

THE CONTRIBUTION OF "LEADER" AND "LOCAL ACTION GROUPS" TO SUSTAINABLE REGIONAL DEVELOPMENT

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Abstract:

The idea of sustainable regional development has only lately become popular in the countryside, even though rural areas always play a role in the economic and social prosperity of the area in which they are situated, no matter their current state of progress. The goal of closing economic and social inequalities gave rise to the LEADER program, which is based on the knowledge and abilities of local communities in identifying growth opportunities. Local Action Groups are the tangible answer, the materialization of the opportunities that nearby communities can harness to become part of the current European village growth strategy, which promotes the societal, cultural, and economic success of the locality. Utilizing a quantitative approach based on a questionnaire, we conducted this study to ascertain the current level of understanding among experts operating at the local action group level in Suceava County regarding the interaction between public-private partnerships (PPP) and sustainable regional development. The decision to consult these organizations is based on the aim of valuing local potential through the allocation of European financing to critical issues and challenges that promote sustainable regional development. Significant components that can improve the bond between public-private partnerships and sustainable regional development were found as a result of the quantitative study conducted using the questionnaire approach at the level of Suceava County's Local Action Groups.

Key words: Sustainable regional development, LEADER, Local Action Groups, Public-private partnership, Cooperation.

JEL classification: O19, P25, Q16.

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INTRODUCTION

Rural environments support the social and economic growth of the region in which they are located, no matter the current state of development of the area. Regarding rural areas, the notion of sustainable regional development has become prevalent in the last few years. To facilitate the development of every component concerning rural communities, the term sustainable development was first centered upon sustainable development in the agricultural sector. Later, however, it was expanded to include rural areas as an entire group, taking into consideration all economic, social, natural, geographic, and cultural factors. Integrating all elements that can support the rural area's long-term growth and stability is an essential component of sustainability. A country's rural development policies must be adopted locally after evaluating the community's assets and vulnerabilities, rather than being used consistently across the entire nation. Thus, for the regions they belong to, local governments are crucial to achieving sustainable development (Dumitru E.A., 2021). Many grants and loans have emerged in response to the need to close economic and social discrepancies. These programs, such as the "LEADER" program, are directed toward EU member states and are intended to support sustainable development, which provides rural areas with an interconnected set of development goals that reflect the requirements of individuals (Opria AM. et al., 2021). Using the importance, independence, and obligation of the rural community, the three components of the "LEADER" work methodology - territory, strategy, and partnership - are intended to revitalize and improve rural areas (Alonso GC. and Masot AN., 2022).

Through the creation, expansion, and support of local initiatives, "Local Action Groups" offer the structure of a communication platform for the community to devise and carry out local development initiatives. They contribute to the strengthening of local communities and their

involvement in the advancement of the area. When determining their development requirements, the local community's knowledge and experience are leveraged by the "LEADER" strategy. This strategy was also developed to encourage deeper collaboration by providing an environment for interaction among various tiers of public administration, ranging from local to government agencies (ECA, 2022). The "Local Action Groups" is a tangible solution that brings an opportunity that local communities can tap to participate in this new European community development strategy. This strategy promotes the youth's establishment in the "LEADER" territory as well as the region's development in terms of society and culture. The recently implemented programming supports this strategy by emphasizing fostering partnerships, sharing knowledge, and putting creative ideas into action. Still, most importantly, it emphasizes the genuine participation of citizens in strategic choices for the future (MARD, 2015).

THEORETICAL BACKGROUND

To more effectively deal with local rural development requirements, the French rural development action "Liaison entre Actions de Développement de l'Économie Rurale," or LEADER, was first included in the Common Agricultural Policy (CAP) of the European Union in 1991 (Olar A., Jitea M., 2021). The "LEADER" program's goals align with the principles of rural sustainability, which seeks to enhance living circumstances while promoting economic growth (Opria AM. et al., 2021). Considering both the political and geographical requirements of rural environments in Europe, this strategy has proven successful since the beginning of LEADER, with modifications made to the total amount of local action groups as well as the targeted budget in subsequent programming periods, as presented in Figure No. 1

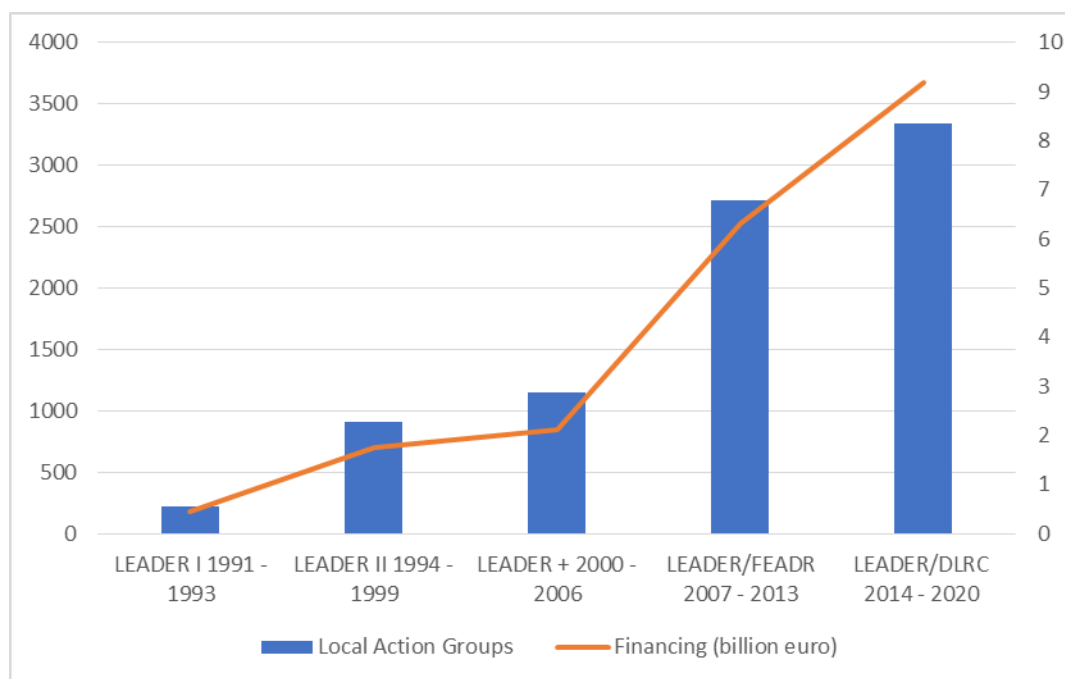


Figure no. 1. The evolution of LEADER between 1991 and 2020

Source: own processing European Court of Auditors, 2022

Between 1991 and 1994, the first "LEADER" edition was put into practice to test and advance a new paradigm for rural development that was centered on intersectoral and top-down partnership. Nearly half of EU Member States' rural areas participated in the second LEADER II (1994–1999) edition of the program, and in the third "LEADER+ (2000–2006)" stage, the approach shifted its focus to the future demands of the region. The most current version of this initiative, which ran from 2014 to 2020, saw its scope extended to include the idea of Community-Led Local

Development (DLRC). This program is carried out locally through collaborations between governmental, corporate, and social actors known as "Local Action Groups" (Olar A., Jitea M., 2021). A collaborative effort to assist rural communities, the LEADER/DLRC intervention takes the form of a "Local Development Strategy" that wants to create a local identity and make the greatest use of the assets available in the area (AFRI, 2024). Between 2014 and 2020, all programs related to developing rural areas were required to include "LEADER". During the 2014–2020 programmatic period, the EU proposed to support "LEADER" with 7 billion euros, or roughly 7% of all funds allocated to rural development. Towards the end of 2020, there were 143,487 "LEADER" projects in total (for the 2014–2020 timeframe). Initiatives for rural development have been expanded to include what is to come (ECA, 2022). The actors involved in supporting the "LEADER" program have a series of responsibilities, as can be seen in Figure No. 2



Figure no. 2. Main responsibilities of the actors of the LEADER approach

Source: own processing according to the European Court of Auditors, 2022

Locals are the finest specialists to promote the development of their region, as stated by "LEADER". Local organizations should have the greatest ability to recognize linked local solutions to regional issues, exhibit responsiveness, and present fresh ideas for regional growth. Engaging in regional decision-making ought to inspire greater passion and dedication, which could result in improved and more durable local rural development (ECA, 2022). Managing "LEADER" initiatives in the countryside, a "Local Action Group" is a not-for-profit group composed of local community leaders (such as labor unions, business groups, and municipalities, controlled by the "Local Action Group" (Alonso GC. și Masot AN., 2022). Because "LEADER" action groups are made up of individuals, NGOs, businesses, and local government, their contributions to sustainable social advancement can be varied. For-profit businesses can incorporate their own manufacturing and distribution experiences along with information about cutting-edge techniques. These advances can be applied to knowledge-sharing and awareness-raising initiatives among social partners, in addition to commercial objectives. One way to conceptualize it would be as a kind of corporate social responsibility initiative. Public members can provide further policy assistance (e.g., procedures for ecologic acquisition) and funding for environmental awareness initiatives. These players can offer amenities and public areas to support greater long-term socioeconomic initiatives (Ruszkai C. și colab., 2021). At the national level, Romania's first 82 LAGs were established in 2011, with the majority of them located in the nation's western part and center, making up 29.7% of the country's rural area. The percentage of area covering with "LEADER" organizations expanded

significantly throughout the financial term, 2014–2020, achieving 239 LAGs (88.9% of Romania's area) in October 2019 with an equitable geographical coverage. The notable rise in groups' numbers between funding periods, particularly in terms of their geographic reach, suggests that Romanian rural populations have become particularly open to the current bottom-up strategy (Opria AM. și colab., 2021). The law states that no single stakeholder organization may possess more than 49% of a local action group's ability to vote, and that public institutions' share of the votes in the project selection procedure must not exceed 50% (ECA, 2022).

RESEARCH METHODOLOGY

To highlight the current state of knowledge regarding the relationship between "public-private partnership" (PPP) and "sustainable regional development", a questionnaire-based quantitative analysis was used in this study. The experts involved in this research are "Local Action Group" (LAG) members in Suceava County.

Secondary goals were set to accomplish the primary goal, which was:

- to identify the role of the public and private sectors in fostering public-private partnerships that support sustainable regional development,
- to emphasize the relationship of influence between public-private partnerships and sustainable regional development.

The "Local Action Groups" in Suceava County that operate at the county level make up the group of participants that the questionnaire is intended for. The goal of maximizing local potential by allocating European financing to crucial areas and problems that promote "sustainable regional development" dictates the choice of whether or not to consider these relationships.

RESULTS AND DISCUSSIONS

Experts from Suceava County's ten "Local Action Groups" who are knowledgeable about sustainable regional development and public-private partnerships were the respondents who were specifically sought. In Suceava County, the "Local Action Group" sector has a response rate of one hundred percent. We shall discuss these highly relevant outcomes in relation to the "Local Action Groups" vision for sustainable regional development and public-private partnerships below. The level of familiarity with the terms "public-private partnership" and "sustainable regional development" was the first thing to be observed; all responders from the local action groups in Suceava County were aware of these ideas. Figure No. 3 presents the role of the "public-private partnership" in fostering sustainable regional development as seen by the respondents.

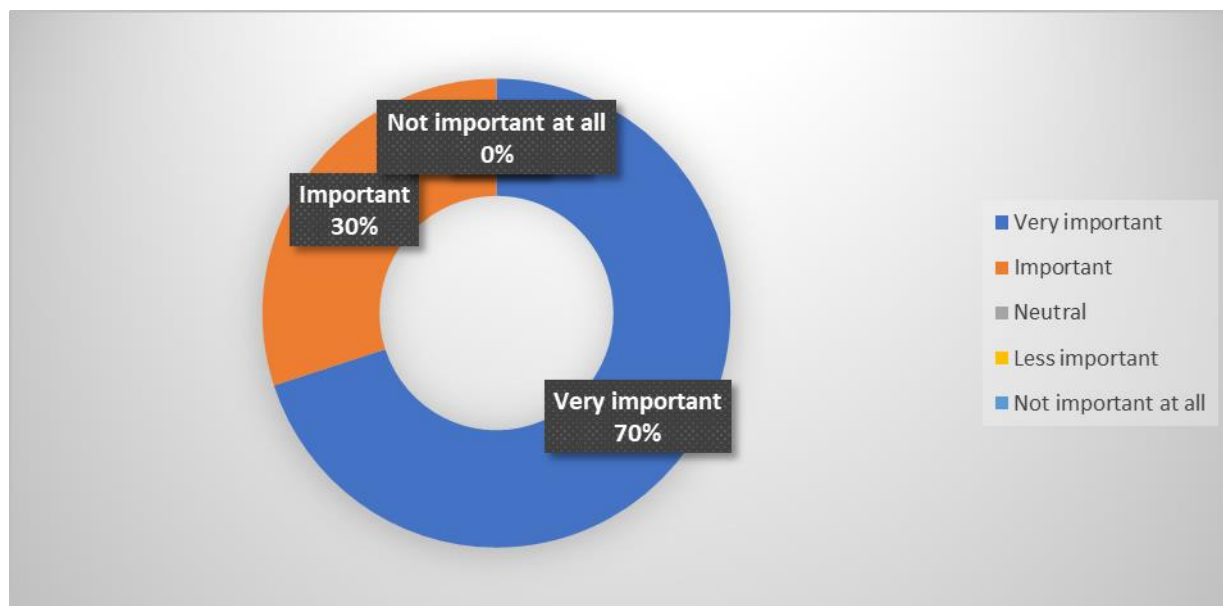


Figure no. 3. The role of public-private partnership in promoting regional development

Source: processing after questionnaire

The majority of respondents (70%) agreed that the public-private partnership plays a critical role in advancing sustainable regional development; only 30% of respondents thought the role was less significant. No response indicated a low level of importance of "public-private partnerships" in promoting sustainable regional development. According to specialists from local action groups at the Suceava county level, there are differences in how the state and private sectors collaborate for sustainable regional development, as shown in figure no. 4

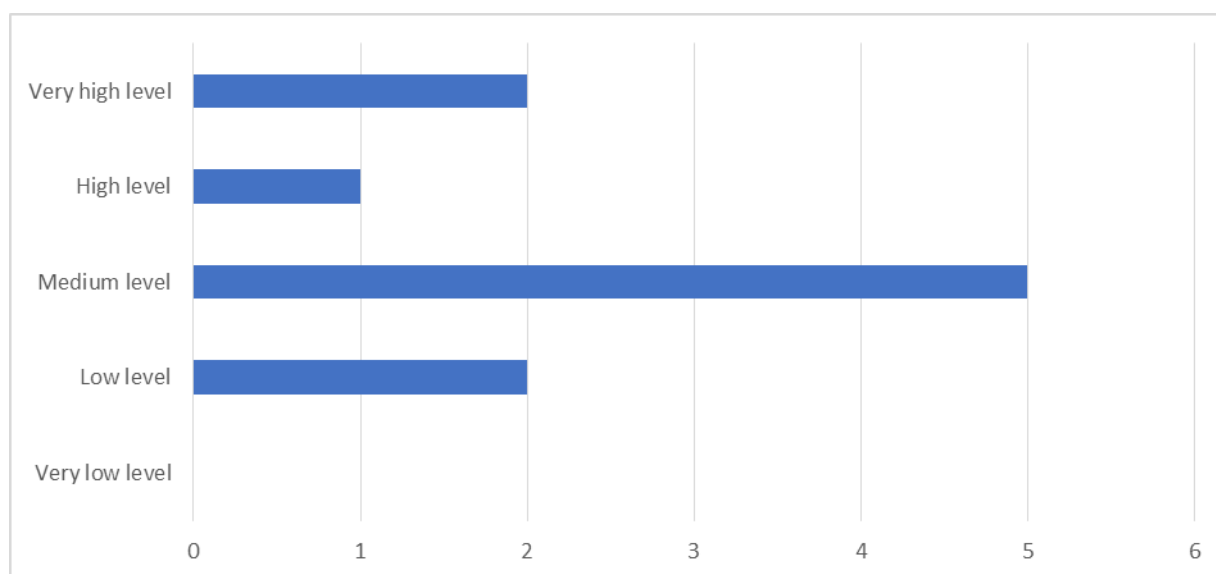


Figure no. 4. Collaboration between the state and the private sector

Source: processing after questionnaire

The cooperation between the public and private spheres was rated as average by half of those surveyed. The remaining respondents are split in half between those who rate cooperation between the public and commercial sectors as having a high and very high level (30%) and those who rate it as having a low level (20%) in terms of sustainable regional development. The majority of respondents maintain faith in public authorities and the private sector's future capacity to work efficiently in public-private partnerships for sustainable regional development, even though they do not currently perceive an efficient partnership between the state and the private environment.

Regarding the role of "public-private partnerships" in closing economic and social inequalities in Romania, common views among the respondents can be seen; all of them believe that successful public-private partnerships may help close these gaps. Concerning the academic community's role in advancing the notion of public-private partnerships for sustainable regional development, there is also consensus. Of those surveyed, 100% said that the time was right for this kind of cooperation. Additionally, they thought that public-private partnerships might guarantee equitable access to resources and opportunities in an area, enhance health and education possibilities, and maintain a balance between social, environmental, and economic goals at the local level.

The responses of those who completed the survey emphasize the challenge given to respondents to choose representative phrases that characterize the public-private partnership, as presented in Figure No. 5

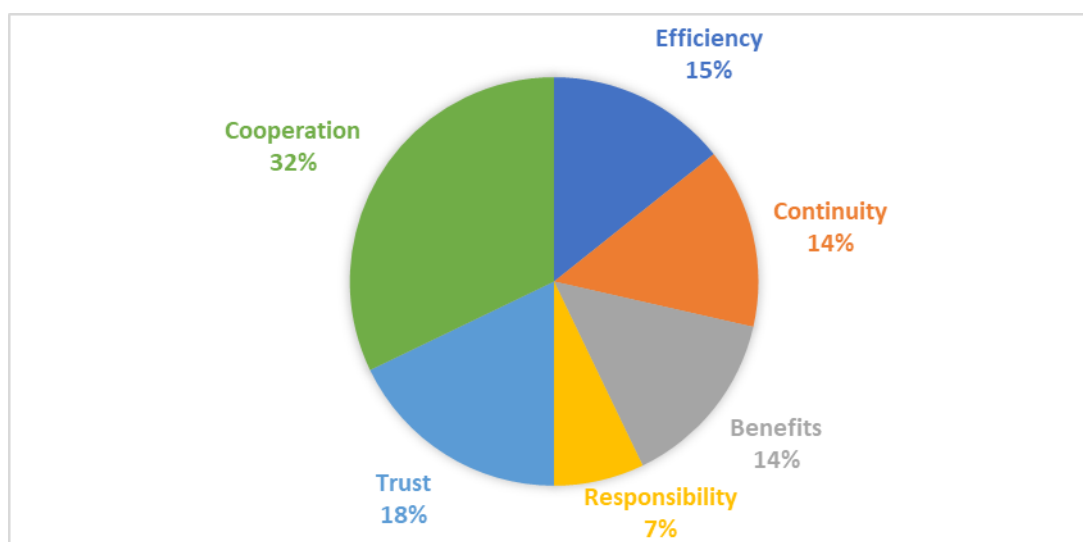


Figure no. 5. Terms describing the public-private partnership

Source: processing after questionnaire

After completing the questionnaire, the respondents were asked to list the primary attributes of public-private collaboration from their perspective. "Cooperation" was chosen by most respondents as the primary attribute of a public-private collaboration. This word is also most frequently used in specialized literature when defining public-private partnerships. "Trust" is the second most important word when discussing "public-private partnerships", followed by "efficiency," "continuity," and "benefits".

CONCLUSION

"LEADER" is distinct from other development programs in that it places a greater emphasis on the introduction of an innovative system of local governance and the backing of creative enterprises that have the potential to become catalysts for growth. Therefore, it makes a more significant contribution to the development of rural communities. The range of actions carried out by "LEADER" action groups includes innovative mobilization of assets, organizing, social construction, and economic and environmental development through the redistribution of EU financial subsidies.

After Romania's 2007 EU accession and the commencement of the continent's fourth "LEADER" funding cycle, the initiative may be implemented there. In addition to disbursing national subsidies for rural development, local action groups ought to impart innovative problem-solving skills and educate the local population on how to maximize their resources - be they financial, cultural, social, or environmental - to effectively address local issues. In light of the

upcoming programming period's goal of developing rural areas through the promotion of education, creativity, and digital transformation, this is especially pertinent.

The experts operating at the "Local Action Group" level in Suceava County were the subjects of a research study utilizing a quantitative questionnaire approach to gauge their level of knowledge regarding the relationship between "public-private partnerships (PPPs)" and "sustainable regional development". The study's findings identified certain critical components that have the potential to strengthen this link.

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