



The LEADER approach and Local Action Groups in the context of a new EU strategic programming period

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This is a good time to talk about LEADER, an approach to civic participation that has been in existence for over quarter of a century now. This European initiative has been assigned a small part of the European budget, and was designed to revitalize the countryside and to remedy rural depopulation at a time when there was little interest for such matters. It focused on integrating agricultural activities with other aspects of the local economy, and on innovation and cooperation, concepts which were not well known at this time. Now is a good time to discuss LEADER because a debate is currently underway on the next phase of the Common Agricultural Policy (CAP), and on the programming of European funds for 2021-2027 period.

As I write (April 2017), the European Commission has presented a white paper on the future of Europe (1) and has launched a public consultation on the future of the CAP. This year we are celebrating the 60th anniversary of the Treaty of Rome and 55 years of the CAP, and a forthcoming conference in Madrid will look at “Building the Common Agricultural Policy of the future”.

A wider debate about the future of the countryside began in Cork in September 2016 (2). In November, the Committee on Agriculture and Rural Development of the European Parliament presented a discussion paper about the new CAP for 2021-2027 (3). The European Commission is now due to present its definitive proposal for the CAP in November 2017. However, we face into the next programming period with many political and economic uncertainties. The United Kingdom has presented its farewell letter to the EU and in the run-up to elections in various Member States, a number Eurosceptic parties are gaining popularity. In this context, it is proving difficult to reach agreement on a common European budget, complicated further by economic challenges and cutbacks needed to achieve national public deficit targets.

In the best-case scenario, the experts do not expect any notable changes, and certainly not for the better. For that reason, it is most likely that the Commission’s proposal will be to maintain various separate European funds, including the two agricultural funds: the European Agricultural Guarantee Fund (EAGF) to finance direct payments, and the other, the European Agricultural Fund for Rural Development (EAFRD), to fund rural development activities, including LEADER.

Surprisingly, rural depopulation has crept onto the Spanish political agenda simultaneously with this process. On 17 January 2017, the sixth Presidential Conference, which consists of the presidents of the Autonomous Communities of Spain and the central government, agreed to

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develop a national strategy for achieving demographic targets (4). For the first time, there is recognition at the highest level of a serious problem in the countryside and this should be celebrated, but the fact that the situation in Spain is special has yet to be recognized. Even if it is not the objective of this article, it has to be said that the national demographic distribution exhibits characteristics of demographic deserts (*see the EU map of the population density by grids in the [Spanish version of the article](#)*).

At this moment and in this situation, the question that needs to be answered is: does the LEADER approach have a future and does it have anything to offer to rural development?

A little history

LEADER has been revised five times in the 26 years that it has been in operation. According to the usual community mechanisms, the period 2021-2027 would represent the sixth programming phase. The first three programmes, as is well known, were “Community Initiatives” (LEADER I, II and +), with funds specifically assigned to each Member State by the European Commission. Since 2007, the activities of LEADER have been integrated into the programmes of the EAFRD on a mandatory basis, with a minimum of 5% of the fund ring-fenced for LEADER (*see box below*).

In 1991, LEADER I was a European Commission experiment, designed for disadvantaged areas and piloting various different measures; LEADER II was a consolidation, which emphasised innovation and cooperation; and LEADER+ was a further consolidation of the LEADER methodology, and was extended to cover all of rural Europe. Throughout this evolution, LEADER always maintained certain essential characteristics of the approaches: bottom-up; cooperation of public and private partners, and integrated development of the area (5).

The integration of the activities of the LEADER approach into the EAFRD was implemented from 2007. This was a confirmation of the success of the method, but it also meant a loss of independence, in exchange for more coherence with respect to the rest of the rural development measures. The experience was not positive, and an attempt at returning to the essential principles and extending the methodology to urban areas was introduced from 2014, with the possibility of multi-fund financing, under the umbrella of the term “Community-Led Local Development (CLLD)” (6) (*see table below*). The amounts assigned may seem enormous but to have a realistic perception of them, they need to be divided among the number of groups and the seven years of the programming period, which results in an average of €550,000 per group/area per year.

1991-1994	LEADER I	FEOGA-O and Structural Funds	Pilot project
1995-1999	LEADER II	FEOGA-O and Structural Funds	Community Initiative
2000-2006	LEADER+	FEOGA-O	Community Initiative
2007-2013	Axis 4 LEADER	FEADER	Integration in the EAFRD
2014-2020	CLLD	FEADER and Structural Funds	Integration in the EAFRD

In the graph for Spain (*see Figure 4 in the [Spanish version of this article](#)*), we can see the enthusiasm this initiative generated up to 2006, and the impact of its integration in the second pillar of the CAP and its financing by the EAFRD. The numbers would be even lower if we took account of the actual expenditure. The lower execution rate was caused fundamentally by the economic crisis, but also by the administrative difficulties presented by integration into the EAFRD.

Currently, the figures for Spain are still not definitive. Of the 264 groups, there are 251 Local Action Groups (LAGs) with funding rates that are slightly lower than the European average, and which cover 89% of the national territory and 27% of the population. The areas of LEADER implementation include, on average, less than 30 municipalities. The groups are supported via the 17 regional programmes for rural development. Regionalised programming exists in Spain since 2007, and is financed only by EAFRD, although they could also be financed by the other Structural Funds.

The LEADER method requires that decisions on the expenditure is left in the hands of the local communities, which are responsible for establishing the Local Action Groups (LAGs). LAGs are associations that have three types of members - public, private and civic society - and the operating regulation requires that decisions should be adopted by a minimum of 51% of the private votes.

In its original form, LEADER is a social instrument. Above all else, it is a public policy designed to improve the coexistence of the population and the social climate, to improve the creativity of individuals and to facilitate relations between public administrations and citizens.

LAGs draw up a multiannual programme, which is called a “local development strategy”, to which between 70% and 75% of the total expenditure is allocated. This money is used to finance projects. The remainder is earmarked for the costs of administration, support services and cooperation. The projects could be private or public-led investments, targeting entrepreneurs, small-scale infrastructure, social services, training or any other kind of eligible expenditure.

Almost 10% of the Spanish EAFRD is allocated to the LEADER approach, which is double the mandatory minimum, and amounts to 3% of all European funds and investment (7).

It would take too long to list all of the results of the application of the LEADER approach, but we should at least mention that without LEADER there would be no rural tourism as we know it today, that the support to micro enterprises has created tens of thousands of jobs, and that the promotion of local products and other natural and cultural resources has revitalized rural areas and that all of this has had a positive effect on the image that city dwellers have of towns and villages.

What is LEADER?

There is a lovely poetic definition of LEADER. I don't remember who coined it, but it says “*a tradition of centuries, converted into an inheritance of generations, which has given rise to a way of going about things, which has been transformed into culture, which has imparted character to valleys, villages and regions; tradition, inheritance, ways of doing things, culture, and it's all yours.*”

There is another definition, more academic, which suggests that LEADER is “*a local development methodology with a regional focus, which is bottom-up, integrated and multi-sectoral, is organized by a public-private partnership, an dis designed to jump-start social innovation, via networking and cooperation*”.

These definitions give the impression that we don't really know what we are talking about, but it also makes it clear that we are not looking at something normal, which is certainly the case. In any description of LEADER, we find the elements of a region and an organised and autonomous population, which defines and implements a development strategy. But for many, this is too intangible.

In its original embodiment, that which we defend here, LEADER is a social instrument. LEADER is a public policy designed to improve the coexistence of the population and the social climate, to improve the creativity of individuals and to facilitate relations between public administration and the citizens. It is the only instrument in its class available to us.

Initially, LEADER was focused on rural areas, probably because this is where it was most needed. After all, what conventional policies, public assistance or development strategy could function if there were not sufficient people to form a real community, which believed in itself, had confidence, and was willing to pull together and collaborate to find solutions, while also being open to the rest of society? This is not poetry, it is simple economics.

The European Commission had a great success with this initiative in 1991, but it was the application of knowledge which already existed, based on research from at least 30 years earlier, by economists who emphasized that while material investment is necessary for growth, the human factor also has to be taken into account, because it could either augment or neutralize the physical capital investment.

According to the LEADER methodology, the inhabitants of the local communities discuss, agree on, and then execute common projects. However, this approach not only results in the execution of agreed projects that correspond to real needs, it also impacts on the community and the people concerned, developing their capacity and attitudes, which also has positive implications for other measures and public policies. These social processes take time.

Why can't public administrations do the same? Public administrations are constrained by the mandatory legal principles of objectivity, equality, impartiality and free movement, which prevent them from designing tailor-made interventions. One of the advantages of LEADER is the possibility of directing the expenditure to concrete projects, to specific people, to help them complete their projects and accompany them in the execution. The logic of public administrations does not permit such closeness with citizen. A civil servant can help to fill out a form, but if they go further, it could be interpreted as favourable treatment and result in suspicion of conflict of interests.

But the fundamental difference of this method is that the public funds designated to finance the activities of the LEADER approach are paid directly to communities, and this supposes a distinct legitimacy from the rest of public funding, which as we know, is funding which is decided by political representatives and managed by civil servants. The LEADER methodology is different. It is local communities that establish the funding criteria and make decisions: it does not await instructions, it is its own source of legitimacy. The activities of the LEADER approach amount to a minimum of 5% of the budget of the second pillar (rural development) of the CAP and that, in itself, is very little, but the remaining 95% is not worth much if it doesn't take society into account.

What is LEADER not?

The lack of agreement on the objectives of the LEADER methodology is the source of much confusion, generating different approaches and unreasonable expectations. The LEADER approach is not the solution to depopulation of the countryside, nor the financial salvation of small towns, nor a magic wand to create rural employment. In the context of the modest resources available to the LEADER initiative, local communities, organized in groups, are the protagonists.

The LAG partnership should be real, decisive, and with executive capacities. The activities of LEADER are not like citizen consulting or Agenda 21 or participatory budgeting. Neither are they local neighbourhood advice centres or collaborative entities of public administrations, although

they can perform some of these functions. LAGs are private organisations, not public entities, even if they are integral to the town halls and are financed by public money.

The LEADER approach may contemplate investments in infrastructure, job creation projects, or any other type of initiatives, but it is not a job creation programme, nor an infrastructure programme. The activities of the LEADER approach may include all of these things, but this is not what LEADER is fundamentally about and it should not be evaluated on this basis, as this would only be a partial evaluation. The accountability of LEADER activities, which is necessary, should be based on the added value which it represents (8), specifically in relation to the participation of the local population.

The difficulties involved in establishing and running LAGs, beyond the problems of activating certain zones, is the necessity of having all the involved agents understand what they are dealing with, and agree on common objectives.

In public administrations, political representatives, accustomed to being the only ones with democratic legitimacy, must understand and accept that this legitimacy is shared with civil society organisations, something which is not easy. Because they are accustomed to dealing with administrations subject to the procedures, civil servants find themselves in relations with LAGs which don't always square with the rigid administrative procedures.

Dissonances exist within groups. For example, mayors, who are members of the groups, can act more like mayors than members. The technical teams of the groups, which should be mediators, advisers and experts, are sometimes more like project directors than social enablers. The associations that are formed within the groups often have sectorial or professional objectives, or even political objectives.

To reach agreement on what is the LEADER approach, and what is it not, on the purpose, and on what can be achieved and what can't in the unfolding role of rural development policies is an essential condition. If we can achieve consensus about these issues, many reservations and objections which make its application difficult will be eliminated.

How can the LEADER approach be revitalized?

If the participation of the local population is essential to the LEADER approach, to its added value and its innovative approach to rural development, any impediment to this participation, any administrative interference or political impediment, abuse by interest groups, or other malign influences only serve to limit or neutralize the efficacy of the method.

The decision-making capacity of the Local Action Groups is a central issue. To what extent are local communities encouraged to organise themselves in an autonomous manner, outside of the realm of the public institutions, and to what extent are they encouraged to create local democratic associations, collectively develop and improve a development strategy, solicit and select projects while they themselves make all the decisions by majority vote? If they are offered these participative possibilities, the agreements which they adopt within the framework of their decision-making control needs to account for something, and must be useful. They must be recognized by the public administrations and they must deliver results.

As I have indicated, participation is what gives legitimacy to the LEADER approach, in terms of its role in the management of public funding, but equally, a lack of participation can also result in a lack of legitimacy.

The good (and bad!) practices of LAGs during the last 26 years of LEADER enables some reflections, which might help to improve and revitalise this approach to rural development.

- a) The organisation and procedural requirements of participation. The organisation must be democratic and open, and the members must understand their rights. The first right is that of participation. All of the residents in the area of application of the LEADER strategy should have the right of association in the corresponding LAG, without any impediment or condition (such as requiring that they participated in previous associations). Within the group, all of the members must have the same status (one vote) and the agreements must be adopted by a majority decision. Examples of relevant agreements would include the approval of the development strategy or the appointment of a LAG president.
- b) The provisions of the EU require that the selection of projects be by majority vote of the private members. Normally, this involves the creation of a specific organ, which must be representative of the partnership, and there is nobody better than the members to decide who represents them. There should be no interference in this decision, and there should be no direction or imposition on the representation of certain professions or activities. The statutes of the groups must recognize the rights of all to the organisation of the members. That right must include the weight (in the percentage of votes) of every representative in the specific organ for the selection of projects, given that that organ does not require the principle of one-member-one-vote.
- c) The right of free association to the self-organised groups, with clear faculties and with real decision-making power, should revitalize citizen participation, involving the target population of the programme, which is the only protagonist of the group. Certain interest groups must not be allowed excessive representation or be under represented according to their actual presence in the area, as has been highlighted recently in various studies (REDR, 2016; Sacristán *et al.*, 2016).
- d) It is particularly worrying if, in the case of women, that there are statutory obstacles to their representation in the groups, especially as the analyses agree on the necessity of empowering women and their importance to the survival of rural areas. The solution found in some programmes is to impose a minimum representation of women, along the lines of the criteria of holding political positions in Law 3/2009 [of Spain], to enable equality of men and women. Nevertheless, this possible solution has two problems: 1) It does not address the origin of the discrimination, which is the imposition of the necessity that certain association be members of the group, and whether they can designate women are not; and 2) That the representatives of the members of the groups are not political or public representatives, nor should they be.
- e) The social representatives in the groups are not a profession nor do they hold office. In other times, there may have been a necessity for the presence of "official" representatives which were not even residents and which attended meetings of the LAGs. But in line with the degree of maturity achieved by the groups, these "official" representatives should be substituted by locals and locals designated by their equals, and not by gender, but by confidence.

Does the LEADER approach have a future?

The reply, in all sincerity, is yes. The LEADER approach, whether it is called LEADER or CLLD or something else, is going to continue to be part of the programming of EU funds. It makes no sense, when society demands more participation in all aspects of political life, to renounce the most ambitious known experience of public-private cooperation in the countryside; especially when the European Commission itself proposes cooperation in other areas of programming.

Now that there are more and more forms of economic collaboration in place, that society is looking for solutions that cannot be found in traditional politics, that people work voluntarily and associate spontaneously outside of the institutions which they don't believe in, and that citizens are not comfortable even with their condition of citizenship because they feel more like subjects than participants in democratic society, the powers-that-be would be mistaken in returning to authoritarian behaviour.

The LEADER approach, conceived of as a social democratic movement, with a territorial base, with cooperation on common projects that seek to improve the quality of life, via the involvement and the commitment of people and their associations and local public entities has, of course, a future, but in exchange for deepening and decidedly implementing the principles of its methodology (9).

If we want to return to the original philosophy of the LEADER approach, and extend it beyond the countryside and to other funds, changes need to be made, and the coexistence of the EAFRD with other fund is problematic, if the differences are not recognized. The European Commission needs to abandon its doubts and exclude the LEADER approach from the homogenous systems of management, control and payments, and it can find the best inspiration for that in its own proposals; for example, those which it is implementing in relation to the so-called "financial instruments" (10), where it proposes the exclusion of the banks from the control systems. In that sense, the European Commission needs to decide if it has more trust in banks or in society.

The national managing authorities, for their part, need to become aware that they are not managers of incapable subjects. They should renounce their paternalistic attitudes and delegate the functions to the LAGs, fairly and without reservations. The definition of what they consider to be a rural area and what is not, about the types of rural areas and about the objective conditions to access the funds should be established to the maximum legal extent before the release of the funds.

The first objective of the LAGs in this new stage of programming should be to open up to the participation of the local communities. If all of the parties involved agree on the common objectives of development, and there are no misunderstandings, then the LEADER approach still has much to offer, given that, for one reason or another, it has never fully realized its potential. There should be a formula which permits the peaceful coexistence of the "wardens" of EU funds and the communities which they supposedly serve, whether it be via a single fund or various funds (multiple funds).

Notes

- (1) https://ec.europa.eu/commission/sites/beta-political/files/libro_blanco_sobre_el_futuro_de_europa_es.pdf
- (2) http://enrd.ec.europa.eu/sites/enrd/files/cork-declaration_en.pdf
- (3) "Reflections about the challenges for agriculture after 2020 in the European Union: preparation for the upcoming reform of the CAP".
[http://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOP_STU\(2016\)585898](http://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOP_STU(2016)585898)
- (4) http://www.seat.mpr.gob.es/portal/areas/reto_demografico.html
- (5) LEADER in Spain (1991-2011). An active contribution to rural development, MARM 2012.
- (6) Guidance on Community-Led Local Development for Local Actors. European Structural and Investment Funds. Abril 2014.
- (7) €37.400 millions distributed by the youth employment initiative, European social fund, European regional development fund, European agricultural fund for rural development and European maritime fund for fisheries (this last fund has a program which is similar to LEADER, but is more limited and directed to fishing zones). This leaves out the EAGF fund, which is designed to finance 82 the income of agriculturalists and which does not require the application of the LEADER approach (AEGF has 37.705 millions of euros for the program. 2014-2020).
- (8) For the European Court of Auditors, the LEADER added value consists in a more precise identification of the local needs and solutions, a greater degree of involvement of local agents and more room for innovation, but does not recognize other advantages beyond the projects. Special report n° 5/2010 TCE.
- (9) This is a reference to Yves Champetier in the discourse "Back to the Future", presented at Båstad (Sweden), 7th of December 2016.
- (10) The financial instruments are a new method of managing public funds (loans, on reserves or guarantees) by means of the bank EU regulation 1303/2013.

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