



Role of formal and informal nonprofit leadership in rural development

**Workshop on combining state and non-state partnership for
effective place leadership
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Background

- **The place-based leadership started playing a crucial role (Sotarauta & Beer, 2017; Sotarauta, Beer, & Gibney, 2017).**
- **However, it concerns only politicians and public sector, or business.**
- **The role of nonprofit leaders active in nonprofit organisations (NPOs) in local development is still an under-researched topic.**

- **Share of power and participation of stakeholders as assistance to the public policy (Stimson, Stough, & Salazar, 2009; van den Berg et al., 2003).**
- **Communication of a vision among stakeholders (Horlings & Padt, 2013; Stough, 2010; van den Berg et al., 2003).**
- **Public policies and networks together with funding (Horlings & Padt, 2013; Johnson & Osborne, 2003; Stough, 2010). They create vital conditions for successful development of places (Sotarauta & Beer, 2017; Stimson et al., 2009; Stough, 2010).**



Local Action Groups (LAGs)

- **The EU policies underline importance of leadership in rural development by local partnerships (Local Action Groups - LAGs).**
- **A bottom up principle for creating multisectoral partnerships represented by local leaders.**
- **LAGs are composed of both public and private organizations.**
- **More than half of the partner organizations must be from private sector (both business and non-profit).**

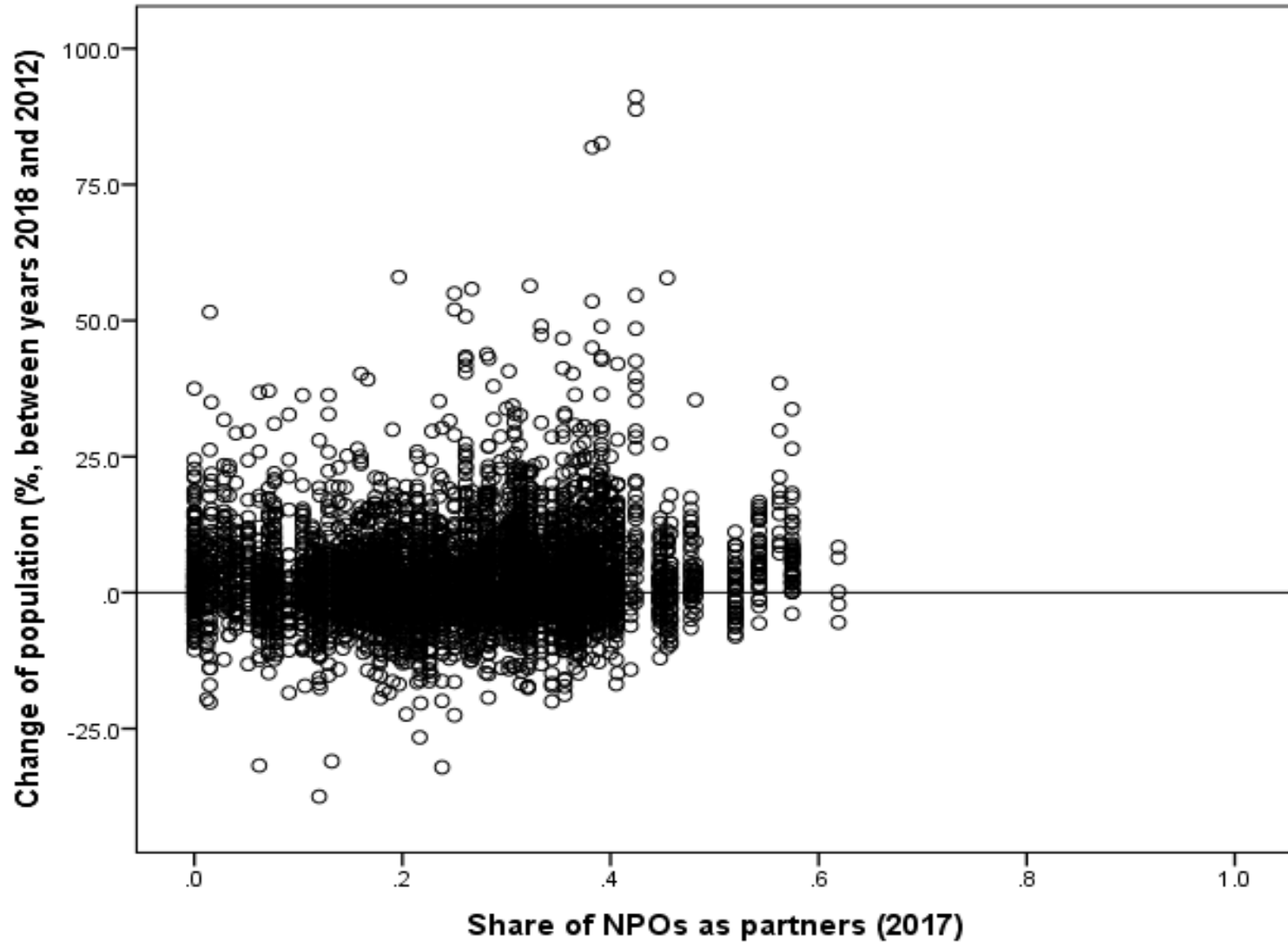


LAGs as a platform for co-production?

- **Good living conditions as a public good they coproduce. It is the political responsibility of municipalities to provide it.**
- **Work in LAGs seems to be an episodic issue, but the leaders work together regularly.**
- **The leaders in LAGs represent the whole local society.**
- **Partnership is less intense than co-production as we can see from other cases (e.g. Integrated urban development plans).**

- **Many LAGs involve NPOs according to their legal status, but set up by the public sector.**
- **High share of public sector's NPOs reflects either non existent NPOs or low willingness of local political leaders to let NPOs to participate.**
- **Do municipalities differ in their popularity to live according to the share of active NPOs? We measure it by 'voting with feet' – change in population size.**

Share of actual NPOs in LAGs





LAGs and Czech municipalities

Population size (inhabitants)	under 500	500 – 2,000	2,001 – 5,000	5,001 – 25,000	More than 25,001	Rural areas	Total
N	3,473	2,098	411	227	44	6,209	6,253
Covered by LAGs	3,253	2,023	392	219	0	5,887	5,887
Total population	838,811	1,984,783	1,246,895	2,340,650	4,104,986	6,411,139	10,516,125
Population in LAGs	789,525	1,913,857	1,190,675	2,243,974	0	6,138,031	6,138,031
Municipalities in LAGs (%)	93.7%	96.4%	95.4%	96.5%	0%	94.8%	94.2%
Rural population in LAGs (%)	94.1%	96.4%	95.5%	95.9%	0%	95.7%	58.4%

- **Czech Statistical Office's information on municipalities between years 2008 and 2018.**
 - a) demographic information on population size, average age of the population, unemployment rate,
 - b) public infrastructure provided – kindergartens, schools, ambulances, hotels, pensions, and
 - c) other information about municipalities - total area, arable land area, number and type of legal persons registered.
- **Czech Statistical Office data on LAGs.**
- **A survey among LAGs on composition of partnerships (the information checked from the database of LAGs).**

- **Variables used in propensity score matching:**
unemployment rate (2011, other variables for the year 2012), arable land (ha), number of registered legal persons, number of classes in childcare centres, number of classes in schools, number of ambulant facilities, number of hotels and motels, number of pensions, number of inhabitants, and average age of inhabitants
- **We get 322 municipalities being active in a LAG and 322 municipalities outside any LAG.**

- **Municipalities in LAGs witness statistically insignificant increase of population between 2012 and 2018. (+0.026%, p-value=0.638, change of population was used as logarithm of the difference).**
- **Municipalities with higher share of NPOs on LAGs witness statistically significant growth of population between years 2012-18 (+1.027%, p-value=0.001 relating to each 1% increase of share of NPOs on partnership in LAG composition).**

- **Place-based leadership does not concern only politicians.**
- **Voluntary dimension is of high importance for success of coproduction.**
- **Share of power and participation of stakeholders – willingness of politicians as crucial input.**
- **Social capital, and networks in combination with public funding enable coproduction of visions.**

- **Imposed participation in the design and implementation of public services without taking into account local circumstances may fail in achieving development plans.**
- **Voluntary engagement and nonprofit leadership in rural development should be added among the requirements for successful place-based leadership.**



Thank you for your attention!

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