# LOCAL DEVELOPMENT STRATEGIES IN THE EU

## THE CASE OF LEADER IN RURAL DEVELOPMENT

Prof. Laurent Van Depoele Institute for International and European Policy Faculty of Social Sciences Catholic University of LEUVEN (Belgium)

Dr.Ebru Ertugal

Learn from the people

Plan with the people

When the task is accomplished

The people will remark

We have done it ourselves

(Lao Tzu, Chinese Toaist Philospher)

#### Introduction

The concept of "governance" has become over the last years more and more important in the European context, as evidenced by the European Commission's White Paper on European Governance (CEC, 2001). Furthermore, the European Commission designed particular programmes and initiatives to promote "good governance" in third countries (see, for example, CEC, 2004a).

Governance describes a process of decision-making by which decisions are implemented. Therefore, attention is paid to formal and informal actors involved in the decision-making and implementation processes. Governance may be defined as "a flexible pattern of public decision-making based on loose networks of individuals in key public, para-public and private bodies at various territorial levels" (Borraz and John, 2004: 112). Governance is not synonymous with government. Governance is about how governments and other social organisations interact, how they relate to citizens and how decisions are taken in a complex world (Graham *et al*, 2003).

Governance implies that public decisions rest less within hierarchically organised bureaucracies, but take place more in relationships between governments and organisations (Borraz and John, 2004). It is a process whereby societies or organisations make their important decisions, determine whom they involve in the process and how they render account. Therefore, governance concerns the larger decisions about direction and roles, addressing the issues of both "where to go", the strategic element, but also "who should be involved in deciding" and in what capacity (Graham *et al*, 2003:2).

In the White Paper the European Commission focuses on the need to involve stakeholders in programming and project delivery and on decentralised management in policy delivery. One group of stakeholders explicitly targeted by the Commission are at the local level. This is in accordance with one of the EU's basic principles, subsidiarity, which guide its policies. The principle of subsidiarity implies that decisions should be taken at the most "appropriate level", which quite often may be

the lowest level or the local level and, therefore, introduces a "bottom-up" approach to policy design and implementation. In its Handbook on promoting Good Governance, one essential element of good governance defined by the EU is: "decentralisation and local government reform/capacity building to promote and institutionalise participation at the *local level* with a focus on local power structures and resources" (CEC, 2004a).

The main rationale for rural development policy in the European Union (EU) is the existence of socio-economic disparities among regions, which is intolerable in a Union, and the aim of the rural development policy is to improve the socio-economic situation in rural regions. Disparities in socio-economic trends among regions may give rise to differences in the socio-economic development levels between urban and rural regions and between rural regions. It is the recognition of the threat that regional disparities cause to the functioning of the Single Market project, which the EU embarked on in 1987, that constitutes the origin of the "economic and social cohesion" policy of the EU. Incorporated into the Single European Act of 1987, the commitment to economic and social cohesion was strengthened in the Maastricht Treaty (1993), which laid the legal basis for EU rural development policies, anchoring them firmly in the context of EU efforts to achieve economic and social cohesion by adding the words "including rural areas". The notion of "economic and social cohesion" has been enlarged to include also the notion of "territorial cohesion" in the Treaty establishing a European Constitution.

Whereas implementation of the economic and social cohesion objective has been carried out at the regional level through the regional policy of the EU, one of the preferred implementation methods of rural development has been through *local development strategies* targeting sub-regional entities, either developed in close collaboration between national, regional and local authorities or designed and implemented through *a bottom-up approach* (the LEADER approach). LEADER is a "Community Initiative", which has been implemented in rural areas at the local level

<sup>&</sup>lt;sup>1</sup> Article 158 of the Treaty establishing the European Community (TEC) reads as follows:

<sup>&</sup>quot;In order to promote its overall harmonious development, the Community shall develop and pursue its actions leading to the strengthening of its economic and social cohesion.

In particular, the Community shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least-favoured regions, including rural areas."

in the least developed regions. Community Initiatives are special financial instruments of Structural Policy co-financed by the EU. They are based on guidelines drawn up by the European Commission on its own initiative and proposed to the Member States<sup>2</sup>. LEADER (*Liaison Entre Actions de Dévelopment de l'Economie Rurale*) aimed to promote a new approach to rural development from the bottom up, to differentiate interventions according to local needs and to encourage the exchange of experience and know-how among local action groups (LAGs). It is based on the selection of the best local development plans of local action groups representing public-private partnerships.

## Concept of rurality and rural development policy

Rural area was defined by the European Commission in its document "The future of rural society" (CEC, 1988: 5, 16) as territorial entities with a coherent economic and social structure of diversified economic activities. These territorial entities may include villages, small cities and regional centres (Terluin, 2001: 24). In addition to terms like rural economies, rural regions and rural municipalities, rural areas are also indicated as areas with a large share of agricultural employment or as non-urban. In 1991, when LEADER was launched the Commission referred to local communities with 5,000 to 100,000 inhabitants (CEC, 1991). Subsequently, in its proposals for "Agenda 2000" in 1999, the Commission defined rural areas as local communities with less than 100 inhabitants per square kilometre.

With over half the population in 25 Member states living in rural areas, which cover 90% of the territory, rural development is a vitally important policy area in the EU (CEC, 2004b). A distinguishing feature of Europe's rural areas is their diversity both in geographical and landscape features and in the different challenges they face. These range from restructuring of the agricultural sector, remoteness, poor service provision and depopulation to population influx and pressure on the natural environment, particularly in rural areas near to urban centres (CEC, 2003a).

 $<sup>^2</sup>$  Currently there are four Community Initiatives : Interreg, Equal, Urban and LEADER. Together they have a financial envelop of 10,5 bio euro for the period 2000-2006.

Although less important in terms of its economic weight and share in employment, agriculture and forestry are the main land users and play a key role in the management of the natural resources in rural areas and in landscape and cultural heritage. As a result of technical progress and the continued liberalisation of markets for agricultural products the number of agricultural holdings in the EU-15 has fallen. The total fell from 8.6 million in 1989 to less than 7 million in 2000. While the agricultural sector continues to shed employment, jobs are not being created fast enough in other sectors in rural areas to absorb the persons concerned. A main feature of the situation in many rural communities in Europe is often a rate of unemployment above the national average.

Despite its reduced share in economic activity, the interdependencies between agriculture, natural resources, landscape and cultural heritage means that agriculture still has a valuable contribution to make to socio-economic development of rural areas and their full utilisation of growth potential. Therefore, the common view is that rural development policy has to place agriculture in its broader rural context. Thus, the EU's Common Agricultural Policy shifted towards the objective of sustainable agriculture. Issues such as environmental sustainability, viability of rural economies, food quality, animal health and welfare standards have gained importance. This has led to the emphasis of the Common Agricultural Policy shifting gradually in favour of the reinforcement of rural development measures (CEC, 2003a). The result of the Agenda 2000 reforms was a new emphasis on assisting rural areas and their economies and communities and not just farming.

There is no specific definition of EU rural policy, however, according to the Rural Development Regulation (1257/99), which was adopted by the EU in 1999, measures of rural policy should contribute to the common policy of economic and social cohesion in "regions whose development is lagging behind and regions facing structural difficulties". Special attention is paid to the "particular nature of agricultural activity which results from the social structure of agriculture and from structural and natural disparities between the various agricultural regions" (Reg. 1257/99). Thus, rural policy is directly related to certain regions and could be about more than agricultural aspects only, although agricultural sector has a special place. Rural policy, therefore, is not equivalent to regional policy in the broad sense as it does not

include socio-economic change in the industrial and service sector outside rural areas or urban areas in difficulty (Brouwer, 2003: 13).

It has been argued that the main area of rural policy innovation in the EU concerns policies that aim explicitly at the development of rural areas and have developed as mainly localised and regionalised policies, albeit with some national and EU level support (cf. Brouwer, 2003). However, current EU rural policy does not only concern regional and local policies but also encompasses measures to strengthen the competitiveness of the agricultural sector and promote environmental protection and sustainable land management. The rural development policy that resulted from the Agenda 2000 strategy aimed to complement reforms in the agricultural market sectors in promoting a competitive, multifunctional agricultural sector, and sought to encourage alternative sources of income in rural areas, while supporting agroenvironment measures. Further reforms in 2003 strengthened EU financial support for rural development by transferring funds from the market and direct income support (the first pillar of the Common Agricultural Policy) towards new measures for rural development (the second pillar).

## Theoretical underpinnings of the EU's approach to rural governance

The approach of the EU's rural development policy and its implementation in particular through the LEADER initiative has been informed by recent academic debates which have suggested that the capacity of any given territory to embed increasingly global processes of economic development partly rests on sub-national social, cultural and institutional forms and supports (Amin, 1999; Cooke and Morgan 1998; Storper, 1997). These approaches argue that economic development is facilitated by networking and interaction between a plethora of bodies that represent firms and non-capital relations. Structures of coalition building minimise rogue behaviour and coherence in identifying a common territorial agenda is a key to economic success. A territorial approach enables the consideration of rural space as a territorial entity with a local or regional economy comprising agricultural, industrial and services activities.

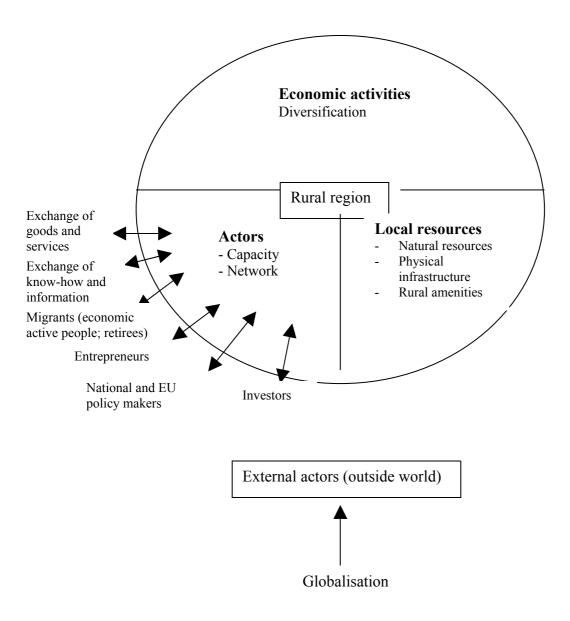
Figure 1 is a conceptual model developed in Terluin (2001: 119), which depicts the field force of a rural area or region. It identifies factors, which facilitate economic development. In this model, the current global restructuring process usually results in an intensification of the external integration of rural regions. In accordance with a territorial approach, the rural region is represented as a regional economy, which engages in all kinds of exchanges with the external world. Within the rural region three closely related components are distinguished: local resources, economic activities and actors. Local resources refer to physical infrastructure (roads, railways, ports, etc), natural resources and rural amenities. Economic activities include all kinds of activities in the agricultural, industrial and services sectors. Actors are supposed to be endowed with capacity (knowledge, skills and attitude) and to interact with each other in networks. Actors can also be involved in all kinds of relations with the outside world manifested by the exchange of products, services and know-how, and contacts with policy makers outside the region. Actors are mobile, moving into and out of the region. Such migrating actors generally refer to the economically active, entrepreneurs and retirees (Terluin, 2001: 118-9).

In this model, actors play the key role in rural development, reflecting the shift in emphasis towards local development potential, programming, partnership and subsidiarity in EU policy. This implies that local actors are given an active role in the planning and implementing of rural development policy. The term "bottom-up approach" is used when the role of local actors has evolved to such an extent that local actors are empowered to define their own needs and prioritise development schemes and projects (Terluin, 2001: 49). The bottom-up initiative of LEADER is an example to the shift of emphasis in EU policy with efforts to build local capacities through community development programmes and empowerment of local actors.

The priorities of the EU's rural development policy include an important contribution to economic and social cohesion. Stakeholder participation is also a priority. The aim is to devise rural development measures by the participation of a wide range of stakeholders with an active interest in ensuring the sustainable economic, environment and social development of Europe's rural areas. Partnership is another priority where policy is implemented in partnership between public and private organisations and civil society (in line with the principle of subsidiarity). To respond

effectively to local and regional needs, a full dialogue between rural stakeholders in the drawing up and subsequent implementation, monitoring and evaluation of programmes is needed. Partnerships have greater possibilities to learn from each other through networking and exchange of best practices (CEC, 2004b).

Figure 1. Conceptual model: the field force of a rural region



Source: (Terluin, 2001: 119)

## LEADER: The EU's approach to rural development

LEADER represents a bottom-up approach based on the selection of the best local development plans of local actions groups representing public-private partnerships. EU supports operating costs of local actions groups, co-operation projects between them, experimental and pilot projects and the capacity building and animation necessary for the preparation of local development strategies (CEC, 2004b). LEADER is designed to help rural actors improve the long-term potential of their local region. It is aimed at encouraging the implementation of integrated, high-quality and original strategies for sustainable development. It has a strong focus on partnership and networks of exchange of experience.

LEADER is now in its third generation. LEADER I marked the beginning of a new approach (in 1991) to rural development policy, which is territorially based, integrative and participative. The experience of LEADER I suggested that area-based programmes involving partnerships between the local community and other agencies and interests could play a meaningful role in promoting development. LEADER II (from 1994 to 1999) saw the LEADER I approach put to more widespread use, with an emphasis on the innovative aspects of the projects. LEADER+, covering the period 2000 to 2006, continues its role as a laboratory for the emergence and testing of new approaches to integrated and sustainable development that will influence, complete and/or reinforce EU rural development policy. A distinctive feature of LEADER is the implementation of integrated development programmes for local rural areas, drawn up and implemented by broad-based local partnerships, called Local Action Groups (LAGs).

LEADER in many ways epitomises the EU's approach to rural development policy as it involves:

- a broad policy framework, strategic aims, common rules and financing established at EU level by the member states and the European Commission,
- a bottom-up approach with rural stakeholders designing rural development measures at local level that best suit their requirements, and

 regional and national selection and approval processes for LAGs (CEC, 2003a).

The LAGs are selected under an open procedure based on the criteria laid down in the programmes. The number of LAGs selected by member states (by end July 2003) was 808. National networks have been set up in a number of member states to disseminate information from national level to the LAGs and to act as a forum for information exchange on experience and know-how. They also deliver assistance for local and transnational co-operation.

## Characteristics of the LEADER initiative

There are three principles on which the LEADER approach rests:

- Elaborating and implementing a "local action plan" in rural areas between 5,000 and 10,000 inhabitants. This plan defines a limited number of strategic development axes and corresponding measures, which have to be put in action within a period of three years (1991-1993) in LEADER I, of six years in LEADER II (1994-1999) and of seven years in LEADER+ (2000-2006);
- The local action plan is designed and implemented by local partnership as the final beneficiary of the initiative;
- Multi-sectorality and systematic interlinking of development actions embedded in an overall vision and strategy (CEC, 2003b).

A characteristic of LEADER I, which was the implementation of innovative actions by rural actors, public or private, became an explicit aim in LEADER II. The European Commission understood innovation in a broad sense, not just confined to the method, but pertaining to the technical content of the project, whether in the product, the production process, the market or some other aspect. This could concern purely economic aspects or cultural and environmental aspects if closely linked with rural development.

In the LEADER method, the principal final beneficiary is a local partnership implementing a local action plan. Local action groups consist of a combination of

public and private partners jointly devising a strategy and innovative measures for the development or an aspect of the development of a rural area on the scale of a community, roughly less than 100,000 inhabitants. These partners are allocated an administrative and financial lead agency with the capacity to manage grants from public funds. The lead agency ensures full participation by all the local partners concerned, including the leading figures in the economic and social life of the various sectors and associations concerned with the environment, culture and social integration (CEC, 2003b).

With LEADER II the Commission adopted a decentralised approach in implementation. Accordingly, at the regional or national level a planning and decision making partnership is established, including all those who provide part-finance at national level, such as the state or region. These partners draw up a regional LEADER programme which is a synthesis of specific operations already submitted by potential local beneficiaries. Following the submission, these programmes are considered by the Commission and negotiated in partnership with the member state taking into account the innovativeness and the rural character of the projects and the involvement of the rural population. The regional level partners are then allocated a budget by the Commission.

The decentralised approach points to the 'multi-level' character of policy implementation. Authorities at European, national, regional and local levels need to co-operate to identify needs, to define appropriate measures, and to manage EU instruments and programmes (CEC, 2004b). Rural development policy aims to respond to the national and regional needs. As it is the Member States who know best what these needs are, they play a central role in drawing up their rural development programmes and in implementing them. The programming phase starts with each Member State presenting plans. It ends with the Commission (having assessed the consistency of these plans with the rural development regulation) approving them. The EU strategy would be the basis for national strategies and programmes of the member states, which would be subject to Commission approval. These would propose quantified objectives and result indicators. Current programmes cover a seven-year period from January 2000 to end December 2006. Euro 5 046.5 million for

the period 2000-2006 will be spent in the framework of LEADER of which some Euro 2 000 million will be co-financed by the EU budget (CEC, 2003a).

In order to maximise benefits and avoid potential loss in synergies a better coordination between development programmes and other European or national support schemes is required (CEC, 2004b). The viability of rural areas is best maintained and enhanced through territorial approaches, which target multiple sectors in the rural economy. The policy is that they should be based on strengthened local/regional coordination and management structures and be open to bottom-up participation of local actors, starting from the programming phase. Networking and exchange of good practice, both nationally and cross-border, increase the effectiveness of programmes. This requires support both at EU and national level, starting already at programming stage (CEC, 2004b).

LEADER is marked by its very high adaptability to all different governance contexts and specific challenges for different rural areas; it is highly responsive to small-scale activities and it changes the social fabric in rural areas. It mobilised a high degree of voluntary efforts and fostered equal opportunities in rural areas in the EU (CEC, 2004b).

The eligible measures in the framework of LEADER II belonged to four categories:

- Acquisition of competences, where funding was for accumulating knowledge, for improving information flows and for training local people to analyse their area's needs and drawing up strategies.
- Rural innovation programmes, where funding was for innovative development strategies.
- Transnational co-operation, where funding supported common projects initiated and carried out by several local action groups operating in at least two member states.
- Networking, where funding supports the development of active solidarity between rural areas and the exchange of achievements, experience and knowhow between all parties concerned.

The LEADER method has *eight specific features*, which can be grouped under local, trans-local and vertical features. (CEC, 2003b) (see Figure 2). Vertical features relate to the multi-level character of programme implementation and decentralised management. Local features include an area-based approach, a bottom-up approach, partnership approach, innovation and multi-sectoral integration. Area-based approach, as opposed to a sectoral approach, means that development is focused on a specific territory, horizontal integration of local activities, common identities and a shared vision. It contributes to a more effective use of endougenous resources due to the nearness of programme delivery and the creation of new links which allow natural, cultural, technological and human resources to be mobilised and secured from oblivion and to turn them into economic value for the area. Area-based approach also fosters strategic thinking (CEC, 2003b).

Figure 2. Features of LEADER

The local features	Area-based approach Bottom-up approach Partnership approach Innovation Multi-sectoral approach	Represented by the local group and by the local development strategy
The trans-	Networking	Emerge from interaction between
local	Trans-national co-operation	local groups and their respective
features		strategies
The vertical	Decentralised management	Represented and implemented by the
feature	and financing	programming authority. It provides
		the governance frame in which the
		local groups carry out their
		activities. However, the local
		partnership represents an important
		element of this feature, its "terminal"
		at local level

Source: (CEC, 2003b: 66)

Bottom-up approach refers to the active participation of all interested people and organisations in planning, decision making and implementation of social and economic development. By bringing the programme close to people new opportunities are created for the inclusion of new beneficiaries and weaker members of the population. It is an approach that allows the local community and the local

players to express their views and to help to define the development course for their area in line with their own views, expectations and plans. The bottom-up approach has four levels of participation:

- Information through public meetings for the entire community (farmers, non-farmers, residents, etc);
- Consultation or a kind of ",village audit" of active community groups;
- Joint development of project by the Local Action Group; and
- Collective decision-making of the actions and strategies.

The advantages of the bottom-up approach include more clearly identified local problems and needs, better organisation of development players, better understanding of local decisions by the community, greater acceptance of local decisions by the higher authorities and stimulation of ideas and project leading to innovative local actions.

Partnership approach refers to temporary coalition of individual persons or collective bodies, based on a contract binding all partners under the same conditions and for the same purpose. In this way new partnerships such as local development agencies and co-operation structures emerge and contribute to the diversification and dynamism of rural territories. Many partnerships evolve into permanent development agencies and where they cease to exist a consciousness of the importance of local partnership as a place for negotiation and concertation of divergent local interests remains. The effect of the local groups in creating links between activities is strongly influenced by the composition of the partnership. Despite the existence of good examples of both exclusively public or exclusively private partnerships, local groups showing a balanced representation of the private, profit-making and non-profit sector most likely achieve the best results (CEC, 2003b).

Innovative actions give new answers to existing problems of rural development, which provide added value and increased territorial competitiveness. One innovation path could be to discover and upgrade local resources and potential. Another path could be related to the reshaping of local organisations and networks and the

methodological support for implementing participatory practices in local development. The LEADER method itself constitutes an innovation when it leads to the creation of trust and confidence and makes people believe in change. The consequent awareness of local people of their own creative potential is the main source of innovation, which leads to an interest in learning and the quest for knowledge transfer (CEC, 2003b).

Multi-sectoral integration refers to both the combination of activities of different economic sectors or public and private activities in one project and the strategic coherence between different projects in accordance with a common vision. Integration means that the actions should be linked so that the rural innovations programme becomes more coherent. One example of the horizontal integration approach is when local restaurants include in their menus typical food products from local producers, thereby stimulating local tourism as well as sales of local products.

As to the trans-local features of LEADER, networking and trans-national co-operation are the most important. Networking emerges from interactions between local groups and between their strategies. It is the capacity and readiness for collective action with other independent actors for a common purpose. It is instrumental in strengthening the economic links of local players to the outside world, bringing in expertise and establishing commercial links at long distance. Networking facilitates the dissemination of information, the dissemination and transfer of know-how and good practice.

Transnational co-operation refers to the co-operation of LEADER groups located in at least two member states for jointly designing, producing and marketing goods or services. It brings a European dimension to the essentially local dimension and for many local groups constitutes the first step to networking across borders. It facilitates the dissemination of information and the transfer of know-how and good practice.

Following the success of the second phase, LEADER II, the third phase of the LEADER initiative started, covering the period 2000 to 2006. The EU Commission's guidelines for the third phase, LEADER+, provided for four themes and the appointed

LEADER groups have selected one theme each as their major strategy, although other themes can be selected as sub themes consistent with the principal strategy.

The priority themes for LAGs strategies under LEADER+ laid down by the Commission are:

- making the best use of natural and cultural resources, including enhancing the value of sites (selected by 34% of the total number of LAGs);
- improving the quality of rural areas (26%);
- adding value to local products, in particular by facilitating access to markets for small production units via collective actions (19%); and
- the use of new know-how and new technologies to make products and services in rural areas more competitive (11%) (CEC, 2003a).

The remaining LAGs have selected more than one priority theme.

LEADER+ is structured around three actions, in addition to technical assistance (see Figure 3). The first action is related to support for integrated territorial development strategies based on a bottom-up approach and receives most of the funds. The second action is related to support for co-operation between rural territories and the third action concerns networking.

Implementation of Action 1 is through Local Action Groups selected in an open procedure based on the criteria laid down in the programmes. These include the rural nature of the territories, their homogeneity in physical, economic and social terms, and integrated and innovative development plans. Economic and social partners and associations must make up at least 50 % of the local partnership, and the relevance and effectiveness of this partnership is also taken into account.

Figure 3. Action areas of LEADER+

	million EUR	Share (%)
Action 1: Support for integrated territorial development strategies of a pilot nature based on a bottom-up approach	4.377,6	86,75
Action 2: Support for cooperation between rural territories	504,8	10,00
Action 3: Networking	68,7	1,36
Technical assistance	95,4	1,89

Source: <a href="http://europa.eu.int">http://europa.eu.int</a>

## Future of EU rural policy

The new policy for the programming period 2007-2013 is build around four priority axis, including a Leader axis, and has three major objectives. The first objective is to increase the competitiveness of the agricultural sector through support for restructuring, which would be built on measures relating to human and physical capital and to quality aspects. The second objective of enhancing the environment and countryside through support for land management is by complying with certain standards in the field of environmental protection, public health, animal and plant health and animal welfare. The third objective is to strengthen the quality of life in rural areas and promote diversification of economic activities through measures targeting the farm sector and other rural actors.

In the realisation of these objectives the preferred implementation method is through local development strategies targeting sub-regional entities and through a bottom up approach using the LEADER initiative. Accordingly, each programme is supposed to contain a LEADER axis to finance the implementation of the local development strategies of local action groups built on the three objectives. The LEADER model can be applied on a wider scale by those Member States wishing to do so, while for the EU as a whole continuation and consolidation of the LEADER approach will be safeguarded.

The LEADER approach has shown the importance of a territorial approach, participation of local actors and formation of networks to rural development. The territorial approach has been instrumental in bringing out a local/territorial identity dimension to local development strategies, which has reinforced the coherence of development projects. Areas that were formely anonymous have now become "unique" areas with a strong identity. Placing an element of local identity at the core of a territorial strategy has made it possible for unused, neglected or even forgotten resources to regain their value and to give rise to unique products resulting from unusual combinations of different elements and sectors. Good examples are the "Village of Bread" in Belgium, the "route du vin" in France, etc.

Participation has enabled local actors to "imagine" a future for their rural area and created opportunities for previously under-represented groups to play a role. For example, it is remarkable to note the strong participation of women in the local action groups. The decline of certain areas, even where this is advanced, is never terminal because local players make it possible to explore new avenues of development. In some cases visionary players came forward to present a totally new product or service that had a multiplier effect. Also new technologies have been introduced, such as f.i. "tele-medecine" in France.

Networking has similarly led to exchange of experiences, mutual willingness to learn from each other and the possibility of co-operation between rural areas by means of the establishment of a vital European LEADER network of local groups. Cross-border co-operation has not only served the purpose of planning and carrying out joint projects but also demonstrated the possibilities for the development of rural Europe.

## Conclusion

LEADER as part of an integrated rural development strategy allows experiments with *local* (territorial based) small scale actions (pilot projects) using the *endogenous* potential of the area. The underlying assumption is that development processes involve a different mix of relevant factors that are unique and typical of a particular geographical space and time and therefore should be conceived of at local level. The actions are invented and executed by local players (bottom-up) and should be, if successful, transferable to other territories.

LEADER means listening to the voice of local citizens and increasing their participation.

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Laurent Van Depoele, Institute for International and European Policy, Faculty of Social Sciences

Laurent Van Depoele, Institute for International and European Policy, Faculty of Social Sciences

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