

**Thesis title:** *LEADER program and the role of Local Action Groups in the sustainable development of the romanian rural space*

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## **Abstract**

The subject of sustainable rural development continues to be one of actuality both in the developed countries of the European Union and especially in the developing ones. The growing gap between rural and urban areas has contributed to the emergence of a new research direction, namely sustainable rural development and the ways in which it can be achieved. However, as Talbot et al (2009) state, sustainable rural development is a research domain too little explored, too little "theorized". Most often, scientific researches address sustainable development and rural development separately. Too few works talk about these two in an integrated way, together (Shaporova and Tsvettsykh, 2020). In order to appreciate the applicability of this concept of sustainable rural development and the means by which it can become a reality, this paper addresses the issue of sustainable rural development from the perspective of the LEADER program's contribution in achieving this goal in Romania. The reason for choosing this subject is its actuality and the high degree of importance offered at European scale, as well as the novelty of the approach (bottom-up) proposed through the LEADER program.

What is the impact generated by the new forms of territorial organization implemented through the LEADER program in rural areas? This is the main question of the study, aiming to identify in this way whether the European initiative of financing rural areas leads to the expected results, namely the sustainable development of rural communities, the analysis being made in relation to the Romanian countryside. The impact was assessed from an economic, spatial and social point of view in order to obtain a clearer picture of the LEADER program's results, both in terms of quantity and quality.

The purpose of the study is to assess the effectiveness of the LEADER program in the socio-economic development of rural communities included in LAGs, the new forms of spatial organization resulting from the implementation of the LEADER program.

The objectives of the study consist in:

1. Assessing the level of economic development of the rural communities in Romania prior to the LAGs creation;
2. Identifying the typology and analyzing the spatial distribution of the implemented LEADER projects;
3. Assessing LEADER program's economic impact reflected in the evolution of the economic indicators at the level of the beneficiary rural communities;

4. Analysing the spatial configuration of the Romanian LAGs;
5. Appreciating the relation between the LAGs internal composition and the performance achieved by them;
6. Identifying the ideal LAG's internal composition and assessing the degree of compliance of the current LAGs network with it;
7. Appreciating the perception of the Romanian LAGs representatives regarding the qualitative results of the LEADER program brought to the rural communities.

The applied methodology was a complex one, comprising both quantitative and qualitative methods. Quantitative methods include econometric methods such as Propensity Score Matching and Difference in Differences (used for economic impact assessment) and spatial analysis methods such as Geographically Weighted Regression, Ordinary Least Squares and Grouping analysis (used for spatial impact assessment). Regarding the qualitative methods, these were the structured questionnaire and the interview, both applied to assess the social impact of the LEADER program.

The results showed that the LEADER program's contribution to the economy of the beneficiary communities was minimal and often insignificant. Despite the openness of rural communities to take advantage of the opportunities provided by the LEADER program, the European instrument has not brought a significant contribution to the economic growth of the beneficiary rural communities. One reason may be the relatively small funding provided at the level of each project, the support offered by LEADER being undoubtedly welcome, but not enough to be able to generate consistent results, at least in the short term. Although the general trend in the evolution of the analyzed economic indicators is an ascending one, it cannot be attributed to the LEADER program, the results obtained not being statistically significant in most cases.

Regarding the spatial impact, LEADER has proven to be an impartial tool, without favoring more or less certain types of territories, certain types of LAGs. According to the results obtained, the internal composition of the newly created territorial bodies is not an issue that would determine differences in the performance of the territories to absorb LEADER funds or to implement projects as diverse as possible. In other words, the internal composition of the LAGs does not matter, it does not explain the performance of the LEADER program. The composition of LAGs in terms of qualitative and quantitative characteristics is very different at spatial level, but no spatial patterns are developed that can indicate what kind of LAGs or which LAGs have managed to achieve a net higher performance in comparison to others.

As for the LEADER program's qualitative impact at the level of the rural communities in Romania, it proved to be better highlighted than the quantitative one. According to the results obtained, LEADER brought changes in the rural area, the main one being the stimulation of a new mode of local governance based on a greater involvement of the community, of the local actors. The general perception of the LAGs surveyed regarding the social impact of the LEADER program is predominantly positive, and the results obtained from the case studies conducted on the three

types of LAGs identified in the spatial impact analysis, underline a greater contribution made by LEADER in a qualitative sense rather than a quantitative one within the beneficiary communities.

In conclusion, the study emphasizes that LEADER can be considered a helpful tool in introducing a new and more efficient mode of governance, in stimulating the local entrepreneurial spirit, but not a tool capable of generating a real impact in the Romanian rural area. This is due to the small financial contribution which, although welcome, fails to bring about significant changes at the local level. LEADER is proving to be an effective tool in the socio-economic development of rural communities, but not enough to achieve this goal. Instead, LEADER can be seen as a tool with a positive effect, both quantitatively and qualitatively insofar as it provides support to rural communities to find the path to sustainable development.

**Keywords:** LEADER program, sustainable rural development, impact, Local Action Group (LAG), rural communities