

Preparation and implementation of the Programme SAPARD: Who might be winners and losers

Příprava a implementace programu SAPARD: kdo mohou být vítězové a poražení

H. HUDEČKOVÁ, M. LOŠŤÁK

Czech University of Agriculture, Prague, Czech Republic

Abstract: The paper addresses the first experience with the SAPARD Programme in the Czech Republic. Its theoretical background refers to gradualist and shock approaches in coping with social change. These approaches are connected either with theoretical fundamentals of neo-classical economic theories (shock approach and methodological individualism; homo-oeconomicus), or classical sociological theories (institutions, norms and rules, social embeddedness, methodological collectivism and Durkheim's social fact). An empirical section of the paper is based on findings from field work and interviews with the SAPARD shareholders. It shows a sociological analysis of the origin of the SAPARD Plan and compares various measures implemented under the SAPARD Programme to indicate who was the winner (medium-scale businesses and farms understanding the SAPARD as a preparation for EU membership) and loser (and why) in competing for funding related to these measures. Also the issue how the SAPARD projects applicants master their action as for preparing and submitting projects is addressed. The role of social capital in the SAPARD Programme preparation is documented.

Key words: SAPARD, social action, institutions, social change, social capital

Abstrakt: Článek se zabývá prvními zkušenostmi s programem SAPARD v ČR. Ve svých teoretických východiscích odkazuje k šokovému a gradualistickému přístupu při zvládnání sociální změny. Tyto přístupy jsou propojeny buď s teoretickými základy neklasických ekonomických konceptů (šokový přístup a metodologický individualismus, homo oeconomicus), nebo s klasickými sociologickými teoriemi (institute, normy a pravidla, sociální zakořeněnost, metodologický kolektivismus a Durkheimův sociální fakt). Empirická část článku je založena na zjištěních ze zúčastněného pozorování a z rozhovorů s představiteli regionálních agentur SAPARD. Tato část nabízí sociologickou analýzu vzniku Plánu SAPARD a srovnává různá opatření implementovaná v rámci programu SAPARD. Tak je v závěrech naznačeno, kdo byli vítězové (střední podniky chápající SAPARD jako přípravu na vstup do EU) a poražení (a proč) v soutěži o prostředky rozdělované prostřednictvím SAPARDu. V článku je rovněž oslovena otázka, jak žadatelé o podporu z programu SAPARD zvládají své sociální jednání, když předkládají své projekty. Článek rovněž dokumentuje úlohu sociálního kapitálu při přípravě programu SAPARD.

Klíčová slova: SAPARD, sociální jednání, instituce, sociální změna, sociální kapitál

INTRODUCTION

It is generally known that the SAPARD Programme aims to support the efforts of pre-accession countries in their preparation for the Common Agricultural Policy and for entering the EU single agricultural market. This preparation should enable both stakeholders and shareholders to familiarise with practised, experienced and accepted ways of action (i.e. institutions) existing in the EU. It is assumed that acquiring these "rules of the game" will help both stakeholders and shareholders to act in EU institutional frames without big problems. The consequence should be the events and circumstances in the EU will not be for acting people unclear

and therefore making their activities more difficult resulting into big problems.

The following text aims to show how the institutionalised face of the SAPARD Programme originated and was introduced. It will also show how the SAPARD enabled Czech farmers and rural population to master their activities in various circumstances. We will also outline how the SAPARD Programme helped people to learn the way of action after the EU accession. At the same time, we will be interested how far the farmers or rural population in general changed institutional frames given by the SAPARD programme. All mentioned issues will be investigated through the ways how people who are related to the SAPARD Programme perceive and interpret it.

THEORETICAL BACKGROUND

Institutional frameworks created by the SAPARD Programme can be analysed from the sociological point of view as external structures influencing the action of people. However, the people are not only placed in (“jailed in”) structures prescribing them how to act, or regulating their behaviour. The people also create or change these structures to master their action in them. They change the institutional structures to enable their action. Therefore we were interested in this dual connection. We partly modified Putnam’s (1993) reference to Montesquieu who pointed out that at the beginning of a new policy, the leaders form the institutions, while later the institutions form the leaders. Our assumption is broader – not only shareholders (political leaders) but also many other actors (stakeholders) shape various formal or informal institutions, which form the whole institutionalised structure of the society. At the same time, this complicated tissue of various institutions influences the activities of all participating actors. In this dual influence there is no difference between “beginnings” and “later” but mutual influence of institutions and actors is an unceasing process depending on how the institutions allow people to act and to achieve their goals.

In our paper we start from D. North’s (1990) understanding of institutions as the “rules of the game in the society, or more formally, the humanly devised constraints that shape human interaction”. Working with institutions, it is also necessary to investigate how various actors perceive and interpret them. We refer to Weber’s concept of social action, which is related to the meanings ascribed to this action by acting people. If projecting Weber’s understanding of social action into modern concepts of institutional economics, we can say that in a case this action is difficult (i.e. there is not an achievement of understanding of its meanings when orienting our action towards others because the action misses its order secured by institutions), the action indicates high transaction costs. Czech economist L. Mlčoch (1997) shows that economic action is directly linked with meanings (with understanding) we ascribe to this action and therefore also with transaction costs. Those who can create the institutions and exploit them in the way to master their action within these institutions, they can achieve their goals and will become the winners. Those for whom the rules of the game make their action more difficult or those who did not internalise these institutions and who do not understand them (or who understand them as “enemies”) they are not able (or they cannot) to construct them in the way to master their activities within these institutions. Such people will become probably losers in the institutional change. All these is-

sues influence the level of transaction costs in the entire system operation.

There are in a simplified way two ideas (Mlčoch 1997) in creating “the rules of the game” in the relation to their interpretation and action of people. The first is the gradualist idea about the course of the changes. This approach assumes continual minimisation of the anomie of social change. Gradualist approach enables to prepare continually both stakeholders and shareholders for new institutional settings. These already exist in a sort of vision (construction) in advance and are continually re-shaped. This approach corresponds with methodological collectivism. What governs the action originates in “supra-personal” level (exceeds an individual). It is something like Durkheim’s “social fact”. It is assumed that the acquiring and continual understanding (internalisation) of already existing institutions or institutions existing in advance (both are related with certain visions exceeding individuals) will enable individuals to master their action and to cope with changes without big problems. Depending on how far are we efficient in this adaptation¹, we are able to achieve our goals. Continually, we learn how to master the circumstances and our activities. Intangible (non-economic) conditions of society development (like institutions, visions) are more important impetus for the development than economic (tangible) ones.

The gradualist approach is an opposite to a “shock approach.” The latter does not take into the consideration the inertia of existing ways of action and path-dependency. It attempts to overcome the anomie of social change by the speed. Instead of continual adaptation to existing institutions and setting up the new institutions on the old rules of the game, it wants to set up the new institutions regardless history. The assumption is the faster these new institutions are internalised, the more successful we will master our activities in changed conditions. Both shareholders and stakeholders create institutions ad hoc. Because the change makes the circumstances and events unclear, each individual himself/herself makes them clearer in the course of his/her activities in order to be able to act in such changes. The institutions do not exist in advance but they are constructed in the course of action. The premise is that an individual knows the best which settings are the best to act in the most efficient way. Individuals set up the institutions after considering (calculating) all circumstances, which are brought by the change (model homo oeconomicus). This approach corresponds with methodological individualism, which assumes that human behaviour can be explained as the function of only individualistic (personal) and non-social motives of group members.

¹ The efficiency of our adaptation related to our mastery to act (adaptation efficiency) is according to Mlčoch (1997) joined with institutional structure of the society. The institutional structure of society supports or limits the adaptive efficiency, the ability and the willingness of the society to experiment, to search for, to undertake creativity, to be engaged in necessary risks, to learn from the failures and mistakes.

METHODS OF RESEARCH

To achieve the goals outlined above, we used several research techniques. However, not only the goals influenced the selection of the research techniques. They were also conditioned by the very nature of investigated problems (their scope and number of participating actors) and the unfinished research for a while.

To investigate some circumstances of the origin of the SAPARD Programme, we used field-work because we were members of the team involved in ex-ante evaluation of the SAPARD Plan. This plan was one of the three fundamental pillars of the SAPARD Programme.² An empirical investigation of the first experience with the SAPARD Programme implementation as it is viewed by shareholders was done in July-September 2002. During series of structured interviews with directors or other representatives of the SAPARD Regional Agencies in Prague, Ústí nad Labem, České Budějovice, Hradec Králové and Opava³ we investigated these sorts of questions:

- Experience with the preparation of the SAPARD Programme implementation (what types of activities did they implement before the SAPARD Programme actually started; evaluation of these activities by the representatives of the SAPARD regional agencies from the point of view of successes/efficiency in preparing rural stakeholders to the actual implementation of the SAPARD Programme).
- The implementation of the first wave of acceptance and evaluation of the SAPARD projects (number of applications in different measures, reasons of rejecting certain projects, what influences success or non-success (approval) of projects in the application procedure).
- General evaluation of the first wave of the SAPARD projects submitting (shortcomings, positive experience, possible suggestions for the future).

Outlined sorts of questions were used to find general ideas in our field of interest – it means how do the farmers and rural population act in institutional structures (structures given by the SAPARD Programme) and how do these people familiarise with and internalise these structures (i.e. the adaptation to the *Acquis*) in order to master their action in these institutions (a gradualist approach). We also investigated how people change these structures to act within them in an efficient way in a case the structures the action of people less efficient in the sense of achieving their goals (more closely to “shock” approach in coping with the change).

PREPARING THE SAPARD PROGRAMME IN THE CZECH REPUBLIC

In the first half of the 1990s the Czech policy was influenced by proclaimed shock approach. Looking back after 10 years, we can, however, conclude, that this approach was practised only as a verbal slogan. Nevertheless, government discourse lacked the space for the thoughts about setting up the institutions in advance and about preparation of some policies, or national plans. Speaking in rather simplified way, it was assumed the individuals would act according to prescription of the model of homo oeconomicus. This approach towards the change of the society was based on the model of an individual who searches for optimal satisfaction of his/her needs through the use of the lowest amount of means. Such a person is universal, s/he lives in contemporary time (without memories and foreseeing, without social embeddedness and path-dependency), s/he is atomised and isolated from others (social nature of human action is missing), s/he is free in his/her decision making (therefore s/he cannot be under constraints, commitments of any “supra-personal” social facts similar to prescribed institutions or various policies). The idea about the action (moreover about an economic action) as about social action, socially situated and socially constructed action (see Swedberg and Granovetter 1992) is missing in this model.

Although the preparation of the SAPARD Programme starts in 1999, previous emphasising of the advantages of “invisible hand of the market”, of homo economicus model, neglecting institutions as the rules of the game, denying their gradual creation, shift from the past and disembedding a man/woman from social relations were reflected in the SAPARD Programme preparation. Although the ex-ante appraisal of the SAPARD Plan was to be done in mutual interactions with those who prepare this plan, our interactions as ex-ante evaluators were minimal at the beginning. They mostly ended in supplying us with a sort of unsystematically elaborated electronic versions of this plan, which were typical by different quality and different level of elaboration. We were only asked, “to do something with this material what is usually done in such a case”⁴. This is as there would exist an idea among the responsible actors that the “invisible hand of the market” will solve everything. This approach, however, was probably in the contradiction with the ideas embedded into the SAPARD Programme creation by Brussels administration. The creation should copy in EU established ways of preparing similar materi-

² The SAPARD Programme was established according to Council Regulation (EC) No 1268/1999 of 21 June 1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period.

³ Due to working load, which did not enable us to combine the research with teaching, the interviews in Brno and Olomouc were not implemented.

⁴ The same situation was during the preparation of the National Development Plan for the Czech Republic. Its elaboration was culpable underestimated by responsible Czech authorities. All assumed it is a sort of a study or a report which is formally requested by the EU (Šeich 2003).

als. In these ways there is also mutual and continual interaction of those who prepare the plan and those who evaluate it. This interaction should help to ameliorate the plan before it is finalised.

The SAPARD Programme has two main, explicitly formulated operational goals which are directly related to the measures. These goals implicitly include the idea about gradualist coping with social change which is assumed to be an outcome of the EU accession. The goals are:

- To help to solve the priorities and specific problems in agriculture and rural development in the pre-accession countries. In the other words, the solution of priorities and particular problems of long-term adjustment of agriculture and the countryside in pre-accession countries to EU countries is concerned. The projects implemented are to be used to solve the priorities in agriculture and rural development defined by each pre-accession country.
- To contribute to the implementation of these *Acquis Communautaire*, which are related to the Common Agricultural Policy and other EU priorities in agriculture. In the other words, the support of *Acquis Communautaire* in the CAP is concerned. Participating in the projects under the SAPARD, the actors of rural life should be better trained for the future mastery of their action within the frames of the CAP.

The Czech SAPARD Plan, which is the fundament for the SAPARD Programme implementation in the Czech Republic, defines these three priorities. They are detailed in the measures (listed in Table 1 below):

Priority 1: Improving competitiveness of agriculture

Priority 2: Sustainable development of the rural areas

Priority 3: Preparing the conditions for the full use of the SAPARD Programme.

Albeit the background of the SAPARD Programme is of gradualist nature, its preparation in the Czech Republic was rather closer to the shock approach. For instance, SAPARD Plan was delivered to its ex-ante evaluators, as outlined above, in non-systematic and non-structured forms. At the beginning, the form of evaluated materials did not correspond with the structure requested by the EU. That is probably why the sections of the SAPARD Plan were not mutually interconnected. Looking back now, we can say that both those who prepared the plan and its ex-ante evaluators experienced the situation of a strong anomie. In fact, nobody knew what to do because experienced ways of action in Czechia in preparing such documents did not correspond with the “rules of game” used in the EU. Therefore, for instance, those who prepared the SAPARD Plan did not at the beginning come with any quantitative (moreover with qualitative) indicators of how to measure the impacts of particular measures and projects related to them. The clear rules of the game were missing and therefore it was difficult to adjust the behaviour to such rules. They emerged only as the evaluators and those who prepared the SAPARD Plan be-

come more and more familiar with the EU requirements. It was the way, in which they started to introduce into the Czech milieu the institutionalised ways of preparing these plans based on experienced and used practices in EU. That is how it was possible to “highlight the road” for successful preparation of the SAPARD Plan.

The process of preparing the SAPARD Plan suffered at the beginning (what is usually common for newly introduced practices) by insufficient co-ordination. It was furthermore supported by the participation of two ministries (Ministry of Agriculture and Ministry of Regional Development), each with its own ideas and intentions. Their various ideas and intentions were rooted in rural development issues. These issues have been administered through the Ministry of Regional Development since their beginning because they were generally understood as a part of regional development. However, the EU CAP places rural development into the agenda of DG Agri (i.e. Ministry of Agriculture in Czechia) instead of DG Regio (Ministry of Regional Development).

Speaking about activities, which were co-ordinated with difficulties at the beginning of the SAPARD Plan preparation, it is obvious that the co-activities of both ministries were not properly moderated. It resulted in problems in interactions of many other actors participating in the SAPARD Plan preparation. Referring to V. Bělohradský (2002), we can say unclear events emerging from newly introduced and inexperienced institutions require the co-ordination done through high level of social capital. It was, however, missing (probably because of the development prior and immediately after 1989 outlined above)⁵. The co-ordination of activities using social capital can be achieved in two ways. Either it can be done through social capital related to an individual. This social capital is based on symbolic characterizations of individual's social position and on the network of supporters. A person can mobilise them to co-ordinate the activities (social capital in understanding of P. Bourdieu /1986/). Or it can be done through social capital of collective entity, when its functioning assumes setting up mutual equal relations of trust, commonly shared norms and experienced practices for better co-ordination of activities (social capital in understanding of R. Putnam /1993/). The first form of social capital was not in the moment of SAPARD Plan preparation applied enough and the second one was not strong enough in the field of acting persons. As the time was going on, there was more obvious both the better application of the first form of social capital and the increase of the second one. The later has its crucial place, as R. Putnam (1993) shows, in effectively operating social and economic systems. Through continual institutionalisation of implemented activities, the social capital in the understandings of both R. Putnam and P. Bourdieu was supported. The process of the SAPARD Plan preparation got the features of efficiently mastered operations.

⁵ More about social capital and its influence on human activities related to the Czech countryside and agriculture see Chloupková and Bjørnskov (2002), Hudečková and Lošťák (2003).

Lack of co-ordination, lack of knowledge and inexperience in the new institutions together with low social capital were the reasons why many of those who prepared the SAPARD Plan did not know what are they expected to submit. The events accompanying the preparation of the SAPARD Plan were anomic. An attempt to overcome this anomie was of shock type – to set up very fast such rules, which will somehow enable to act with a goal to submit the SAPARD Plan as soon as possible. Only after finding that the rules of the game already exist, they are practised in the EU and their observation is requested from the Czech bodies, a shift toward gradualist approach started. The last continually refined the anomie, supported social capital, and actors started to learn how to act in changed conditions.

Another reflection of the shock approach is found in often-neglected social aspects of the life in the countryside. Moreover, in the first version of the plan the very rural people were missing and therefore their actions and institutions created in this action were not addressed enough. Although evaluated versions of the SAPARD Plan have already referred to social capital in R. Putnam's understanding and outlined the importance of institutions in general⁶, this theoretical background was not reflected in concrete approaches. Therefore another of our comments says that the SAPARD Plan does *not pay enough attention to the rural life in the form of rural NGOs (voluntary association, initiatives) and voluntary actions (which might be easily quantified as for their number). It is surprising, because they are the holders of local culture and of rural and regional cultural and other activities. Through these activities, they participate in maintaining cultural heritage, which helps to develop rural tourism. We also miss the notions about the role of local leaders who give the birth to local communities in their activities. They are able to help to activate local human potential, they are able to help people in rural communities to solve their everyday problems, for instance through informal advisory services based on "neighbourhood help" (possible to quantify according to the number of various certified advisors in rural areas).* The SAPARD Plan also did not emphasise the rural/regional identity, albeit it is considered as one of the sources of the integrated endogenous rural development model (Jehle 1998, Lowe 2001). *The regional/rural identity is outlined in the SWOT analysis as a strong element of agriculture and food-industry in relation to the well known regional products. However, we can also observe and document regional identity concerning non-economic aspects of the life in social surveys. It should be done in order to support non-economic activities through assisting the projects of rural newspapers and journals, publications, local TV or radio broadcasting etc. There are also the possibilities of quantification, for example,*

the number of publications or regional (rural) broadcasting. In the ex-post SAPARD Programme evaluation, it would be possible to measure how inputs covering these activities influence outcomes (e.g. the change in the number of regional broadcasting or publication), results (e.g. level of information of local people about local events with an aim to attract them to participate in rural development), and impacts (e.g. the support of sustainable development of rural areas through the participation of rural inhabitants – for instance in the number of organised cultural events and their tangible contribution to the renewal of a community).

The final outlook of the SAPARD Plan is very interesting from the point of view of goals of this paper. We have in mind the comparison of the measures defined by Council Regulation 1268/1999 and the actual measures existing in the Czech SAPARD Plan (see Table 1).

The Czech Republic got certain freedom in the frame of measures defined by Council Regulation. The freedom was manifested in modification or omitting certain measures. Therefore it is not possible to say that the EU dictates all issues in a bureaucratic way. The rules of the game in preparing the content of the measures in the SAPARD Plan are not normative-controlling (rules are strictly defined and prescribed; they look like to be completely independent on people; the norms strongly prescribe us what do we have to do; easy control). The rules of the game are more of "agreed in the game" nature (there exist the frames which are created by us; these frames enable us to act; these institutions set up broader context through agreed frames of the game and their nature is close to Giddens' structuration theory)⁷.

The Czech measures do not contain the protection and conservation of rural heritage, setting up farm relief and farm management services, setting up producer groups, establishment and updating of land register, agricultural water management, and the whole area of forestry. These facts suggest the EU is not a strict "prescriber" of an action. Institutions as the rules of game are rather negotiated in the game to enable mastering action to majority of participants. On the other side, the measures incorporated into the Czech SAPARD Plan show the orientation of the Czech ideas about rural development and agriculture. They are of technocratic nature. They do not refer to the protection and conservation of rural heritage or to strengthening social capital through specific social networks whose important elements can be co-operating farming organizations and various groups of producers. Those who prepared the SAPARD Plan were not sensitive enough towards these issues. Their economising and technocratic-urbanising world view (the way how they understand and interpret the world) does not probably consider these issues as important, although ex-ante evaluators (and even EU consultants) required them⁸.

⁶ Somebody who participated in SAPARD Plan preparation under Phare twinning project wrote this section probably.

⁷ The outlined division of the types of institutions is based on ideas of J. Kabele (Kabele 1998).

⁸ To be fair, we have to say that the issues omitted in the SAPARD Plan are the part of other measures and programmes implemented both my Ministry of Agriculture and Ministry of Regional Development.

Table 1. An outline of SAPARD Programme measures

Measures defined by Council regulation 1268/1999	Measures existing in the Czech SAPARD plan ¹
Investments in agricultural holdings	Investments in agricultural holdings
Improving the processing and marketing of agricultural and fishery products	Improving the processing and marketing of agricultural and fishery products
Improving the structures for quality, veterinary and plant-health controls, for the quality of food-stuff and consumer protection	<i>Improving the structures for quality control, for the quality of foodstuffs and for consumer protection</i>
Agricultural protection methods designed to protect the environment and maintain the countryside	Agricultural protection methods designed to protect the environment and maintain the countryside
Development and diversification of economic activities, providing for multiple activities and alternative income	Development and diversification of economic activities, providing for multiple activities and alternative income
Setting up farm relief and farm management services	none
Setting up producers group	none
Renovation and development of villages and the protection and conservation of the rural heritage	<i>Renovation and development of villages and the rural infrastructure</i>
Land improvement and re-parcelling	Land improvement and re-parcelling
Establishment and updating of land registers	none
Improvement of vocational training	Improvement of vocational training
Development and improvement of rural infrastructures	<i>Renovation and development of villages and the rural infrastructure</i>
Agricultural water resource management	none
Forestry, including afforestation of agricultural areas, investments in forest holdings owned by private forest owners and processing and marketing of forestry products	none
Technical assistance for the measures covered by regulation 1268/1999 including studies to assist with the preparation and monitoring of the programme, information and publicity campaign	Technical assistance, studies to assist preparation and monitoring, information and publicity campaigns

¹If the Czech measures partly differ from Council Regulation 1268/1999, they are written in *Italics*. Those measures which are not listed in the Czech SAPARD plan are labelled **none**

Most of the measures in the SAPARD Programme are similar to those existing in the EU Rural Development Regulations. Those who are not in RDR concern improvement of the food quality, veterinary and plant control, setting up producers groups, establishment and updating land registers. The emphasis on measures, which are not part of RDRs, suggests these measures aim to help pre-accession countries to minimise anomie in the moment when they will start to participate in single EU market and in the CAP. The pre-accession countries should continually familiarise with the actions in the frames of the CAP.

THE IMPLEMENTATION OF THE FIRST WAVE OF THE SAPARD PROGRAMME

Since the research was implemented in the summer of 2002, it includes only the experiences and findings relat-

ed to the first wave of submitting the SAPARD projects. This wave started on April 15, 2002 with the deadline on May 15, 2002. In total, 882 projects applications were submitted. They were subjected to established procedures concerning their evaluation. From the point of view of the time of submitting the applications, there were differences between various NUTS II regions. The regions mostly indicated relatively continual process of submitting the applications during entire the period of the first wave with the exception of NUTS II Central Bohemia and Prague. These two regions (in fact one because in Prague, there was only one SAPARD project submitted) faced the greatest "attack" of those who submitted their projects very close to the deadline.⁹ The experience suggests that an early project submitting enables such a communication between an applicant and the expert from the SAPARD Regional Agency, which can result in elimination of some shortcomings and failures in the project application

⁹ This fact probably partly influenced the "success" of the projects. Out of 882 projects submitted to all Czech SAPARD regional

procedure that would cause the rejection of the project at regional level. The percentage of the SAPARD projects applications rejected by the SAPARD Regional Agencies existing in NUTS II regions was 12%. On the other hand, we cannot confirm “the last moment projects”(submitted very close to the deadline) are mostly of low quality.

Looking from the regional point of view, rather in the region with higher urban agglomeration influence (Central Bohemia and Prague) the farmers and other rural stakeholders master to act in the time constrains. On the other hand, people in more rural regions act in the situation of coping with new issues using longer time reserve. They act more circumspectly considering the social value of time. Speaking about time constrains in the first wave of submitting the SAPARD projects we can conclude that rural stakeholders acted in this structure of institutions in the accordance with their previously experienced and practised ways of action. We found an evidence of a path-dependence principle here. Setting up the deadline was not anything new for them. The higher “last moment attack” of applications was more problematic for the people working in the SAPARD Regional Agencies. They were limited both by time constrains and by the number of the employees available. What would make easier the action of those who submit the projects and those who administer them is the work with the projects during certain time before actual period announced as a call for projects starts. Such work should be done in collaboration with the SAPARD regional agency employees. It is the gradualist preparation of the projects, which is already common in regional agencies and can be found there in different scope. Such work will certainly stop wrong project preparation due to which some projects had been rejected already at regional level – projects did not comply with the SAPARD projects requirements (more concrete: mismatching the SAPARD Programme goals, shortcomings in required documents, declared financial situation of an applicant was not trustful).

Regional Selection Sub-committees (RSS) considered the projects, which were submitted to these sub-committees by the SAPARD Regional Agencies for the next procedures in project evaluation but not yet to national level. The most frequent reasons for rejecting the project by RSS were: projects did not meet the required time terms; projects were not controlled enough by competent bodies in meeting formal requirements (especially the annexes, attachments, which are the documents of state or public administration bodies related to the project – like the community council agreement with the construction etc.). These shortcomings were more observed in the projects under the governance of the Ministry of Region-

al Development (i.e. the measures under the Priority 2). Speaking about institutions, action and adaptation to newly established institutional frames we can conclude that these shortcomings are typical by non-carefulness and by non-taking into account the saying: “What is required should be met”. It was found both among the shareholders (workers in the SAPARD agencies who blame the EU or Czech central bodies in changing rules) and stakeholders (project applicants who blame the SAPARD agencies for changing the rules without any information). However, the rules do exist in the EU at least from 1999. What is missing (at least in the first wave of projects submitting), it is detailed familiarity with these rules and their understanding among the Czech actors. In a case of missing internalisation, these rules could be considered as “unfair” and therefore they can increase transaction costs. Actors often internalise these rules through the way of failures and mistakes but not in systematic way. It copies the situation in preparation of the SAPARD Plan. Questions like “what the hell Brussels wants from us” are obvious among those who are concerned.

Speaking about national level of projects evaluation, other 40% of submitted projects were rejected by the National Selection Committee (NSC). Finally there were approved 465 projects in the first wave of the SAPARD Programme in the Czech Republic, i.e. 53% from the projects listed at the beginning. The reasons of rejection at national level unambiguously pointed to the issues of financing. It means either the conditions of financing were unclear (e.g. unclear collateral or bank agreement) or the financial requests of the project were not possible to be met in the frames of the SAPARD Programme because the national SAPARD Agency set up an informal rule to support more small- and middle-scale projects instead of a few large-scale projects. The reason of such approach was to attract more applicants to the SAPARD and to satisfy them. Probably some projects were rejected unjustly. It is because delayed start of the SAPARD Programme implementation (year 2002 instead of 2000) resulted in flurried decision making of national shareholders to meet the deadlines. In this sense we can hypothetically say they were probably the applicants who master and cope with (often with the assistance of the SAPARD regional agencies) the events, which were unknown for them so far, in better way than the SAPARD administration and project evaluators at national level.

As for the structure of projects in the priorities and measures, we found a significant gap between so-called agricultural projects (Priority 1 in the administration of the Ministry of Agriculture) and so-called rural projects (Priority 2 in the administration of the Ministry of Regional Development).¹⁰ The Table 2 documents this gap.

agencies, 771 projects were submitted by these regional agencies to the Director General of the SAPARD Agency. Finally, National Selection Committee (NSC) approved 465 SAPARD projects, which were signed by the Director General of the SAPARD Agency in June 26, 2002. It was 53% out of submitted projects. The ratio of approval for Prague and Central Bohemia was only 45%.

¹⁰ Measures agricultural protection methods designed to protect the environment and maintain the countryside, and improvement of vocational training were not accredited for the first wave of the SAPARD program.

Table 2. SAPARD Programme measures and projects in priority 1 and priority 2 (the first wave)

Title of measure	Projects submitted to NSC (number)	Projects approved by NSC (number)	% of project satisfaction (% of approved projects)	Total money required in projects (in mil CZK)	Financial limit for projects (in mil CZK)
1.1 Investment into agricultural holdings	108	108	100.0	289.2	290.6
1.2 Improving the processing and marketing of agricultural products	66	66	100.0	230.3	296.0
1.3 Improving the structures for food control, food quality, and consumer protection	16	16	100.0	19.95	170.85
1.4 Land improvement and reparation	184	168	91.3	401.2	380.0
2.1 Renewal and development of villages and of rural infrastructure	302	68	22.5	1 197.4	405.0
2.2 Development and diversification of economic activities	95	39	41.1	317.3	168.9

Notes: NSC – National Selection Committee; • 1 = CZK 30.5 (January 2003)

Significant disproportion raises many questions. Does this situation mean that farmers orient themselves better in the frames given by the SAPARD Programme and master their action in these frames (because their projects were almost all approved). Or does this situation mean something quite opposite (rural non-farming people master their action better because they submitted much more projects than farmers)? For whom are the institutional structures given by the SAPARD Programme better tailored?

Based on completed investigation, we can say, that some of the reasons of disproportion outlined above are found in the circumstances of projects preparation:

- The SAPARD Regional Agencies continue a traditional field of operation of Regional Offices of the Ministry of Agriculture. They paid relatively great attention to the preparation of projects for the SAPARD Programme. Farmers could be well trained for the project submitting (as a paradox we can refer to some cases when the farmers assumed the SAPARD Regional Agencies elaborate the projects for them)¹¹.
- The Ministry of Regional Development is experienced in the Programme of Rural Renewal and in the programme Test. We might assume that this experience shadowed some requirements concerning the elaboration of projects for the SAPARD. It is because meeting these requirements is strongly asked and their lack is reflected in lower evaluation (or rejection) of the project. The projects in the Priority 2 are generally considered as being of lower quality compared to “agricultural” projects. Moreover, their evaluation at re-

gional level was not such careful as it was done in the projects under Priority 1.

The other reasons of the gap between rural development and agricultural projects concern the acute need of projects submitting and implementing:

- The farmers have to implement their projects as fast as possible in the practice. It is because of their economic interest. Because the implementation of the SAPARD was postponed from 2000 into 2002, they were forced to search for other resources how to support their projects since they were ready in the papers.
- The municipalities as the main representatives of “rural development” projects are not constrained by the necessity of an immediate implementation of the projects. Therefore they could submit more projects. This approach was probably also reflected in the higher percentage of projects, which were not approved.

During our research, we also found an interesting issue, especially for sociologists and more general for those who educate the workers in these agencies. Often we heard complains how difficult it is to find an unbiased quantification for general usefulness of the project, especially as for defining social and cultural (sometime even ecological) impacts of the projects. The project regional evaluators elaborated for indicators of social and cultural impacts the term “social internal return ratio”. Because they are mostly economists or technicians, they consider this indicator as very difficult to be found and measured. It is difficult for them to find social impacts of the projects related, for instance, to building the sewerage system in the municipality because they are missing any guidance helping

¹¹ It is necessary to point out the negative experience with the SAPARD consultants who were not related to the SAPARD Agency. They were skilled in the SAPARD version from 1999 but they were not familiar with the new “face” of the SAPARD Programme in 2000 and on. Today they get the relevant information on the meetings organised by the SAPARD Agency. This agency provides both contemporary information and the experience in project’s work out.

them to indicate what to measure. That is why the only one indicator they found and used is the number of new jobs created by project. However it shows the life in the countryside in a very simple form.

Until now we considered the implementation of the first wave of the SAPARD Programme from the point of view of mastery of action in institutional settings created by this programme. Now we will look how the implementation and the SAPARD Programme is interpreted by its participants. The most frequent complain we found among the shareholders concerns permanent delays and changes of the rules guiding the implementation of the SAPARD Programme. The guilt is found either in the EU or in the Czech central administration bodies. Often bureaucratic approaches or eventually non-professional capacity are mentioned to exist in bodies considered to be guilty. Because of delays and changes, the time necessary for project preparation and evaluation was shortened. It decreased possible better quality of projects in their preparation and evaluation. As the outcome of these criticised issues, there were shortcomings in information about preparation and implementation of projects. It concerns above all the issue of financing the projects, which were submitted by municipalities.

The other criticism concerns preferences of larger businesses in the chances to get the SAPARD support. The preferences concern their (i) professional facilities for finding and processing necessary information about the SAPARD, (ii) their financial background to pay for project elaboration done by the best companies, (iii) established criteria which are guiding the project elaboration and requiring project appendixes, and also the criteria which are used to evaluate the project. On the other hand, for instance the representatives of large-scale processing companies complain that the SAPARD Programme is tailored only for the small scale processors because the large scale ones need big investments which cannot be covered by SAPARD (we heard the sentence from large-scale food processors: "I need to invest 100 million Czech koruna into processing facilities but maximum I can get from the SAPARD is 30 million"). These examples suggest that both small-scale and large-scale businesses do not consider the SAPARD as entirely fair. But they accept the fact that the SAPARD teaches them how to act within the EU. We might say the main winners in the frames of the SAPARD Programme would be rather middle-size businesses (at least in the food processing industry where we have already completed our research).

Interviewed representatives of the SAPARD Regional Agencies consider in very negative way lobbying of the large businesses (large producers, large processors) and of some municipalities. They cast their size into power and therefore they sometime look over the regional agencies with certain power they have. Instead of social capital in Putnam's understanding to increase the efficiency of an entire system, to achieve the success a social capital in Bourdieu's sense is used.

We also have to mention the criticism concerning the organisation of the SAPARD Programme in Czechia.

Within the regional level, only the project administration is done. The decision about the projects is done at the national level. Therefore, we often heard the thoughts about transferring certain competencies to consider the necessity of project implementation by those who know local conditions and who can consider them in the frame of given region.

Last but not least, we have to mention the disproportion between the number of submitted and approved applications according to the orientation of the projects (according to measures and sub-measures) and in the relation to the division of financial limits for various measures and sub-measures. These issues, which have been already discussed in this text, also influence the interpretation of the SAPARD Programme as fair/unfair and they also influence the action in institutional frames created by this programme.

CONCLUSIONS

Our findings document that the SAPARD Programme aims at training rural stakeholders and shareholders how to act in the institutional frames existing in the EU. It is done in relation to solving problems existing in the countryside and agriculture, which emerge in the accession process. Those who understood the SAPARD in such a way might become winners after accession into the EU. It is because they will be, at least partly, ready to various activities implemented in the EU institutional frames. Those who assumed the SAPARD Programme is only about large financial assistance and everybody who asks will be supported did not understand the mission of this programme. That is why they acted with difficulties. Misinterpretation of institutions made circumstances of their action unclear with all consequences in high transaction costs.

The SAPARD Programme aimed more to support agriculture and related industries (mostly medium-size businesses) but less to support rural development as the second pillar of the CAP. We were not able to find out in our research why there was the division of money in proportion roughly 1/3 to rural development and 2/3 to agriculture. In other countries, this division differed and therefore it was not strictly required from Brussels. Therefore, we can only guess this proportion reflects pressures and various power of two ministries involved in the Czech SAPARD. If this hypothesis is correct, we can assume that despite the proclamations, in next years agriculture and related industries will get more money from EU funds than rural development with its social and cultural renewal (i.e. what the French/Kayser 1990/ label as rural renaissance). It reflects the conditions agreed in December 2002 in Copenhagen for new EU members. Economising and technocratic approach takes over social-cultural and humanising approach, which puts a man/women the first in the development activities.

When investigating the preparation of the SAPARD Programme, very interesting issue is the role of social

capital. The higher its level, the more successful to co-ordinate the activities of people who know what to achieve. The high level of social capital in both its understandings (their applications depends on the context where particular social capital is to be applied) significantly helps to change experienced ways of implemented activities. To change the activities in the case of the SAPARD Programme, it was important the penetration of the "spirit of Europe", which introduced newly commonly (in the European space) shared "rules of the game" and strengthened the trust in combination with the work of respected persons who know the experienced ways of action in the EU and attract other experts to change the ways of action.

The implementation of the SAPARD Programme differs from other pre-accession programmes like ISPA or Phare. The frames created by the SAPARD give much more decision-making power and responsibilities to the pre-accession countries. It is the issue these countries were not accustomed to in the past. These countries are challenged by new responsibilities, which also mean new requirements as for the action of both stakeholders and shareholders. National SAPARD Agencies are responsible for selecting the projects, their management, financing agreements and they monitor the realisation of the projects. To comply with these responsibilities national SAPARD Agencies established and use regional the SAPARD agencies. However, the question is, whether the organisation is really fully decentralised, or whether regional agencies should not have more rights in the implementing the SAPARD Programme.

Achieving the new institutional form of support for rural development and agriculture corresponding with experienced practices in the EU started in Czechia through a shock approach. It was later transferred into gradualist approach. If the procedures were not highlighted enough at the beginning and if there existed low level of social capital or it was not properly used to co-ordinate the activities, the actions of all participants were of higher transaction costs. Continual institutionalisation (even through blunders and mistakes) decreased these costs and the circumstances became clearer. Today, many of those who participated in the SAPARD are not afraid of so-called the Brussels bureaucracy, although they criticise the number and difficulty of the forms they have to fill in to ask for the SAPARD funding. On the other hand they know what has to be done to receive the support. Such people can be the winners in the process of the Czech agriculture and countryside transformation.

Therefore, economic and technologic shape of agriculture and the countryside is not solely decisive for a success. Also the skills and mastery of people and social capital are important. However, this fact is not fully taken into account in dominating political discourse. This discourse is reflected in approaches to rural development and agriculture when economising and technological issues prevail over the orientation toward blood and bones people.

REFERENCES

- Bělohorský V. (2002): Malý příruční slovník globalizace: deset hesel k porozumění a obraně. Salon. Literární příloha Práva, 14. září, s. 1–3.
- Bourdieu P. (1986): The Forms of Social Capital. In: Handbook of Theory and Research of the Sociology of Education (ed. G. Richardson): 241–258. New York, Greenwood Press.
- Chloupková J., Bjørnskov Ch. (2002): Could Social Capital Help Czech Agriculture? *Agricultural Economics*, 48 (6): 245–249.
- Jehle R. (1998): Pojetí endogenního rurálního rozvoje a jeho zavádění do regionální politiky v České republice. *Zemědělská ekonomika*, 44 (1): 9–17.
- Hudečková H., Lošťák M. (2003): Social Capital in the Change of the Czech Agriculture. *Agricultural Economics – Czech*, 49 (7): 301–309.
- Kabele J. (1998): Přerody (Principy sociálního konstruování). Praha, Karolinum.
- Kayser B. (1990): La renaissance rurale (Sociologie des campagnes du monde occidental). Paris, Armand Colin.
- Lowe P. (2000): The Challenges for Rural development in Europe. In: Conference Proceedings (5th European Conference on Higher Agricultural Education): "From Production Agriculture to Rural Development: 19–31. September 10–13, 2000 Seale-Hayne Faculty, University of Plymouth.
- North D.C. (1990): Institutions, Institutional Change and Economic Performance. Cambridge University Press.
- Mlčoch L. (1997): Zastřená vize ekonomické transformace (Česká ekonomika mezi minulostí a budoucností. Institucionální pohled). Praha, Karolinum.
- Putnam P. (1993): Making Democracy Work: Civic Tradition in Modern Italy. New Jersey: Princeton University Press.
- Swedberg R., Granovetter M. (1992): Introduction. In: The Sociology of Economic Life (eds. Granovetter M., Swedberg R.): 1–26, Westview Press.
- Šeich D. (2003): Budou peníze z EU? *Ekonom*, 48 (30): 6.

Arrived on 16th October 2003

Contact address:

Doc. Mgr. Helena Hudečková, CSc., PhDr. Michal Lošťák, PhD., Česká zemědělská univerzita v Praze, Kamýcká 129, 165 21 Praha 6-Suchbát, Česká republika
tel. +420 224 382 310 (311), e-mail: lostak@pef.czu.cz
