



Research Article

The Importance of The Public Domain Development Projects Carried Out by The Baraganul of South-East Local Action Group

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Abstract

There are situations in which most of the amounts allocated to a LAG are intended to finance both measures and projects that have as eligible beneficiaries the public authorities in the LAG territory, although the public sector does not have a majority in the decision-making forum in which the measures financed by the LEADER are established. Can this aspect be the consequence of the privileged position that public sector associates have, based on their administrative force and on their superior experience in accessing European funds? Or do the proposed projects respond to some public need for which the further economic development of the community depends? Starting from these questions, researching the internal documents and also the public data on LAG website, it is found out that 52% of the total amount allocated to LAG is intended for a measure in which projects can have as eligible direct beneficiaries only public authorities. Within this measure, there are some contracted and financed projects, that aim to increase the quality of life in rural communities, mainly by improving some types of public services such as lighting, public safety, leisure, roads and also social services. The result of such investments is to ensure the right framework for the community's economic development, first by minimizing the young generation migration to the urban environment, and secondly, by significantly creating a favorable climate to the protection and growth of the local economic environment.

Keywords: Local Actions Group, Innovation, Public Beneficiaries, Local Development Strategy

Introduction

According to the principle of subsidiarity in public administration, the responsibility for ensuring social comfort for rural residents lies mainly with local public authorities and especially with the mayors. However, local authorities do not have sole responsibility for ensuring social comfort and improving living standards, the Government as the authority of the central public administration is also competent and responsible for providing the necessary framework for local authorities into developing the rural space. Regarding this point, there is also the provision from the Romanian Constitution according to which the state is obligated to take measures of economic development in order to ensure the citizen's decent way of living.

In order to develop the European rural area, the European Union implements rural development programs financed by the European Agricultural Fund for Rural Development (EAFRD), at least 5% of these grants being directed to projects and actions based on the LEADER method, which involves targeting the funding established at a level as close as possible to a man as a direct beneficiary (for a terminological clarification, we specify that throughout the material we will use the words "LEADER program", which represents the European Union's initiative to support rural development projects initiated at the local level, in order to revitalize rural areas and create jobs). From this perspective, the Local Action Groups (LAGs) are another interface between the local community and the public financier, and through their activity they have the mission to ensure the transposition of the community's needs in projects of the widest possible interest. In order to achieve this goal, local development strategies (LDS) are created, which will respect the following characteristics: image of the future, creativity, flexibility, activity, created for action, orientation towards change, orientation towards sustainable gain. (Balogh, 2003). According to the Rural National Development Program (PNDR) 2014-2020 the LDS must be developed

based on a complete approach, and even if it takes into account the needs identified in the diagnostic analysis, it will be structured according to the PNDR objectives.

The Baraganul of South-East Local Action Group is the largest LAG established in the territory of Calarasi County, comprised of 21 rural local authorities with 45 component villages and according to the 2011 census covers a population of 86,281 inhabitants. The area of the LAG is 248,835 hectares, of which the agricultural area is 210,395 hectares. The LAG is composed of 21 public partners, 17 private partners, 9 civil society partners. In the period 2014 - 2020, it benefited from an amount allocated for the financing of submitted projects of 3,873,883 euros (LDS, 2019).

Through LDS, its main objective was to achieve a balanced territorial development of rural economies and communities, including the creation and maintenance of jobs and the promotion of agricultural competitiveness. Within this objective, balanced development of the territory means a balanced development from several points of view, namely infrastructure, social activities, production and services in the non-agricultural field, as well as the integration of minorities in the local community. This explains the approval and development of the measure called "Stimulating the development of the territory of Baraganul of South-East LAG", necessary for the implementation of projects related to the development of the territory in terms of road, social, agreement, educational, environment, health and emergencies infrastructure, elements that constitute the main weaknesses and a cause of exposure to threats of the territory concerned. In this material, through the research of the documents provided by the Baraganul of South-East LAG as well as of the public data on the LAG website, this measure was mainly analyzed, for two main reasons: a) it has allocated 52% of the entire amount destined to the Baraganul of South-East LAG and b) direct beneficiaries, can only be the territorial administrative units, that is, the public partner members of the LAG. Within the case study of the Baraganul of

South-East LAG, the Local Development Strategy, the applicant's guides, the calls and the selection reports as well as extensive extracts from the concluded contracts were studied. The contracted amounts and indicators were analyzed and compared with those proposed by the LDS in order to better understand the effective contribution of each measure to the achievement of the set objectives. It is important to mention that the territory of Baraganul of South-East LAG is very poorly industrialized and the level of technology is very low.

For the mentioned period, by the end of 2020, 59 projects were submitted, out of which 46 were selected and 13 rejected. Out of the 46 selected projects, 40 projects were contracted. Most contracted projects (21 projects) are projects that had as eligible beneficiaries the public authorities, respectively the communes (localities).

Literature Review

The LEADER approach practically encourages the establishment of local development partnerships between three groups of local actors: public administration, civil society and the private sector.

The Leader program in Romania started in 2011 and aims to capitalize on the potential of rural development: economical improvement, social and environmental aspects of the rural area, employment, education, health, standard of living and quality of life (Rahoveanu and Rahoveanu, 2013).

According to a study on the evaluation of the degree of innovation of projects implemented through the LAG, Pocol & Kassai (2016), it is expected for LEADER to play an important role in encouraging innovative approaches to the development of rural areas in Romania. However, the results of the research show that only the initial expectations are partially met, as most partnerships have had no or partial success in implementing innovations. That is why it has been found that in the case of LEADER, innovation must be understood in

a broad sense. In rural areas in Romania, innovation often involves the transfer and adaptation of innovations developed elsewhere, while normally and in other cases innovation is considered only when there is a completely new project. But, for most LAGs in Romania, a project was innovative if it was not previously implemented in that LAG. From this point of view, the recommendation of the study authors would be to give higher priority to cooperation with external authorities in the future in order to increase the level of implementation of innovations through ongoing projects.

On the same note, a research project that was carried out, (Pocol et al., 2017) indicates that, through statistical evidence, the actions taken by LAGs have not achieved the goal of promoting the economic development of non-agricultural activities in rural areas, the main point that appears in the research being the lack of effectiveness of the LAGs in promoting the economic development of non-agricultural activities in the examined regions (North-West Region and North-East Region).

In his paper "EU Rural Regions: Exploring Differences in Economic Development", Terluin IJ notes that the economic development of rural areas requires the ability of the community to function effectively on the basis of aid. Unfortunately, many rural communities fail to achieve a satisfactory degree of economic development due to insufficient capacity to solve economic problems, an inadequate institutional environment and a lack of political responsibilities. Community-led rural development theory focuses on strengthening the self-help capacity of local communities, which is considered to be a major condition for establishing and supporting local economic development (Terluin, 2001).

In a study related to the topic of this material, Volk & Bojnec analyzed the structure of final beneficiaries and the results clearly show a strong dominance of public sector beneficiaries. The reason for such a situation may be related to the fact that the public sector has more experience

in managing EU projects and has better access to financial resources to provide assets for financing or co-financing projects. However, based on the experience of LEADER +, another possible interpretation would be that in the LAG boards, the public sector representatives have a greater influence in the decision-making process, which means that projects proposed by public authorities benefit from a greater degree of attention, thus having a biased advantage in the selection process. These projects are considered not to be innovative, which is supposed to be the biggest advantage of the LEADER program. In short, as a conclusion of this study, there is a tendency of the public sector to prevail in the decision-making process and to consider LEADER as an additional source of funding for local projects (Volk & Bojnc, 2014).

In Romania there is still a lack of expertise in the development and implementation of local development strategies (LDS), and in some cases the priorities set by the strategies were influenced by various factors, failing to reflect the real problems of the rural area. Local development capacity does not respond to local needs in a comprehensive manner, especially in terms of collaboration between public and private partners (Albu & Chitu, 2014).

Analysis of the Baraganul of South-East LAG projects

The largest Local Action Group in Calarasi County, Baraganul of South-East LAG, identified, following the SWOT analysis of the Local Development Strategy, among the weaknesses of the local economy, being the lack of innovation. Among the opportunities, the possibility of developing multiple activities in the region was identified, both in agriculture and non-agriculture, and as threats, the low interest of foreign investors due to poor infrastructure, lack of funds and a long time required for rural infrastructure development.

The following measures have been proposed to address the needs identified by the LDS:

- Stimulating the development of the Baraganul of South-East LAG territory - 2,014,677 euros allocated (52%);
- Establishment and development of non-agricultural businesses on the LAG territory - 630,242 euros allocated (16,3%);
- Establishment, modernization or rehabilitation of cult monuments of local importance - 300.000 euros allocated (7,7%);
- Flat rate support for the installation of young farmers - 240,000 euros allocated (6,1%);
- Improving the agricultural performance of the agricultural holding in the territory of the LAG - 678,962 euro allocated (17,6%);
- Minorities and their integration in the local community - 10,000 euros allocated (0,3%).

From the documents provided by Baraganul of South-East LAG as well as from the public data on the LAG website, it is observed that 52% of the amount allocated to the projects necessary to achieve the proposed objectives (achieving a balanced territorial development of rural economies and communities, including the creation and maintenance of jobs and the promotion of the competitiveness of agriculture) are allocated to a single measure, namely "Stimulating the development of the territory of the Baraganul of South-East LAG".

According to LDS, the purpose of this measure is to implement projects related to the development of the territory in terms of road, social, leisure, educational, environment, and health infrastructure, elements that constitute, as mentioned, the main weaknesses and a cause of exposure to threats. These types of infrastructures contribute to the creation of new facilities both for the local population and for investors. Crime in some regions is quite high, which is why it is proposed to make investments in the public surveillance

systems. There is no day center for disadvantaged people in the territory. These day centers are necessary to ensure at least a space in which those in need have minimum hygiene and dining conditions. The innovative and atypical character of this measure is given by the types of investments to be made, as well as by the social character that some of them have.

The specific local objective of the measure is the modernization and establishment of infrastructures within the localities necessary for the development of the territory. It contributes to the promotion of social inclusion, the reduction of poverty and economic development in rural areas and to the reduction of the phenomenon of social segregation through public interest investments that will be made. Eligible direct beneficiaries of projects under this measure are municipalities, NGOs or other public entities. The indirect beneficiaries are the inhabitants and investors of the LAG.

As a monitoring indicator, it has been established that the population benefiting from improved services or infrastructures should be at least 20,000 people and the number of jobs created should be at least 1.

On this measure, 20 projects were submitted in a total amount of 2,620,783 euros, of which the requested non-reimbursable aid is in the amount of 2,006,984 euros, and the measure has allocated for the implementation of the projects the amount of 2,014,677 euros. All 20 projects were selected and contracted, the last contract of this measure ending on February 5, 2021.

9 projects have as an objective the acquisition and endowment of the Voluntary Service for Emergency Situations (local structure specialized in interventions) from localities of the LAG with equipment and machinery. The total value of these projects is 1,197,794 euros, of which 932,609 euros are requested non-reimbursable aid.

Thus, it is required to purchase a fully equipped fire truck with means and

equipment for intervention and protection (the total value of the project is 157,173 euros, of which 132,070 euros non-reimbursable requested aid). The indirect beneficiaries are the inhabitants of Ciocanesti commune (3,882 inhabitants) and the economic agents (200 economic agents).

A purchase of bulldozers with various equipment for 8 localities on the territory of the LAG is also required in order to ensure interventions in certain emergency cases. The need to purchase such machinery and equipment is justified by the fact that they will serve to act to eliminate the effects of disasters, road maintenance and operation, prevent road snow or snowfall interventions, ensure student access to schools, provide access to ambulances, firefighters or police on non-modernized roads, ensuring the drainage of rainwater by unclogging ditches in case of floods, avoiding water infiltration in the road foundation, evacuation of people, animals or goods in case of danger (the total value of these projects is 1,040. 621 euros, of which 800,539 euros are non-reimbursable requested aid). The indirect beneficiaries of these projects are primarily the inhabitants of the communes that submitted the projects and purchased the machinery and equipment (8 communes with 39,178 inhabitants and 244 economic agents). The impact on the environment is considered to be the much lower in terms of pollution with the new equipment as well as with the intervention of the purchased equipment in limiting some polluting events (floods). Also, each beneficiary locality has the obligation by contract to ensure the selective collection of waste in public units (schools, kindergartens, town halls), thus contributing to the education of the population regarding recycling and teaching the values of having a clean environment.

Within this measure, 3 projects are submitted and contracted regarding the modernization and rehabilitation of the public lighting system, which ensured the proper lighting of the streets in the respective rural localities (Jegalia, Stefan

Voda and Stefan cel Mare communes), in the sense that, until the modernization and rehabilitation of the public lighting system, there were only lights at the end of the streets, and now luminaires are installed on all existing poles, every 40 meters. The completion of these projects has effectively improved the social comfort of the inhabitants of the respective localities and has also contributed to ensuring the conditions for the realization of other necessary public services such as the installation of video cameras in the most vulnerable areas of the localities. The total value of public lighting projects is 309,466 euros, from which 251,995 euros are non-reimbursable requested aid.

The insurance of the leisure infrastructure benefits from 28% of the amount allocated to this measure, respectively 561,326 euros. The insurance of the infrastructure leisure is achieved through 6 projects with a total value of 736,773 euros, of which 561,326 euros are non-reimbursable requested aid.

Of the 6 projects, 4 projects are for the construction of sports fields with the related equipment consisting of synthetic field, locker rooms, fencing, lighting and, in one case, the extension of a bike path. By ensuring the diversity of leisure activities, this type of project can reduce the phenomenon of migration of the young generation to the urban environment, thus contributing significantly to maintaining a specialized labor force in rural areas, practically laying the foundations of a future rural area characterized by economic and social development.

The concern of the community towards all its members was highlighted when two projects were submitted, selected and contracted that apparently actually serve a smaller number of indirect beneficiaries: a project for the modernization of a street in a rural locality (on a length of 800 m) and a project to set up a day center for the elderly.

The project for the modernization of a street is worth a total of 106,190 euros, of which 82,525 euros are non-reimbursable

public aid. Discussions on this project were on the topic of innovation: how modernizing a street is an innovation. When analyzing the fulfillment of the innovation condition, as in the case of other projects, it was considered an innovation the fact that, through the proposed project, indirect beneficiaries will have for the first time the opportunity to walk on the street without special equipment and long boots when it rains, and that people with cars will also have easy access to their related properties in rainy weather. The inhabitants of the modernized street have the possibility and the duty to make a selective collection of household waste through the special containers provided.

The project regarding the establishment of a day center for the elderly in the commune of Stefan cel Mare has a total value of 270,560 euros, of which 178,529 euros are non-reimbursable public aid. The project is mainly addressed to the elderly of Stefan cel Mare commune. According to the data provided by the Calarasi Regional Directorate of Statistics, in this locality there are 485 people over 65 years and 181 people with ages between 60 and 64 years.

In addition to the measure "Stimulating the development of the territory of the Baraganul of South-East LAG" analyzed above, the following measures were also funded within the LAG to which we refer:

a) "Establishment and development of non-agricultural business in the territory of the LAG". The measure has allocated the amount of 630,242 euros for the implementation of projects. 6 projects were submitted for the construction of a complex for recreational activities, halls for wood processing, a center for maintenance and repair of agricultural equipment, but also, the purchase of a veterinary ambulance. The requested non-reimbursable aid is in the amount of 629,674 euros. The beneficiaries are 6 private economic agents.

b) "Establishment, modernization or rehabilitation of cult monuments of local importance". The measure has allocated the amount of 300,000 euros and the value

of the non-reimbursable aid requested through the submitted projects is 297,174 euros. 6 projects were submitted, the beneficiaries being cult units from the NGO category. The expected impact is major, ensuring a large number of inhabitants' access to religious services in improved conditions.

c) "Flat rate support for the installation of young farmers". The measure has allocated 240,000 euros, and the value of the non-reimbursable aid requested through the submitted projects is 240,000 euros. 6 projects were submitted, each worth 40,000 euros.

d) "Improving the agricultural performance of the agricultural holding on the territory of the Baraganul of South-East LAG". The measure is allocated the amount of 678,962 euros. 6 projects were submitted, mainly concerning the purchase of agricultural equipment as well as ensuring the conditions for carrying out the activity within the agricultural holding by placing lighting poles. A non-reimbursable aid of 678,642 euros is requested.

e) "Minorities and their integration into the local community". The measure is allocated 10,000 euros. A project was submitted by the beneficiaries to public authorities.

Conclusions

The measure "Stimulating the development of the territory of Baraganul of South-East LAG" provides the foundation for the balanced development of the territory, intervening, according to the needs of each community, with various types of investments to ensure a minimum level of economic and social development throughout the LAG. These investments will create the necessary framework for other levels of investments, thus forcing the progress of the community.

Regarding the innovative character of the projects, although in the doctrine it was noted that in Romania a project is considered innovative if it has not been previously implemented in that LAG, in

practice, and we support this point of view, it was considered that a project has innovative if it offers direct or indirect beneficiaries the opportunity to benefit from services or products that they have not benefited from before, thus improving the quality of life in the community, or streamlining the activity of providing necessary and useful services to the community and the business environment.

Thus, in order to establish the innovative character of a project, it is necessary to take into account the type of investment, the degree of development of the territory on which the investment is made as well as the level of economic and social development of the community. As an example, in this sense, if for some communities the modernization of a road or a public lighting network is a common investment, for other communities, with a lower level of economic and social development, the same type of investment has an innovative character. Practically, as a conclusion, the innovative character is determined by the investment according to the territory and the community, and not according to the general technological level of Romania.

The indirect beneficiaries of the projects submitted by the public authorities are represented by approximately 50,000 inhabitants representing 57% of the inhabitants of the LAG territory. They use both public lighting installations, machinery and equipment used by town halls, the modernized road or the new leisure infrastructure.

Although 52% of the total LAG allocated, may seem like a dominance of the public sector due to greater influence in the decision-making process, in reality, public partner projects are designed to achieve two major objectives to increase the welfare of the population. The first objective is to ensure the increase of the level of technological and social development in the LAG territory, so as to create the basis on which to base new private sector projects, the private sector being the one that can determine the economic development of the area and

eliminate the phenomenon of poverty. The investments proposed by the public authorities made through the LEADER program allow the rural territories within the LAG to become competitive.

As a conclusion for the above, there is an apparent tendency to finance projects through the LEADER program to solve community problems related to the quality of public services within the exclusive competence of municipalities. In reality, however, in order to streamline the LEADER program, to ensure the necessary infrastructure conditions for the success of future projects designed by the community to increase the economic competitiveness of the area, these investments in public services are now needed as an integral part of future projects.

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