# THE ROLE OF LOCAL ACTION GROUPS IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

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## Abstract

The last decades have been characterized by the intense industrial exploitation of resources, by the emergence of ecological crises, and at present, the incorporation of all the economic-social spheres leads to the reconciliation between the economic and social progress without producing environmental damage. Sustainable development is a difficult task to achieve by analyzing the social, economic and geographical situation, territorial coherence and homogeneity, related to the number of inhabitants and the eligible area, to the financial allocation for this sector. The present paper intends to carry out a study on the interest expressed by the local actors regarding the LEADER axis and the way of elaborating the rural development strategies approached by the Local Action Groups through a comparative study between the development regions of Romania. The result of the research is a foundation for partnerships project sustainable development regarding Local Action Groups activities in disadvantaged rural areas.

**Keywords:** LEADER, Local Action Groups, Public-Private Partnerships, Sustainable

Development

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#### Introduction

If for the last ten years Romania's targets were established in relation to the evolution of the world economy and in line with EU policies, now both Romania and the EU must re-design their priorities in the medium and long term in order to reach the objectives of the 2030 Agenda. for Sustainable Development, adopted within the framework United Nations Summit in September 2015(Resolution adopted by the General Assembly on 25 September 2015). This is a sure way through which a better future can be achieved for future generations. Romania, together with 192 other states, has assumed the establishment of the national framework for supporting the 2030 Agenda for Sustainable Development, which includes a set of 17 Objectives of Sustainable Development and Action Agenda from Addis Ababa. The global action plan, on which Romania chooses to support it in the coming years, addresses poverty alleviation, fighting inequalities, social injustice and protecting the planet by 2030. It is an action plan for people, planet and prosperity, through which aims to strengthen a climate of security and freedom, in which "no one will be left behind "(Transforming our world: the 2030 Agenda for Sustainable Development)

This approach was made possible by highlighting the concept of "exceeding the limits". It was realized that the natural resources, which the society needs and which are limited, were exceeded, creating at the same time an ecological imbalance at the planetary level, by irresponsible economic growth. Thus, yes

found that only through the simultaneous support of the three pillars - social, economic and environmental - can a sustainable development and a common future be reached globally.

The LEADER (Link Between Actions Of Development Of The Rural Economy) program is a tool that generates a closer proximity of local authorities to citizens, civil society and economic operators in the territory, all being partners who collaborate in the process of developing and implementing a Local Development Strategy meant to ensure a sustainable development of the territory on the territory. long term.

Local Action Groups (LAGs) represent the concrete solution, transforming into reality the potential that local communities can harness to be able to join this new approach

of the development of the European village, an approach that encourages the return and / or the establishment of young people in the territory of LEADER and its economic, social and cultural development. To support this approach, the focus is on: stimulating partnerships, knowledge transfer and implementation of innovative initiatives.

## The activity of implementing the local development strategies – Administrative functions performed by the LAGs

Monitoring LAGs carry out activities of monitoring and implementation of the projects contracted synergistically with the general objective of the local development strategy, as well as specific evaluation activities, which consist in addressing and filing requests related to the costs of operation and animation of the territory. In addition to the monitoring activity, the LAGs carry out specific operations consisting in the implementation of non-discriminatory selection procedures in order to strengthen the capacity of local actors to become competitive and relevant to the economic agents upstream and downstream of the productive sector.

Specific attributions regarding the financial, accounting, human resources and legal departments are the responsibility of the LAGs.

The LEADER project defined as an important tool for the economic and social development of the rural areas in Romania aims at minimizing the disparities between the urban and the rural environment, as well as promoting social inclusion. Previous experience of project implementation reflects a reduced capacity to cover local needs, especially at the level of collaboration between public and private partners, making this project a community responsibility. The LEADER approach and the local action groups have their debut in 2007-2013 through PNDR. During the period preceding the last stage of implementation, exactly in 2012 there was an evolution of LAGs that reached 63% of the eligible territory with an area of 142 thousand km2 coordinated by a number of 163 LAGs. The need to implement the project in the next programming phase for the period 2014-2020, aims to reduce the number of LAGs and to streamline their activity so that they cover the entire LEADER eligible territory. The efficiency of the functional costs is mainly considered. Based on the specific priorities of the territory and the needs analysis, the rural development strategy uses the method of implementation under the responsibility of the community, with the mention that the eligibility criterion is 20 thousand inhabitants, and the localities less than 20 thousand inhabitants will be supported by the EAFRD.

The strategy of developing the Romanian village according to the European model implies the transformation of the potential of the local communities exploited with the help of LAGs

that bring as an solution an approach whereby young people are encouraged to return to the territory of LEADER, thus contributing to the social, cultural and economic development by stimulating PPP., implementation of innovative initiatives, but especially by involving citizens in long-term decisions.

LAGs have the ability to act synergistically with the interests of the local community members and play an important role in achieving the objective.

The main objectives expected to be achieved as a result of LEADER implementation in the territory are:

- Development of agriculture in the micro-region by financing investment projects in agricultural activity including processing of agricultural products;
- Development of villages by modernizing and beautifying the village glass (urban territory), local public spaces for public services, tourism and sports, equipping public infrastructure for public services, improving small-scale access infrastructure within villages;
- Development and diversification of non-agricultural activities in the territory, job creation, diversification and development of services for the population, development of tourism and recreational activities;
- Development of an integrated service system that contributes to the social inclusion of vulnerable groups in the territory; Harnessing the human and natural potential of the territory by improving knowledge transfer and action in partnerships or cooperation networks

Regarding the form of their constitution, in the Member States, LAGs have different legal structures, namely: non-profit associations, associations / foundations, local or regional authorities, companies, cooperatives LAGs choose the projects that will be funded under the strategy. They can also select cooperation projects.

The LAGs elaborate an integrated local rural development strategy and are responsible for its implementation. This strategy must be the subject of broad consensus among all actors. It is based on an analysis-diagnosis of the territory that aims to present a complete situation of the territory and to identify the strengths and weaknesses in order to identify the development priorities. This is done in partnership with all the potential actors in the territory to be associated from the earliest stage possible in the development process. Those involved can be:

- Individuals and / or their associations representing the interests of the non-profit social sphere:
- Interested economic agents.

Local administrations, county, regional, national, European public institutions which have as their attribution the realization of regional policy, the harmonization of sectoral and territorial policies.

It is important that within the LAG the private party and the non-profit sector represent the majority and not the public sector. Shared responsibility creates premises for solving problems and achieving a balance between possibilities and needs.

The Leader program brings to light the "sleepy" development ideas that cannot be accepted through the traditional administrative system.

The program participates in rural areas that form a homogeneous unit from the historical, economic, social, geographical point of view, where population in the covered territory is between 10,000 and 100,000 inhabitants, and people are open to collaboration and want to create a new institutional framework, partnership to develop the micro-region.

From its specific point of view, the LEADER approach can address a balanced development of the rural territories. Involving local actors in the development of the areas in which they

operate will contribute to the development of local governance and to the dynamic development supported by a local development strategy developed, implemented and managed by the LAG representatives. At the level of 2012, the territory covered by the LAGs is approx. 14,398 km2 (comprising 1,805 communes and 79 cities under 20,000 inhabitants), participating in them approximately 58% of the LEADER eligible population and being represented by about 63% of the LEADER eligible territory. ). In the two organized selection sessions, a number of 163 Local Action Groups were selected for funding, of which 81 in 2011 and 82 in 2012. By the end of 2012, only 87 LAGs had signed contracts within the framework. sub-measure 431.2 The functioning of the Local Action Groups, the acquisition of competences and the animation of the territory, in a total value of 44,465,611 thousand €, thus being able to start carrying out the activities of implementing the strategies. Regarding the implementation, the LAGs selected in the first session had difficulties in ensuring the financing necessary for the institutional organization in order to start the activity, to hire the staff and to cover the costs necessary for the operation.

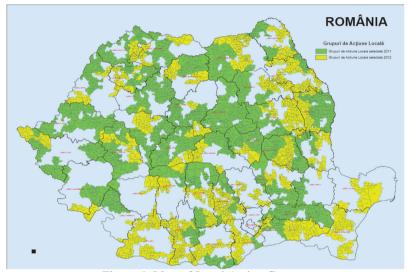


Figure 1. Map of Local Action Groups
Source: National Rural Development Network (RNDR), 2017

The low degree of cooperation activities carried out by LEADER 2007-2013 was determined on the one hand by the lack of experience of the LAG in this approach, but also by the payment authorities which, in the absence of very precise criteria for defining the projects of this type, they were reserved in the contracting of such projects. In addition, although cooperation projects were foreseen at the level of LAG strategies, the impact of the 2008-2010 economic crisis has severely limited the financial capacity of the partners to carry out such projects. Innovation is also one of the main elements of the LEADER approach. However, the lack of experience of the LAG and the implementing authorities made the innovative projects to be found in a very small proportion between the priorities identified at the level of local development strategies.

## The SWOT Analysis

The SWOT analysis is able to summarize the key points of the Local Action Groups and the opportunities that need to be capitalized in order to improve the weaknesses and reduce the risks to the minimum level of threats. First, the grouping of problems and advantages based on the four SWOT categories allows a simpler identification of a strategy and development modalities and will contribute to their rapid adaptation to requirements. Based on the conclusions resulting from the socio-economic analysis and the data provided by the National Institute of Statistics, the aim is to provide a clear image of the strengths, weaknesses, opportunities and risks characteristic of the Romanian territory. In the development of the SWOT analysis, a number of specific problems were analyzed and debated, in order to identify their influence on the local performances. The process addressed allowed the identification of important conclusions regarding the strategic directions to be taken into account in order to better exploit the economic, social and environmental potential of the LAG territory. To cover the wide range of problems, the four elements that define the structure of the SWOT analysis are presented in relation to the territory, population, economic activities and institutional and social organization. The measures proposed in the strategy come to cover as much as possible the weaknesses identified and to make the most of the opportunities.

## **Strong points:**

- The constant growth of the LAG population over the last 10 years
- Opening up of Local Public Authorities for economic development and encouraging investors
- Existence of numerous objectives included in the list of Historical Monuments and UNESCO Heritage
- Existence of Natura 2000 sites
- Valuable natural landscapes
- The varied natural potential
- The favorable geographical position of Romania
- Communities' concern for preserving local traditions and customs
- Important areas covered by forests
- · Local traditions regarding livestock farms
- · Local traditions regarding floriculture

## Weaknesses:

- Insufficient funds for environmental protection
- The absence of a coherent system of informing the public with data on the state of the environment;
- Poor quality educational infrastructure.
- Organized but poorly developed road infrastructure;
- The lack of an inter-sectoral approach regarding the enhancement of cultural heritage and local traditions, especially in relation to tourism and the hotel industry, transport, other consumer services
- Not knowing the legislation related to Natura 2000 sites
- Numerous historical, cultural, heritage objectives in a state of degradation

- Poor social services:
- Poor promotion at local, county, national and international level

## **Opportunities:**

- Increasing the attractiveness of the areas under the LEADER project
- Increasing the agricultural potential;
- Decreasing the migration of the population from the rural area, especially of the young people
- Diversification of economic development facilities
- Improvement of facilities related to the infrastructure of basic services;
- Encouraging strategic initiatives with a high degree of social inclusion by diversifying the tourist offer:
- Possibilities of developing the territory, by setting up the Local Action Groups and thus, facilitating the access to financing of small entrepreneurs.
- Possibilities for economic development due to the location near major urban markets;
- Possibilities for economic development by accessing other sources of non-reimbursable financing.
- Possibilities of economic development by setting up local action groups in the area and, thus, the ease of access to financing of small entrepreneurs;
- Programs for setting up and operating the associative forms;
- Protecting and preserving the cultural and natural heritage of the rural area;

#### Threats:

- Competition at national level from strong companies;
- World competition that can increase imports;
- Increased population migration due to poor quality of essential services: education and health:
- Gradual degradation of the environment, under the influence of poor agricultural and forest management:
- Lack of funds, which creates a difficulty in accessing the sources of non-reimbursable financing (applicants cannot cover their own contribution part and ineligible expenses).
- Monopoly of highly developed companies, at local or regional level, for certain products or services:
- Neglecting the agricultural sector in favor of other sectors.
- Low level of knowledge regarding environmental protection rules;
- Low level of involvement of people in the development of their territory;
- Risks of natural disasters (drought in particular) that can affect already poor rural communities.

#### Conclusions

The LEADER program can play an important role in creating and promoting innovative means and approaches in rural development. This innovative approach is encouraged by the freedom and flexibility of LAGs in terms of the types of actions and activities that will be supported by the local development strategy.

In the rural area, innovation can be represented by the introduction of new processes or products, new forms of organization, transfer and adaptation of techniques and methods developed in other areas, assimilation of new knowledge and information, finding new solutions to persistent problems in the rural area.

LEADER is not a sectoral development program but an approach that supports the realization and implementation of multi-sectoral local development strategies that integrate different activities from different sectors of activity. However, the actions and projects included in the local strategy are correlated and coordinated in a coherent whole. The integration can refer to the actions carried out within a single sector, to all the actions in the program or, most importantly, to the connections between the different actors and sectors that intervene in the area, both economically, socially, culturally and environmentally.

By facilitating the exchange and circulation of information on rural development policies, as well as the dissemination and transfer of best practices, strategies and innovative actions, the LEADER network aims to reduce the isolation of LAGs and to create a source of information and analysis of actions.

Another important part of the LEADER program is the cooperation between different LAGs, materialized through the implementation of a common project. Cooperation between areas may be transnational, but may, as well, take place between areas within the same Member State.

Delegation to the LAG of a large part of the decision-making responsibilities regarding financing and management is another key element of the LEADER approach which gives the LAG responsibility for development directions and the success of implementing the local development strategy. However, the degree of autonomy of the LAGs varies considerably, depending on the organization and the institutional context specific to the Member State.

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