looks only somewhat better on the regional level in Malopolska. Malopolska Developmental Strategy content might be presented as focusing on ecological problems, economic issues as well as the improvement of human resources. The idea of sustainability has even been mentioned when the economic part of the developmental strategy has been considered. However, one might observe the domination of expert and managerial knowledge resulting from the process of creation of MDS. Various teams of experts have been invited to identify, as well as elaborate upon, the basic aims and projects forming the strategy. Telling the truth, the process of strategy creation has even contained a “social consultation” phase, an idea referred to by Lawrence as multi-level governance. However, the

reality has been quite different. Consultations have been organised mainly as an opportunity for representatives of local (powiat, gmina) authorities to address important (from their point of view) issues. Then, the significance of their opinions has been measured mechanically by the number of communities' inhabitants. Such a type of strategy creation resulted in two important characteristics for the whole strategy, namely, the dominance of managerial knowledge as well as locating strategy priorities mainly in large urban communities. Therefore, we might conclude that, despite its sustainable character according to the content of the regional management strategy, it lacks sustainability during its actual creation process. Moreover, its priorities, located mainly in large urban communities, might have serious difficulties to contribute to sustainable rural development in the region.

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