

Innovation in rural areas – methods to improve the quality of citizens life

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Abstract. Innovation in rural development and how it has influenced the increase in the quality of life of the rural population has always been a challenge. Innovation can be addressed through the interventions implemented within the measures and intervention areas of the rural development programs and through certain types of projects. New products, practices, and processes represent engines for innovation and diversification of agricultural activities, as well as for improving the competitiveness of the rural economy. The policy tool to support local needs, in reducing economic and social imbalances and urban-rural disparities and promoting innovation is the LEADER approach that encourages small-scale innovative actions in all aspects of rural life (economic, social and environmental). With the help of the information taken and analyzed from the websites of institutions with a role in the elaboration, management, implementation, and control of rural development programs in Romania, projects were identified that encourage innovation through the activities of local action groups at the LEADER rural area level, financed during 2014 – 2020, the beneficiaries of these projects, the value of the contracts and their impact on the rural population. Following the analysis, we want to see which type of projects the innovation took shape and if they helped the evolution of the rural community concretely.

Keywords: *innovation, rural development, rural space, LEADER, bottom-up approach*

Introduction

The changes registered at the level of the rural population in the last two decades, highlighted by the negative evolution of the main demographic indicators, have generated a pronounced demographic imbalance which manifests itself in addition to the aging of the population and the decrease in the birth rate, through the increase in mortality, but also through the explosion of external migration, having as the main negative effect is the depopulation of rural areas.

Starting from the processing and analysis of INSE statistical data at the level of the rural area of Romania, the rural area is vulnerable to threats such as the non-use of the financial resources available through the European Union programs in the territory, the migration of the rural population to the urban and abroad, the accentuation of the phenomenon of poverty is highlighted and social marginalization, increased share of the age of the rural population, as well as the population at risk of poverty or social exclusion.

The phenomenon of the depopulation of villages and rural areas, a phenomenon registered in Romania but also at the level of the European Union, at an accelerated or less accelerated pace, each country having its specifics, must be countered through innovation.

In the specialized literature, we frequently encounter the terms innovation and innovation, but the short distinction between the two terms is represented by the fact that innovation is the action of innovating (source: dexonline), while innovation is the result of that action.

In this article, the innovation will be analyzed from the point of view of the rural development programs financed by the European Union that support the development of the rural space. First of all, innovation is one of the three transversal objectives of the rural policy and can be addressed through the interventions implemented within the measures and intervention areas of the rural development programs (2007-2013, 2014-2020, 2023-2027).

Regardless of the field, innovation is a difficult concept to define and evaluate. How do we identify a project as innovative, because the respective investment has never been made before in the implementation area or has a novelty character only if it presents an unusual invention and is not applied elsewhere in the country or in the world.

One of the priorities of the European Union about the 2014-2020 programming period, within Regulation no. 1305/2013 regarding support for rural development granted from the European Agricultural Fund for Rural Development, is "Encouraging knowledge transfer and innovation in agriculture, forestry, and rural areas". Thus, the encouragement of new, innovative products and their introduction to new domestic or foreign markets will be a constant for the coming years. New products, practices, and processes represent engines for innovation and diversification of agricultural activities, as well as for improving the competitiveness of the rural economy.

The rural development policy is designed to encourage innovation (technological, institutional, and social), as a factor that allows the fulfillment of rural development objectives and priorities and addressing challenges in the rural environment.

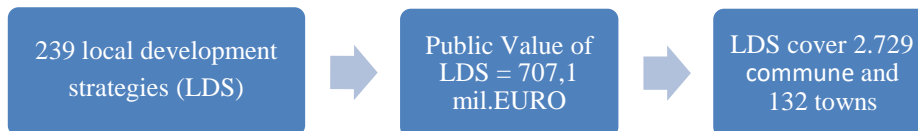
Innovation through LEADER programme

Innovative approaches are promoted through European programs. According to them, the inclusion of innovation measures in rural development is a priority. Some measures from rural development programs can even have more direct effects on innovation, namely for the 2014-2020 period, which also includes a transition period to the future period, we identify Measure 19 - LEADER Local Development being introduced as a policy instrument to support local needs, in reducing economic and social imbalances and urban-rural disparities and which promotes innovation as one of the main elements of the LEADER approach and encourages small-scale innovative actions in all aspects of rural life (economic, social and environmental). Therefore, LEADER encourages innovative projects that are in agreement with the objectives of Regulation (EU) no. 1305/2013 and with the local development objectives of the rural community.

In the 2014-2020 period, LEADER was a mandatory part of all rural development programs. Since then, EU law has required member states, except Croatia, to spend at least 5% of their rural development funds on LEADER. In Romania, through the PNDR 2014-2020, the use of the LEADER instrument continues, as a stand-alone measure with an allocation of over 560 million euros, representing 7% of the total value of the program, and the total LEADER eligible area is 211.942,46 km², with a population of 9.749.526 inhabitants, representing 85.82% of the total LEADER eligible population;. During this period, 239 local development strategies were selected and implemented by LAGs, with almost total coverage of the eligible territory (over 92,65% of the total LEADER-eligible area).

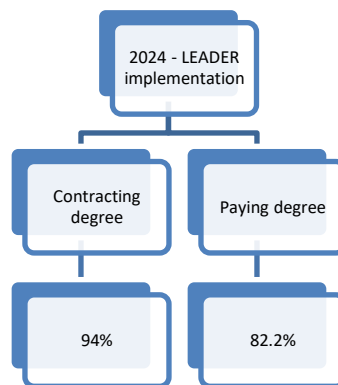
From the beginning, the main principle of LEADER has been to search for innovation. This is yet another one of the most fascinating, innovative and yet challenging aspects of the whole approach. The LAG focuses on identifying and capitalizing on opportunities and challenges, as well as finding and promoting new and inventive solutions to local problems with local people. Innovation refers to what is done, the types of activities supported, the products or services that have been developed, etc., but it is also particularly important how things are done and how local people are involved. Certainly not every innovative idea will succeed, and careful evaluation of projects by the LAG is extremely important. The role of innovation in the field of rural development is embodied in the identification of new resources; in the ability of the main actors to assume certain risks.

The following research methods and techniques were used to carry out the study: the identification and collection of specific data, their analysis, synthesis, interpretation. Information is presented in tabular form. The information analyzed and used in the paper was taken from representative materials from the websites of the authorities with a role in the elaboration, management, implementation and control of rural development programs in Romania, namely: the Management Authority for the National Rural Development Program, within Ministry of Agriculture and Rural Development; Agency for Financing Rural Investments. Also, the specialized literature and the legislation with incidence in the field of the work were studied.



It is interesting to see the current situation of LEADER implementation of projects within the local development strategy. In the table below, we can see how it was distributed the allocation of 595,6 mil. euros related to submeasure 19.2 "Support for the implementation of actions within the local development strategy", represented the financial envelope for financing the projects selected by the LAGs.

Public Allocation (EURO) LEADER Implementation in 2024	Number of projects submitted within the LDS	The number of selected projects and value	The number of contracted projects and value
595,6 mil. euro	12.626	11.239 - 574 mil.euro	10.624 - 536,1 mil. euro



Source: data processed by the authors

By referring to the number of strategies in Romania, we can see the overall number of strategies selected at the European level:

Member states	Number of selected strategies
Cehia	178
Germania (Saxonia)	350
Estonia	34
Irlanda	30
Grecia	50
Austria	77
Portugalia	92
România	239
Slovakia	110
Suedia	48

Source: European Court of Auditors, based on information provided by member states select.

The absorption of funds gradually improved LEADER becoming a complex development tool that financed local projects in various fields.

At the level of the entire European Union, during the 2014-2020 programming period, LEADER benefited from approximately 7 billion euros for rural development projects, representing approximately 7% of the total funds for rural development. National contributions were added to this, bringing the total budget to approximately 12.5 billion euros. In the period 2014-2020, LEADER was implemented through approximately 2,800 LAGs at EU level, which covered over 60% of the rural population. The total number of projects financed by LEADER reached 143,487 at the end of 2020, varying by country and region, one of the LEADER objectives for the period 2014-2020 being the creation of approximately 44,109 jobs at the EU level.

The absorption of LEADER funds in the period 2014-2020 at the level of the European Union fluctuated significantly. Romania started with a low uptake rate (45% in 2014) due to administrative challenges and bureaucracy, but managed to increase gradually, reaching 75% in 2020. In contrast, France and Germany have performed very well since the beginning, with uptake rates of 60% and 65% respectively in 2014, and reaching 85% and 87% by 2020. These countries had an efficient administrative base and good coordination between Local Action Groups and authorities local. Spain and Poland had an intermediate evolution, starting with moderate absorption rates (62% and 55% in 2014) and reaching 80% and 78% in 2020, thanks to project diversification and easier access to funds.

The situation of the absorption of funds in Romania, compared with other EU countries (%)

Countries	2014	2015	2016	2017	2018	2019	2020
România	45	50	55	60	65	70	75
Franța	60	63	68	72	76	80	85
Germania	65	67	70	75	78	82	87
Spania	62	64	67	70	73	76	80
Polonia	55	57	60	65	70	75	78

Source: data processed by the authors

The implementation of the LEADER tool in Romania has brought significant results in many rural areas and will continue to play a significant role in supporting the rural environment in adapting to modern times, which are constantly changing. Its specific "bottom-up" approach represents a method that offers new perspectives for rural development, based on the identification of local needs, the improvement of development capacity, and the implementation of local development strategies, to preserve the cultural and rural heritage, of to develop the economic environment and improve the organizational skills of local communities.

LEADER in Romania has a rich history, having an innovative character and encouraging innovative projects that are in agreement with the types of activities eligible for support through PNDR with the community's local development objectives.

It is important to see how this measure supports innovation: the application of new ways of strategy making, including different unique forms of ensuring the participation of the local population in strategic decisions (for example, various animation activities related to information gathering, various workshops, and platforms of discussions, etc.) thus contribute to the creation of a favorable environment for innovation.

At the level of the LAGs, projects with a different typology were implemented to support innovation, through actions such as: transfer of knowledge to people who carry out their activity in the agricultural, forestry, food sector, land managers, employees from the rural areas of the operation area; training and acquisition of skills, entrepreneurial competences of people from the lag territory through information and knowledge transfer; modern agriculture and farm management, marketing of activities and environmental protection; improving the specific technical and economic knowledge for the practice and management of activities in the agricultural and agri-food field of lag farmers, as well as in terms of the general management of the farm; sustainable development through training activities on the LAG

territory; the protection of the environment and nature, the premise of the development of the rural area; services to improve skills and knowledge in the agricultural field; food hubs as innovative models to support farmers; s.m.a.r.t.s.t.a.r.t.-u.p.; s.m.a.r.t. - supporting and motivating young responsible entrepreneurs; cooperation for the creation of short chains and development of the local market in the field of horticulture; professional training to support the integration of the roma minority and disadvantaged persons; trained farmer - valuable entrepreneur; construction of agri-food market and cheese warehouse; development of short supply chains and local markets; supporting short supply chains and the local market in the beekeeping sector through the cooperation of local actors; agromanagement - acquisition by farmers of skills in entrepreneurship and rural partnership; promotion of quality schemes for agricultural and agri-food products; we develop the community through innovation and cooperation; rural management - acquisition by farmers of skills in rural management; advanced integrative processing of plant bioresources for the purpose of obtaining innovative natural products at the level of the quality requirements of the EU; steps towards a smart community; rural entrepreneur - training actions to increase entrepreneurial performance within the LAG.

Number of projects financed at the level of LAGs regarding the types of project from above	Total eligible value contracted (EURO)	Number of jobs created
94	2.857.480,83	19

Source: data processed by the authors

As you see the LEADER engine is put into practice by local action groups (LAGs) with an essential role in promoting innovative projects, and supporting young people and ideas that can attract them to village life.

What is important is that these innovative measures are based on resources that are available to the community without copying measures taken from another community that is based on other resources, authenticity being the key to success. It is truly innovative to identify personal solutions that can be solved through the resources at hand. To be functional, successful models must be adapted to local specifics. The applicants come with projects that respond to local needs and the LAGs understood that they had to finance these requests and included them in their strategies.

In this article, I have tried to identify the projects that encourage innovation through the activities of local action groups at the level of LEADER rural space, financed in the period 2014-2020, who are the beneficiaries of these projects, the value of the contracts and their impact on the rural population.

Another example of innovative projects identified at the level of LAGs is the creation of short chains to ensure quality agricultural products for a growing number of consumers. The reorientation towards a natural way of feeding us, direct contact with producers, and avoiding intermediaries leads to a system that is growing and becoming more and more popular.

The association of agricultural producers represents another innovative method intensively promoted among the members of the LAGs, through their organization within agricultural cooperatives. In essence, working together through associations or agricultural cooperatives is not an element of innovation, but how small producers can benefit from their collaboration through association given the possibility of selling their products in supermarket chains at a better price for goods traded by agricultural cooperative members is another new and innovative vision.

Number of projects financed at the level of LAGs	Total eligible value contracted (EURO)	Number of jobs created
108	6.843.287,74	62

Source: data processed by the authors



Source: data processed by the authors

In this sense, the article was based on research methods and techniques, respectively: the identification and collection of specific data, their analysis, synthesis, and interpretation. The information analyzed and used in the paper was taken from the websites of institutions with a role in the development, management, implementation, and control of rural development programs in Romania, namely: the Management Authority for the National Rural Development Program, within the Ministry of Agriculture and Rural Development; Agency for the Financing of Rural Investments.

Innovation within LEADER consists in the way the LAGs approach the opportunities and challenges identified at the local level and in the way they manage to increase interest in the development of innovative projects of public utility and/or with economic, social, and cultural impact. Thus, at the level of a local community, the innovative actions, as stated above, can target, for example: • energy efficiency and the promotion of energy from renewable sources; • ICT; • tangible and intangible heritage, including the natural heritage of local interest; • producer groups; • agricultural, agri-food markets for local products; • vulnerable groups and disadvantaged communities, etc.

Innovation can materialize at the local level in types of service projects, products, technologies, economic activities, forms of organization, and demonstration projects of an experimental nature, with results that can be translated into practice and through which main actions are correlated in a context new. etc.

Conclusions

The territorial development of both urban and rural towns in Romania is a strategic priority at the national level to improve the quality of life and ensure the necessary living standards for the population, at a higher quality level, by the political provisions of the European Union, but also with national policies. In conclusion, success in absorbing LEADER funds depended on administrative capacity, experience in managing funds, and project diversification.

We must be aware that we must move towards an economy based more on knowledge, to develop innovative projects that ensure the sustainable development of the Romanian rural environment. In this sense, all participants must collaborate and exchange information and knowledge transfer at regional, interregional, and European levels. This is also one of the meanings of European integration.

Rural development policies promote cooperation and support the development of cooperation networks and operative groups to exchange experience and best practices and develop new opportunities, and economic development, to the social prosperity of communities that take part in rural development.

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