

Dilemmas of the Integrated and Non- integrated Regional and Rural Development Strategies

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Abstract: The classifications of the development strategies are plenteous. The development could be based on endogenous vs. exogenous approach, top-down vs. bottom-up approach, forced vs. voluntary approach and integrated vs. non-integrated approach. This paper is about the integrated vs. non-integrated approach. We pointed up the positive and negative sides of these two approaches. Nowadays the integrated approaches are becoming more relevant than before. To understand the mechanism of the Regional and Rural Development it is crucial to analyze the structure of these systems. The effects of the non-integrated approach could create an unbalanced development in the Local and Region level as well. In our point of view the integrated approaches could help to conceptualize the development programs in the future in sustainable way.

Key words: Social systems, Non-integrated development, Integrated development, System approach, Regional and Rural Development

Introduction

The entire world is struggling with the matter of sustainable development. The scientists the philosophers the policy makers would like to find the best formula for the everlasting growing. The next study is based on a qualitative research. During the observation different theories have been used and tried out. This thesis introduces each models and the combined implemented example of them and concentrates on the organic –eco friendly, bio, traditional, indigenous- primer production. We can see a brilliant example of the integration of these activities to the local, national and end of the day of the World economy.

Without the participation of the disadvantages communities the economical growth is in threat. The less development countries cannot be a real competitor in the World market if they do not use the eco potential of the poor people.

Different studies and researches attempt to describe the best way of the development. The sustainability in the allocation and distribution of the resources are always core problem between the developed and the less developed countries. Most of the times, the developed countries are criticized that they do not care of the poor part of the World. They do not care the poverty and that the Bottom of the Pyramid is starving. Perhaps the well developed countries do pay attention to solve the inequality; only their developing methodology is not correct. With the experience in developing countries, this paper gives a possible methodology how to look at the development in a developing country.

The study is useful for the consultants and developing agencies whose target areas are the developing countries. This report gives them a new perspective and it also answers many question what they have faced in the past. The second group of people who can use this study are the student who want to understand deeper the behavior of the developing countries as abundant subsystems.

The main theory, which guides this thesis, is the General System Theory. The action research approach is combination of the field research and the desk research in parallel. It has started by understanding and analyzing the theories, which was the first essential step to set up the research process.

The development is always a crucial issue in all of the countries. The way of the development should contain a long term strategy and we have to know that where we are going to with our implemented plans. We have to pose the question to ourselves: “*Where are you going to*”. The reaction of our interaction is also a very important factor. To reach the successful development the Meta cognition is required before any plan implementation. If we want to understand the future we have to analyze the past because in the past the potential of the future is hiding.

The similarities between these countries are not obvious but if we go in deep the same problems can be found: “How can we create a sustainable developing strategies, which can be adapted all around the World?”. Of course each country has an own world and the physical characteristics are different but it has to be a general moral –formula-, which is perennial. The aim is that based on this concrete study to establish this true equilibrium. It sounds paradox that the equilibrium and the growth in the same time, but it is not. If we see the world as a whole close system, which contains thousands and thousands open system the true equilibrium can be only reached if the sub open systems reach the stability.

The World is between the stage of well developed and less developed countries. It is a big challenge to develop and try out a developing theories. We can find the “new and old” World in the same time.

The “*avoid strategy*”, which means we can stay away from the “mistakes” what the well developed countries have done already. “*We do not have to break our bones if we know that the bones are breakable*”. But we have to be very awarded with this approach otherwise

we can easily “rape” a culture or society. The avoid strategy means if we have learnt from the mistakes of the past we should not implement them again in the different part of the world. The less developed countries has a fortune that they have not started to implement all of the policies what the western countries have tried already and have realized which indicators could generate problems. We have to evaluate these indicators and reconstruct the *new developing strategies* and then the less developed countries can avoid the wrong decisions.

There are several streams of the development, which could be based on endogenous vs. exogenous approach, top-down vs. bottom-up approach, forced vs. voluntary approach and integrated vs. non-integrated approach. If we want to develop a whole country all of the approaches are necessary. In this paper is about the integrated vs. non-integrated approach, we will concentrate on mainly of two of these up approaches. In different phases of the development we should use each tools, the harmony between the approaches is required.

Discussion about the importance of the System Theory and its impacts of the development theories

General System Theory

Before we start the discussion of the integrated and non- integrated development it is crucial to describe the System Theory. In our opinion to analyze a development strategy without understanding the system elements could be failed. That is the reason that we start our discussion with the General System Theory.

To think in system does not mean to live in a box. Different studies and researches attempt to describe the best way of the development. The sustainability in the allocation and distribution of the resources are always core problem between the developed and the less developed countries. Some people like creating an own system and individual way how to look at, observe the World the Universe. As developers we also need to create our system – frame-, if we want to generate something different. Without understanding the roles and the rules of the environment our impact can really easily influence our target in wrong way. The interaction can cause unchangeable manipulation, which could be worst if it had not done anything. The sensitivity of the human being systems is obvious.

The social sciences use several times the other sciences' terminologies. The sociology used to be called as the social physics. This result is the pleasure of the nature sciences. The results of the physics and the biology always have been used and adapted in other sciences terminology¹.

The System Theory grew up from the biology, psychology and oology strongly interlinking with the Cybernetic. Plentiful scientist had been thinking of the System theory like: A. N. WHITEHEAD, P. A. WEISS, KENNETH BOULDING, A. RAPOPORT, KENNETH BOULDING, WIENER NORBERT, NEUMANN JÁNOS, G. BATESON MARGARET MEAD. Most of them examined

¹ Maródi M. (2003)

the organism, organization, cooperation, psychology, industrial planning and company systems. The General System Theory was invented and developed in the beginning of the 20th century; the father of this theory was LUDWIG VON BERTALANFFY. Formerly he proposed this theory at first in 1928. LUDWIG VON BERTALANFFY used as important reference quite a lot of time in his several work the mystics' scientist. This study shows some of the assumptions of the theory which had been used and had been tired out. The General System Theory is not a guideline for the development and not even a tool; it is only the method how to look at the world in a different way.

The General System Theory' influence in the Social Sciences

The General System Theory is the name of all of the systematic and cybernetic systems, which deals with connecting systems, researches the functions of the systems and the interaction between the elements of it and also concentrates on the different changes.² The aim of the System Theory is to understand and to describe the changes in the world.

TALCOTT PARSONS was the first scientist who started to use the system and the subsystem to describe the social interactions. PARSONS was analyzing BERTALANFFY' General System Theory in the 1930 and from 1940 he started to adapt the theory in the social sciences. In 1951 PARSONS published his book which was called „The Social System” and he described the society as a system. He said each function in a society could be named as a subsystem or elements, and these elements have input –output connection and through this connection the social system can work.³ NIKLAS LUHMANN German sociologist developed the theory of PARSONS, he created an interesting type of the social system theory.

² Fröhlich, Werner D (1996):

³ Pokol B. (2004)

Since DESCARTES, the "scientific method" had progressed under two related assumptions. A system could be broken down into its individual components so that each component could be analyzed as an independent entity, and the components could be added in a linear fashion to describe the totality of the system. BERTALANFFY proposed that both assumptions were wrong. On the contrary, a system is characterized by the interactions of its components and the nonlinearity of those interactions. In 1951, BERTALANFFY extended systems theory to include biological systems and three years later, it was popularized by LOTFI ZADEH, an electrical engineer at Columbia University⁴. One common element of all systems is described by KUHN. Knowing one part of a system enables us to know something about another part. The information content of a "piece of information" is proportional to the amount of information that can be inferred from the information. Systems can be either controlled (cybernetic) or uncontrolled. In controlled systems information is sensed, and changes are effected in response to the information. KUHN refers to this as the *detector*, *selector*, and *effector* functions of the system. The detector is concerned with the communication of information between systems. The selector is defined by the rules that the system uses to make decisions, and the effector is the means by which transactions are made between systems. *Communication* and *transaction* are the only intersystem interactions. Communication is the exchange of information, while transaction involves the exchange of matter-energy. All organizational and social interactions involve communication and/or transaction⁵

Definition of the System

⁴ McNeill, D., P. Freiburger (1993).

⁵ Kuhn, A. (1974):

At first we have to define what the system is. HALL AND FAGEN⁶ describe the system in the following way: “A system is a set of objective together with relationships between the objects and between their attributes, Objects are simply the parts or components of a system and these parts are unlimited in variety Attributes are properties of objects. The relationships are those that tie the system together.”

In our opinion the definition of the term of system can be the next: The system is a crowd of unique elements, which are strongly or virtually connecting to each other. This connection can be regular or irregular, passive or active, visible or invisible, positive or negative. The system as total gives the final characteristic of the whole system, which are not true for each element. The elements are part of the system but the system characteristics are based on this element relationships and behaviors.

Type of systems:

The varieties of the systems are uncountable, which can be observed and examined. There are some examples of the systems. “With an analysis of urban systems dynamics, Steiss defines five intersecting systems, including the physical subsystem and behavioral system. For sociological models influenced by systems theory, where Bailey defines systems in terms of conceptual, concrete and abstract systems (either isolated, closed, or open), Buckley defines social systems in sociology in terms of mechanical, organic, and process models.”

In this paper we concentrate on the opportunities in an open system. The open system a system where matter or energy can flow into and/or out of the system, in contrast to a closed system, where energy can enter or leave but matter may not.

The two general approaches to study of systems:

⁶ Hall, A.D., R.E. Fagen (1956)

- Cross sectional approach: this is the study of the interaction between two system.
- Development approach: this is the study of the changes in a system eventually

The three general approaches for evaluating subsystems:

- Holist approach: this is to observe the system as a complete functioning unit.
- Reductionist approach: this method to look deep in the system and observe the subsystems in the system.
- Functionalist approach: this is the opposite of the Reductionist approach, it examines the role of the system in a bigger system.

All of the three approaches recognize the existence of subsystems operating in bigger system.

Self organisation and endogenous development of systems

The systems' development, the self-organisation and the self-creation are important parts of the general system theory. Dynamic balance and dynamic change have been mentioned in the previous chapters. To talk about endogenous development in a community as a system, we need to have the minimal criteria. The most basic condition is viability. As long as viability is not present in a community, it is difficult to talk about endogenous development. If viability is present in a community, the heuristic self-organisation theory needs to be adopted. This theory supposes that, in the case of complicated organisations and dynamically changing environmental conditions, the numerous factors that affect the behaviour of an organisational system, their relations and correlations cannot be known exactly and cannot be modelled. The lower level organisation tries to form its own environmental conditions so that, by the means of its own self-sufficient, self-initiative and self-developmental activities, it can react in the desired direction and to achieve the desired goal. The integrated effects, that can eliminate the incidentally false behaviours, function as feedback. If there are viable communities and the heuristic self-organisation theory is adopted, the endogenous development theory can be realised, that is the development does not

have to be defined by external potencies.⁷ The endogenous development has been already observed by numerous experts. The endogenous development has many characteristic features. The most imported ones are as follows: the possible developments are defined at the local level, local supervision controls the development process, and the advantages deriving from the development are used at the local level. The endogenous development is based on local decision, maintains the profit returning on high level in the local economy and it respects the local heritage.⁸ The endogenous development are not based on external factors, but on the local content, local resources like the potential of the local economy, the local labour and knowledge, and all these relate to the larger production processes. The endogenous development approach is capable of dynamizing the local resources and of restoring the healthy processes. In practise, the endogenous development creates self-centred growing processes, and so it augments its role compared to the total sum, namely it will be able to allocate the resources properly.⁹ Development exists even if we do not intervene into the changes outwardly. Systems and communities go through certain processes or are being changed. If they change in a positive way, then it is development, if the change is undesired, then it is decay or degradation. Development needs to be a conscious intervention, whose last purpose and result is improvement.¹⁰ Improvements based on the endogenous development cannot disregard the external capacities. Isolation in the local capacities may block the ability to affect the external capacities. However, the development based on the wish of the outsiders may lead to dependency¹¹ The bottom-up-approach development supposes viability, heuristic self-organisation and a local community able to develop endogenously. Without these, it is very difficult to start any bottom-up development, as there is no instinct to

⁷ Hall, A.D., R.E. Fagen (1956)

⁸ Slee B. (1994):

⁹ Long A., van der Ploeg J.D. (1994):

¹⁰ Farkas T.(2002):

¹¹ Hoggart K., Buller H. (1994)

survive in the local community. To construct the criteria of the endogenous development, we need to apply the principle of subsidiarity. Decisions have to be made on the level where there is an effect and where the interests of the local communities do not get damaged.

Notes

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Integrated versus Non- integrated systems in the Development approach

Integration in rural Regional and Rural Development can be discussed in various ways. Its most common understanding concerns the integration of various economic sectors - agriculture, industry, services. Another frequently mentioned aspect is the integration of those disadvantaged social groups in the development process (women, elderly people, national and ethnic minorities, etc.), which could suffer even more if left out of improvements.

In the following part of the paper different integrated approaches will be introduced. At first from the Development approaches perspective an Integrated and a Non- integrated model will be introduced

Nevertheless, now we concentrate only on the lack of integration of the two development systems: central and local. Building on the above discussed concepts, we intend to provide simple models of integrated and nonintegrated rural development systems, which could give some explanation about the failure and success of rural development policies. The models at this stage can be understood as a vertical slice of the whole rural development system (including the central system and one (any) particular local system), thus it tries to explain the process from the perspective of a single rural locality.

Central Administrative System of Rural Development: characterized by top-down, exogenous interventions, high level of institutionalization, bureaucratic control, written rules and procedures, the modernist technological regime and quantifiable targets;

Central Development Resources: financial resources in the central development budget, available for redistribution through the central system;

Local Heuristic System of Rural Development: characterized by bottom-up processes, heuristic aspiration of local people to improve their lives, flexible responses to challenges, social networks, diversity, multifunctionality, and synergistic effects;

Local Development Resources: rural values (natural, cultural, social), understood as resources, which often have to be unlocked or reconfigured if they are to be used for local economic development; and the free movement of goods, people and capital to and from backward areas;

Resource-type Disadvantages: (financial, human, institutional) limiting the ability of rural areas to produce goods and services saleable on the global market;

Result: the outcome of the development process: to a certain extent upgraded access and enhanced production capacity, resulting in either more balanced or biased environment for local economy and society.

The direction and thickness of arrows represent the flow of resources between different components of the model; and the size of the circles indicates the level of institutionalisation (and advancement) of the local and central development systems.

The disadvantages of the non-integrated system

In a non-integrated system there is little or no co-operation between central and local systems of development. Control is kept in the centre and the local system is underdeveloped and barely institutionalised. The vast majority of central resources are delivered by policies and institutions of the central system directly to the beneficiaries. Large amounts are invested into tackling access-type disadvantages however; they aim largely the improvement of physical access. There are also large sums for local economic development, however, mostly in the form of simple normative payments (production subsidies), which are ineffective and can carry significant dysfunctions. Very few resources are assigned to the reinforcement of local development institutions or to unlock latent local development resources. The local system of rural development is weak, hardly institutionalized and does not have adequate

resources to release local development potentials. Therefore, much of these remain unexploited and the added value of local resources (or rural values) remains small.

The contribution of the local system to the elimination of resource-type disadvantages is not likely to be significant. Non-physical access, backing the local economy and rural products to penetrate global markets can also expect little or no support. All these can lead to unbalanced development where, in a certain rural locality, access (especially physical access) improves much faster and further than production capacity. Here we end up in a vicious circle. If there is nothing to sell, then rural areas cannot withstand the competition brought by improved access, and finally most values that have been preserved by rurality are likely to be lost. In this case, rural and regional development is not successful and central policies fail to fulfil their role.

The advantages of the integrated system

In an integrated system, local and central development systems should work in a dynamic cooperation with each other. Control, resources and responsibilities should be dispersed throughout different levels of the system. The existence of advanced local development institutions is a necessary condition in this model. Redistributed resources are still channelled through the central system, although their allocation is quite different. A significant share of resources is still directly spent on tackling access type (mainly physical) disadvantages. However, those resources, allocated for supporting local economic development directly from central sources represent a much smaller share of the budget. They are still normative payments, but rather aiming at the maintenance of public goods (agro-environmental schemes, for example) than simply subsidizing conventional agricultural production. A significant part of central resources is devoted to the reinforcement of the local development institutions and the unlocking of local resources. As a result, the local

development system is well advanced and institutionalized. It is able to invest in the protection of rural values and their utilization in the development process.

Like this, local resources can be exploited and can contribute with considerable added value to the development process. This value flows into the economic resource base of the local area, creating marketable products and greatly reducing resource-type disadvantages. At the same time, the local development system can also make a significant contribution against access-type disadvantages, primarily improving business and policy access, for the benefit of the local area. All this can lead to a much more balanced development. The production capacity of the locality is reinforced and a two way access (from as well as into the locality) is provided. Thus the rural area, utilizing its resources and finding its segment of the market can become independent, keep its population and sustain its values for the future. Three main differences can be highlighted between integrated and nonintegrated models. One concerns the flow of resources, the second the flow of information, and thirdly the level of advancement and/or institutionalization of local development systems.

The difference concerning resource-flows is quite obvious. In the nonintegrated model the central system distributes the vast majority of the budget directly through its administrative institutions, applying strict bureaucratic control and simple indicators all the way down to the beneficiaries. The inevitable result is low effectiveness, since much of the money cannot reach those places where it is most needed. At the same time, lacking central financial resources and technical/political support, local systems are not reinforced and there is often insufficient capability to unlock local development resources, or even to absorb central aid.

Consequently, the value added of the local system to the development process remains small. In an integrated model, a significant part of the budget is not delivered directly by central policies, but channelled through the local development system. This strengthens this

system and allows for the reinforcement of local institutions and social networks, etc. It can also directly provide financial aid for the exploration and exploitation of local resources for local economic development. All this can result in the rapid growth of local added value and the expansion of available development resources, for the development system as a whole.

The differences between non-integrated and integrated systems by the information flow

Flow of information in the non-integrated system

By including the flow of information in the model, the differences of effectiveness between integrated and non-integrated development can be partly explained. Accurate and detailed information about problems and possibilities, disadvantages and resources is the key starting point for any action in rural development. To explore the differences in information flows between integrated and non-integrated development, additional figures are needed, showing not only one slice (representing the viewpoint of one locality), but the system as a whole. In the non-integrated model, the central system, through institutions and bureaucratic procedures tries to supervise the whole development process. For making appropriate strategic and operational decisions about development, information has to be collected, processed and analyzed centrally. For tackling resource-type or some non-physical-access-type disadvantages, masses of very diverse information should be handled from a large number of rural localities. Information would be needed not only about access- and resource-type disadvantages, but also on many other aspects, such as conditions of social networks, local development institutions, condition of the local value bases, and so on. Moreover, taking this logic further, different level institutions of the central system should monitor and control each of the development projects as well. This would involve huge diversity, large number of decisions and huge transaction costs, creating enormous difficulties for normal bureaucratic institutions. Possible (usual) solutions are: fighting mainly those disadvantages, which are

easier to grasp without detailed information of a qualitative nature (problems of physical access, for example); supporting large projects instead of small ones; or to give normative payments based on simple quantitative indicators and political decisions, rather than detailed, quality information. Nevertheless, all these result in low effectiveness, significant gaps in the development process and the exclusion of certain activities, social groups and geographic areas from central aid.

Flow of information in the integrated system

In an integrated model, information is still needed, however, it is collected, processed and used on a much lower level, in the relevant local development system. Every single local system, belonging to a certain region or rural locality (institutions, social networks, businesses, etc.) deals only with information of its own area. In this way transaction costs can be kept lower, background information, innovative local solutions, tacit knowledge and social networks can be utilized and latent resources are easier to unlock. Limited central control can still be applied through regulations and the allocation of central resources. However, this allocation can be based on diverse, qualitative information, already processed by local development institutions. Strategic and operative decisions can be negotiated with local representatives, for example through integrated local development plans. By utilizing diverse, high quality local information in a dynamic, iterative way, local development initiatives can create significant added value and generate synergistic effects, thereby making the use of central resources much more effective in the development process.

Several obstacles, hindering the dynamic integration of central and local systems of rural development can be identified in the above model. A more philosophical reason - arising from the differences in their basic logics, and causing frequent misunderstandings between them – was explored above. Another, rather practical reason originates from the absence or

immaturity of local development systems. If there are neither established decision making procedures, legitimate leaders and representatives nor carefully planned local development strategies in the localities; if local development associations, public-private partnerships, advisory services, paid development managers and agencies, and other local institutions are lacking; if social networks are undeveloped; there is no culture of entrepreneurship and innovation and human resources are insufficient in general - that seriously limits the possibility of both local development and central policies. Legitimate and formalized institutions play a key role here¹². Paying local people to work for the common good can concentrate and accumulate human resources on local rural development tasks. These people then can accurately collect and process information, making it available for both central and local use. They are also crucial for accessing central development resources. The central system, which is based on bureaucratic institutions and procedures, needs 'something comparable' to communicate with. Without formalized institutions and representative bodies the local/sub regional level can neither negotiate with the central system nor access aid from the 'rural development budget'. Institutions are also necessary for accountable and transparent spending of financial aid.

Consequently one could say that, an integrated system can only work if the local development system reached a certain level of institutionalization, which is the third important difference between the two models described above.

A fundamental difficulty for integrated rural and regional development can be identified here. The most appropriate levels for local rural development – subregional and below – often have few historic roots and weak public, civil and business institutions. Especially in the most backward areas, these have to be newly created or largely developed to be able to fulfill central requirements. For the centre, it is not easy to find ways to support this

¹² Amin, A. Thrift, N. (1994)

process, for several reasons. First of all, central aid, according to the rules, is tied to accountability and complicated bureaucratic procedures. This often proves an impossible condition for newly emerging rural development networks. On the other hand, for organic development, aiming at structural changes, local institutions should progress through bottom-up, participative processes, which cannot be driven or closely controlled from outside. Once the local development system has fully operational, advanced institutions, they can translate and mediate; they can help to access central resources for local economic development; explore and defend local interests; or can offer both, information and a channel for the central system to provide technical and financial aid. Nevertheless, local development systems with their institutions can already be considered as 'process type results' of previous rural development themselves. Therefore, it is very difficult to find an entry point in this cycle and to initiate the process. Surely, it should be a gradual process, involving many compromises and a combination of local and central efforts. Nevertheless, I would like to argue that reflexive intermediary agents, translating and mediating between central and local systems, could be of a great help in this process.

Notes

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Integrated systems for evaluating subsystems

Integrated model from the Holist approach perspective

ENYEDI divides environment in his system-approach as follows. Physical environment (natural environment) is one of the sub-system of the environmental major system. Further sub-systems of that are the natural environment and the transformed environment. The social-economic environment is another sub-system of the environmental major system, and there are further three sub-systems of the social-economic environment: the artificial, the economical and the mental environment. It is ecology what deals with the integration, relation and interaction of live organisms and environmental systems. Ecology is considered as across sectional approach from the system observing, and as a holistic approach from the sub-system observing point of view. Consequently, ecology describes developments from a holistic approach, of which the key elements are the various environmental sub-systems and their relations.¹³.]

The best-known system-based approach may be the tetraeder modell of TÓTH. This special space-approached model was designed by TÓTH. It basically demonstrates the balance and the cooperation of the natural-social-economical and infrastructural spheres of a settlement. These four spheres are demonstrated with a tetraeder. $ABC\Delta$ – natural sphere, $ABD\Delta$ – social sphere. $BCD\Delta$ – economic sphere, $ACD\Delta$ – infrastructural sphere. Less developed and more developed branches and regions are present along the sides of the tetraeder. Along the edges, where the spheres meet, interactions come into existence. In this way the tetraeder illustrates a living, harmonised settlement in a unity. If each spheres of a settlement are balanced, the construction of the tetraeder is stabile. If any of the spheres gets

¹³ Enyedi Gy. (2000):

damaged, the development of the settlement slows down, the tetraeder becomes distorted, and consequently the other spheres' function will decrease.¹⁴ .

Integrated model from the Functionalist approach perspective

In chemistry and biology, mechanical models are being substituted by holistic – dynamic models. JAMES LOVELOCK and his Gaia Theory is a significant representative of the holistic - dynamic approach. The World is a uniform, self-regulatory system, and a community of mutually related systems on the level of planets¹⁵. This change of paradigm is present in the social sciences as well.

BASSIE WESSELS (2003) explained the essence of this approach as follows. The holistic approach is based on the General System Theory and on cybernetic. It contains the holistic interactivity, flexibility, dynamics and multidisciplinary developments. This strategy gives a significant role to the enhancements of co-operations, by the help of which the holistic and sustainable development can be reached. The goal is, by mobilising the society, to create a plan and a vision on every level able to reach the integration, the unity and the economical increase in a community.

The Holistic Integrated Method creates three-in- one partnership model. It starts to develop the model from inside to outside. The core of the model is this three-in-one concept and around this we put one more and more layer, “spikes”. The three elements are the: Services, Higher Education and the Communities. This establishes the heart of the model; we can call it development network. If we think in deep of the message of the model we can understand what the reason of the three-in-one model is. As it has mentioned before to create sustainability and comparative advantages the human resource investments are crucial.

¹⁴ Trócsányi A., Tóth J. (2002):

¹⁵ Komor L. (2005)

Without the participation of the Higher Education the research and development, the health care is out of control, and there is no internal inspiration. The services partly can handle the financial control of the development. So we can say that the strong unity of these three sectors can generate a good foundation of the development. In sophisticated way we can say the Unity of the “Trinity”.

To understand the whole concept we have to open this model. The holistic integrated model consists of eight integrated steps which can be used in several subjects. According to the General System Theory this model can be adapted in numerous activities like: situation analysis and diagnosis, planning and policies, technological development and diffusion, micro and macro economical development. It shows the multidisciplinary of the model.

Community network: Each community has an already existing network. It is the base of the development. The General Spider Map Theory concentrates of this step. To create a community means the people in a group bring together their each network. It will set up the community network.

Managers: take care of the process of the development: they coordinate and manage it. They lead the different activities and take part of the planning and the implementation procedure.

Higher Education: –academics, researchers- has key role of the development of the human capital capacity. They have the tools how to educate and train people. Their responsibility is to make applicable theories and help to the communities to put the theory in practice. The Higher Education not only own the human capitals, they also have cash capital to influence the way of the development.

Local government: The members of the local government are the formal managers who are elected by the community members. They have the role to create better infrastructure, local policies. They are the link between the state governments. During the planning process

they are responsible for represent the top-down policies and also to represent the bottom-up needs. They can formulate the balance between the two approaches.

State Government: The state government has several roles. According to the national policies they have to build clear legacy atmosphere to provide a social network for everyone, solidarity for the disadvantages people, comparativeness for the entrepreneurs. The state government should protect each citizen from the hunger, the poverty and the external enemy. They responsible the tax distribution,, so financially their role also to assist in the underprivileged areas.

Private Sector: The state government cannot solve all of the financial support. With the creative and innovate partnership is compulsory from the private sector part. The whole development cannot be possible without the Corporate Social Responsibility (CSR).

International partners: In a specific stage the first six steps are enough to set up a sustainable development. The international partners can bring energy knowledge into the system. Their participation is essential in the globalize World. Their input and invention can crystallize the development route.

Donors: The situation of the donors is not always obvious. With a well developed holistic integrated system the donors can bring new input to the system and they can be sure that the money what they donate is like the seeds in a good soil.¹⁶

Integrated model from the Reductionist approach perspective

The methodology of the development looks like as a Spider map. The Spider Map contains five pillars –Tourism, Social Activity, Economy, Infrastructure, and Environmental-economy - around the Social Community. These pillars are the fundamentals of the development. All of the subsystems are open systems and they can interact and react to each

¹⁶ Wessels S. J. B. (2003)

others. The pillars are strung to each others like the spider-net. We must not develop only one segment –pillar- otherwise the spider map will be broken. The harmony inside the net will disappear. For the sustainable development we need the equivalent “stretching” – pushing, pulling -. All of the pillars are connected to each other and any interaction affects everything. So the spider map is a sensitive system like in the real spider net. “It has been said that something as small as a flutter of a butterfly’s wing can ultimately cause a typhoon halfway around the world.” Only the external request could destroy the sensitive circumstances inside the local system, it could create a buffer –“fluffy”- space, which will be not able to “sponsor” itself for longer period; it means the sustainability in a danger. It is important to put “energy” in the system but at first the local community has to have the starter needs.

There are three tools which connect to each other the elements of the system. The three tools are the information, communication and the cohesion. The sum of these three tools shows the capability of the transformation of the system. If the net is broken or one of the elements does not work properly the transformation capability of the system is lower. It does not mean that the system is not able to work it means that the condition of the system is not sustainable. Before starting the development process it is necessary to observe and research the elements of the system. To understand the mechanism of the spider map we need an entrance point into it. The entrance point could be the Social Activity pillar. Without local brave and needs, the whole development is a wasted time. We cannot develop a system without internal request. So if we want to entrance to the “net” we need relatively strong local wish to be developed. The decentralized local bodies and the bottom-up approach are necessary for the sustainable development.

The development has to be a socio-economical influence, which brings together the community, involves the small entrepreneurs to the economical circulation, activates the local

education, establishes unique attraction, raises the local heritages, creates equal opportunities for the inhabitants and brings the gap between the less developed and well developed areas.¹⁷

The System of External relation (tourism) is an open system because of its relation to the environment. Since the tourism system is not just characterized by its environment, the tourism also effect its environment, the tourism has input and output relations. Each element is operated functional and spatial, the elements are related in physically, technologically, socially, culturally, economically and politically. The dynamic elements of the tourism system are the moving people.¹⁸ The impotency of the tourism is the external capital which can come to the local community. It is a financial and social-mentally refreshment of the area. The financial refreshment means that from outside the community gains money –it is given “new energy” into the system-. The social-mentally refreshment means that the community gets new inputs, ideas. They won't be isolated from the global economy and they can integrate to the global circulation, which helps them to increase their potential.

The **Social Activity** is an abstract system which can be an entrance point to the Spider Map. The Social Activity could be a synonym of the capability of endogenous development. The Social Activity is like the spider spinning the net. This element is responsible for the equivalent development if something is wrong through this pillar we can fix the problem if the Local Community needs something, assisting with this channel we can reach the target point. The Social Activity produces the virtual internal energy, controlles and monitors the development process. The feedbacks can be materialized in that pillar. The Social Activity has to involve the local education to create long term developing plans. The Social Activity can work if the relations inside the Local Community are honest and carries the trust.

¹⁷ Nagy, H. Káposzta, J. (2003)

¹⁸ Fekete M. (2006)

The Local Economy has to involve the small firms, entrepreneurs and companies. It gives the pulsation of the Local Community and establishes the quality life. All of the activities are part of the economy which create own income, transform the money, give added value.

The Infrastructure development is the most visible affect in an area. It is an important element but sometimes we think that only infrastructure development can cause better life style. Without good infrastructure it is hard to reach any better stage but only the development of this pillar won't cause equivalent opportunities. This element strongly connects to the economy and tourism also. The infrastructure includes the followings: road (accessibility of the area), water, telecommunication, post office, local education and information centre (e.g.: library, internet coffee), health centre (ambulance opportunities) shops and entertainment facilities.

The Environmental Economy strongly connects to the natural environment and the principals of it. To create profit maximalization, provision and models are the most difficult task in this pillar. The environmental economy can be useful in rural, semi urban and urban areas as well.

None of the pillars can be developed separately. If the development concentrates only one pillar the sustainability is in threat. Each pillars has an own spider map as we call „sub-spider-net”.

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The answers of Dilemmas of the Integrated and Non- integrated Regional and Rural Development Strategies by the European Union and Hungary

To understand how the opportunities of the rural territories are changing it is crucial to analyze the present and the current situation. Nowadays the New Hungary Rural Development Program (NHRDP) becomes more and more well-known. In 2007 the Hungarian Countryside got a historical chance to accelerate its development by the assist of the NHRDP. Some crucial objectives of the axis are improvement of the competitiveness of the agricultural and forestry sector and the improvement the quality of life in rural areas and diversification of the rural economy. The axis of the basement of the Rural Development brings new waves in two cases: 1. the local developer forces (key actors) have become the relevant factors of the development; 2. targeting the rural SMEs an intensive and endogenous resources based labor force creator program has started

The local knowledge based Local Rural Development Strategy (LRDS, The LRDS is based on a bottom-up approach) assists implementation of the NHRDP. These strategies have been done by the local developer, actors in 120 days. The strategies have taken account the local heritages and the local resources as well. After the planning period the Agricultural and Rural Development Agency (ARDA), which was established on 1st July 2003 by Governmental Decree No. 81/2003 (7th of June), is Hungary's sole organization with nationwide competence for paying out supports financed by the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) and implementing market measures.) reviewed the plans and 96 Local Rural Development Community were established. These communities are Non-Governmental Organizations (NGOs) and most of them operating as a Community Based Organization (CBO). The LEADER program is a policy which focusing on the local heritages, giving opportunities for

the rural enterprises and creating perfect environment for the endogenous development. It can be seen that the financial opportunities and the numbers of the insolvent have been increasing. It means that the rural territories and communities have got great opportunities for the development. The new LEADER program gives a numerous prospects for them to develop. The only important thing is the basic condition is viability. To define viability is not easy, stipulates it to minimal criteria like the composition according to the total number, age and employment structure, and skill. Of course it is more complicated what we mean by viability, but in this study we rely on SZAKÁL's criteria when talking about viability.¹⁹ As long as viability is not present in a community, it is difficult to talk about endogenous development. If viability is present in a community, the heuristic self-organization theory needs to be adopted. By the words of FARKAS (2002) development exists even if we do not intervene into the changes outwardly. Systems and communities go through certain processes or are being changed. If they change in a positive way, then it is development, if the change is undesired, then it is decay or degradation. Development needs to be a conscious intervention, whose last purpose and result is improvement.²⁰ In our opinion the new LEADER program is able to generate development in a positive way and we hope the NHRDP will reach its aims.

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