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PARTICIPATORY GOVERNANCE IN PRACTICE: CHALLENGES AND VULNERABILITIES OF LOCAL ACTION GROUPS IN ROMANIA

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Abstract
Local Action Groups (LAGs) represent one of the most important instruments designed to support the transformation and modernization of rural communities within the framework of European rural development policies. In the North-East Region of Romania, one of the least developed regions in the European Union, the establishment of LAGs generated considerable expectations regarding their potential role in promoting local entrepreneurship, social cohesion, and sustainable regional development. Despite these expectations, the operationalization and consolidation of LAGs have proven to be complex processes marked by administrative, organizational, and strategic difficulties. This paper aims to analyze the main characteristics and development patterns of LAGs operating in Romania, with a particular focus on the relationship between organizational identity, assumed development roles, and public perception of institutional effectiveness. The methodological approach is qualitative and exploratory. The research is based on the collection, systematization, and interpretation of information derived from secondary sources, including reports issued by development agencies, strategic and operational documents, academic studies, institutional analyses, and articles published in local and national media. The findings suggest that LAGs have contributed to increasing local visibility, facilitating access to development funding, and creating networks of regional cooperation. However, the research also identifies persistent vulnerabilities that limit their effectiveness, including organizational inertia, excessive dependence on public-sector actors within the partnership structure, insufficient strategic prioritization, bureaucratic constraints, and limited stakeholder engagement. The study concludes that although LAGs remain relevant instruments for

rural development, their long-term effectiveness depends on the implementation of efficiency-oriented reforms both at organizational and systemic levels.
Keywords: *Local Action Groups (LAGs); rural space; participatory governance; regional development; stakeholders.*
JEL Classification: R58; O35.

1. INTRODUCTION

The current challenges of regional development, particularly in rural areas, require transdisciplinary collaboration and coordination across policies, institutions, and levels of governance. No single organization possesses all the resources and competencies required to address complex problems. Therefore, the development of governance structures based on cooperation and interdependence is necessary (Boix Fayos and De Vente, 2023). The transition from the exogenous model of rural development towards the endogenous and neo-endogenous paradigms places local communities at the center of the decision-making process, promoting participatory governance and the integration of local resources into broader development networks. In this context, the LEADER approach represents one of the most relevant European mechanisms for operationalizing participatory principles at the local level (Crunțeanu, Comșa, and Fîntîneru, 2024). In this regard, the social innovations promoted by LAGs are particularly important, as they involve the reconfiguration of social practices and the creation of new forms of collaboration, knowledge exchange, and community participation. These may contribute to increasing the attractiveness of rural areas to investors and improving the quality of life. These partnership-based structures were expected to stimulate local initiative, strengthen participatory governance, and contribute to reducing regional disparities. Nevertheless, the operationalization of partnership-based structures involving entities with different organizational cultures, often without prior experience of collaboration, cannot always be achieved without difficulties. Public debates and institutional evaluations continue to highlight numerous criticisms regarding the actual capacity of these entities to function as effective catalysts of local development and as authentic representatives of community interests. In several cases, LAGs have demonstrated the potential to act as promoters of regional leadership and community mobilization. In many other cases, however, institutional reports have highlighted problems which, unless properly acknowledged, are unlikely to generate, in the short term, sufficient attention to improving managerial capacity. The study aims to illustrate the main characteristics of LAGs in Romania, with a particular focus on those operating in the North-East Region. Particular emphasis is placed on highlighting critical aspects, both structural and context-specific, as well as their potential negative effects.

2. THEORETICAL BACKGROUND

2.1. From Rural Development to Place-Based Development

Under current economic and social conditions, rural development is no longer viewed exclusively through the lens of agriculture or infrastructure, but rather in terms of a territory's capacity to generate dynamic and synergistic processes through which members of a group jointly develop and use resources to undertake individual and collective actions that support addressing sustainability challenges within complex socio-ecological systems. Thus, a significant transformation of the rural development paradigm is required, involving a shift from traditional administrative and governance models towards endogenous development models that entail the mobilization of local resources and the use of participatory and collaborative governance mechanisms (Shucksmith, 2000). Although changes in individual behavior are important for addressing major challenges related to sustainable development, they are insufficient to generate large-scale social and ecological transformations. The mobilization of communities and the development of effective forms of collective action are necessary, particularly in sectors that require sustainable ecosystems (Talmaciu, Manolescu and Percic, 2020; Ansell, Sørensen and Torfing, 2022).

The main current challenges facing rural areas are often related to improving the efficiency of agri-food production and addressing ecological concerns. Current agri-food systems are subject to major pressures generated by globalization, climate change, population growth, limited natural resources, and changing consumer demands. To overcome these limitations, new methods for analyzing and steering agri-food systems towards sustainability need to be identified and applied. These approaches are based on transdisciplinary and participatory processes involving researchers, farmers, representatives of the food industry, retailers, non-governmental organizations, and policymakers. The adoption of such participatory processes can facilitate the identification of technical solutions for steering agri-food systems towards sustainability, while also contributing to the development of equitable and transparent relationships among actors across the food chain, the co-creation of knowledge on sustainable practices, and increased community engagement and social well-being. The sustainable transformation of agri-food systems requires innovative approaches that combine stakeholder participation with an action-oriented perspective. Such approaches can contribute to identifying common pathways towards sustainable development and implementing concrete measures to improve the economic, social, and environmental performance of agri-food systems (Hubeau et al., 2017). A key aspect is the governance of innovation processes through the creation of mechanisms for collaboration and collective learning, which involve establishing common objectives and fostering the emergence of innovative solutions across the agri-food system as a whole. This perspective entails the

adoption of new forms of cooperation among actors, as well as public policies capable of supporting radical innovation processes and the development of food systems that are more resilient, efficient, and environmentally friendly (Meynard et al., 2017).

In many areas, collective action is more effective than interventions focused exclusively on individuals. The development of collective environmental literacy can support the creation of communities that are more resilient, equitable, and capable of responding to sustainability challenges (Ardoin, Bowers and Wheaton, 2023). The effectiveness of participatory governance structures depends on the existence of favorable institutional and social conditions, such as social capital, trust among participants, shared values, collaborative leadership, adequate resources, effective communication, institutional support, and appropriate accountability mechanisms. In their absence, local partnerships may become vulnerable to situations such as elite capture, tokenistic participation, conflicts of interest, and limited administrative capacity.

2.2. LEADER as a Place-Based and Participatory Development Approach

The European LEADER initiative represents a mechanism for encouraging and supporting local development through broad partnerships among different local actors and by leveraging the endogenous resources of communities. Participatory governance represents a decision-making process based on dialogue, deliberation, and cooperation among stakeholders, through which the actors involved collectively contribute to the formulation and implementation of public policies adapted to the needs of local communities. From this perspective, collaboration goes beyond mere institutional coordination and seeks to generate public value through the co-creation of solutions, prioritization, and the shared assumption of responsibilities (Ansell, Sørensen and Torfing, 2022; Manolescu, Medeleanu and Talmaciu, 2024).

According to the LEADER approach, community development emphasizes that the progress of rural communities depends on the capacity of local actors to act collectively and participate in decision-making processes. Citizen participation in strategy development and decision-making contributes to strengthening social capital, community cohesion, and the legitimacy of public interventions. The success of local initiatives depends on the capacity of communities to generate new forms of cooperation, collaboration, and governance. Communities characterized by high levels of trust, local leadership, effective communication, and civic participation are better able to support sustainable development processes (Dobay, 2021). An important contribution of participatory governance mechanisms is knowledge co-creation, defined as a collaborative process through which researchers and societal actors jointly produce knowledge about development-related problems, objectives, and solutions. In this way, actors can contribute to the co-production of three

complementary forms of knowledge: system knowledge, which involves a shared understanding of local conditions and development-related challenges; target knowledge, which refers to the formulation and sharing of a common vision of the future; and transformation knowledge, which addresses the pathways and instruments required to achieve strategic objectives (Hubeau et al., 2017). The multi-stakeholder model offers numerous advantages, such as combining the competencies of different categories of actors, increasing the credibility of decision-making processes and strengthening their acceptance by citizens, stimulating innovation, and fostering participatory governance processes. At the same time, these initiatives also face challenges related to differences in interests, power imbalances, communication difficulties, and limited project management capacity (Manolescu and Talmaciu, 2021). Participatory governance develops through complex processes of collaboration among public, private, and civil society actors, within which policies are reinterpreted and adapted to local conditions. Thus, the development of policy instruments is not a linear process, but rather one of institutional "translation", in which priorities, roles, and mechanisms of action are reshaped by local actors. Empirical studies highlight the existence of persistent tensions between participatory logic and administrative constraints, as well as the important intermediary role played by social capital and coordination mechanisms in the success of local initiatives (Ek Österberg and Zapata, 2025).

2.3. Local Action Groups as Territorial Governance Mechanisms

Collaborative governance can be understood as a dynamic process based on dialogue, negotiation, and shared responsibility, in which effective cooperation depends on trust, commitment, and common objectives. Trust-based relationships, norms of reciprocity, social networks, and the capacity for cooperation provide important resources for mobilizing actors and sustaining collective action. In this context, social capital is both an outcome of interaction and a condition that facilitates the initiation and continuation of cooperation. For LAGs, collaborative leadership and collective learning are particularly relevant because they can strengthen the capacity of partnerships to coordinate actors, respond to changing circumstances, and develop community resilience (Ardoin, Bowers and Wheaton, 2023). This capacity is particularly important given the role attributed to LAGs in reducing territorial disparities, especially those between rural and urban areas, and in supporting sustainable rural development. Their effectiveness depends not only on access to funding but also on organizational capacities such as professional expertise, communication, transparency, and strategic competencies. Strengthening these capacities can increase the contribution of LAGs to regional development.

The relevance of partnership-based approaches has become increasingly prominent in the literature on rural governance and territorial development.

Within the European Union, the LEADER approach and the establishment of LAGs have been developed as mechanisms for involving local stakeholders in the formulation and implementation of integrated territorial strategies. Rather than relying exclusively on hierarchical forms of policy implementation, these arrangements seek to connect public institutions, economic actors, civil society, and local communities around territorially specific development priorities. This approach is also relevant to the implementation of the Sustainable Development Goals (SDGs), whose achievement depends to a considerable extent on the capacity to translate broad policy objectives into locally appropriate actions. Sustainable development initiatives are more effective when embedded in local institutional structures and supported by adequate financial and administrative capacities. Local governments occupy a particularly important position because of their proximity to citizens and their capacity to translate national and international objectives into local policies. Favorable financial conditions and effective institutional arrangements can facilitate SDG implementation, whereas fragmented decision-making may hinder coordination. Consequently, the capacity to pursue integrated development objectives depends substantially on administrative capacity, coordination, and available resources rather than on the pursuit of isolated policy objectives (Bisogno et al., 2023).

Within this institutional context, LAGs occupy an intermediary position between European and national development policies and local communities. Their significance therefore extends beyond the distribution of European funds. By bringing together actors with different interests, resources, and competencies, LAGs can facilitate more inclusive decision-making and help adapt broader policy objectives to local conditions (Cardenas Alonso and Nieto Masot, 2020). This intermediary function may generate institutional and territorial added value through increased participation, strengthened social capital, and improved local coordination. The territorial position of LAGs also gives them a potential role in multi-level governance. By connecting actors operating at different institutional and territorial levels, they can support the coordination of local development processes and facilitate new forms of cooperation between public administrations, businesses, and civil society organizations. Their activities may also encourage dialogue among actors with divergent interests, strengthen a culture of participation, and enhance local capacities to formulate and implement development initiatives (European Commission, 2022).

However, formal partnership structures do not automatically result in effective cooperation or sustainable development outcomes. Their performance is influenced by the capacity of local actors and organizations to respond to institutional, financial, and contextual pressures. In this respect, resilience represents an important dimension of LAG performance. It concerns the capacity to overcome administrative, financial, or political constraints while adapting to changing circumstances. For LAGs, relevant sources of vulnerability include

frequent legislative changes, excessive bureaucracy, fluctuations in funding, difficulties in maintaining community engagement, and dependence on a limited number of local leaders. These factors underline the importance of organizational and relational capacities alongside institutional arrangements and financial resources. In particular, leadership quality may affect member engagement, implementation capacity, and the sustainability of local partnerships (Dalla Torre et al., 2020). Leadership can therefore be viewed as one of the mechanisms through which existing institutional opportunities are translated into coordinated local action. The behavioral dimension becomes particularly relevant in the context of crises and global challenges such as climate change. Individuals frequently act not only as autonomous agents but also as members of communities, organizations, and social movements. Their willingness to participate in collective action is influenced partly by their perception that their actions can contribute to achieving desired outcomes. This principle, commonly addressed through self-efficacy theory, provides a useful complement to institutionally oriented explanations of collective action. For LAGs and other partnership-based structures, this perspective suggests that effective participation requires not only formal opportunities for involvement but also the perception that participation can produce meaningful results. Individual self-efficacy can therefore interact with perceptions of collective capacity, whereby actors believe that coordinated action can generate change. Such perceptions may constitute an important resource for civic engagement and collective responses to social and ecological challenges (Hamann et al., 2024).

These institutional, organizational, and behavioral dimensions help explain the potential contribution of LAGs to rural development. Territorial partnerships can strengthen local capacities by facilitating access to European funds, encouraging participation in economic and social initiatives, and supporting the preservation and promotion of local heritage. They may also contribute to employment creation, economic development, modernization of rural areas, educational opportunities, and cultural activities. The specific objectives pursued by LAGs vary according to regional economic characteristics and socio-cultural conditions. Common priorities include supporting the social activities of residents and non-governmental organizations, supporting small enterprises and creating jobs, developing agriculture, and promoting its multifunctionality. Priority may also be given to projects contributing to the renovation and development of villages, support for microenterprises, and the diversification of non-agricultural activities, as well as reducing unemployment through vocational training and grants (Wojciechowska-Solis, 2022).

Taken together, these perspectives indicate that the role of LAGs in rural development cannot be reduced to financial intermediation or project implementation. Their broader contribution lies in their capacity to connect actors and institutional levels, facilitate collective action, strengthen local

capabilities, and adapt broader development objectives to territorial circumstances. This provides a basis for examining LAGs not only in terms of their formal structure and functions, but also in terms of the organizational and relational conditions that may enable or constrain their contribution to rural development.

2.4. Social Capital, Networks and Local Development

By definition, LAGs constitute forms of network governance, supported by mechanisms that facilitate the accumulation and mobilization of social capital, such as communication, training, networking, collaboration, trust, inclusion, and representative governance. Their functioning can reshape the structure of local networks by increasing connectivity and strengthening the role of certain actors as "bridges" between otherwise disconnected groups (Fitzpatrick, Baycan and Akgüngör, 2023). These arrangements create opportunities for local innovation and adaptation, while also generating challenges related to coordination and negotiation among the actors involved (Ek Österberg and Zapata, 2025).

An important aspect highlighted in the LEADER literature is the contribution of LAGs to strengthening social capital and stimulating community participation. The involvement of local actors in decision-making processes can foster trust, cooperation, and collective learning. Accordingly, the outcomes of LEADER should not be considered exclusively in terms of economic indicators, but also in relation to its effects on community mobilization and territorial identity. A significant share of the outcomes generated by LAGs is intangible and includes increased social participation, the development of local networks, and a strengthened sense of belonging to the territory (Cardenas Alonso and Nieto Masot, 2020). Social capital, in its different forms - bonding, bridging, and linking – constitutes an important resource for rural development and for the functioning of participatory arrangements. Bonding social capital strengthens internal cohesion and trust among community members, bridging social capital facilitates cooperation across different groups, while linking social capital connects local actors with institutions and centers of power. For LAGs, the capacity to combine these three forms of social capital is particularly relevant. Weak external connections may limit access to resources, funding, and development opportunities (Fitzpatrick, Baycan and Akgüngör, 2023).

The transition from network connectivity to meaningful participation also depends on individual and collective perceptions of efficacy, as well as on collective identity and a sense of belonging. Actors are more likely to engage actively in processes of change when they believe that their own actions or the collective efforts of the group can generate tangible outcomes and when they identify with the group, perceiving it as part of their social identity. Conversely, the absence of such perceptions may contribute to passivity and withdrawal from participatory processes (Hamann et al., 2024). These relational resources can

also provide the foundation for social innovation. Networks involving public, private, and civil society actors can support innovation processes whose effects extend beyond direct beneficiaries to the actors involved in implementation, contributing to their autonomy, competencies, and decision-making capacity. Social innovation processes frequently emerge from a combination of local resources and external connections, reflecting the logic of neo-endogenous development. Empirical studies indicate that the most sustainable initiatives are often generated by local actors who possess in-depth knowledge of the community context and enjoy legitimacy within the territory (Dalla Torre et al., 2020). This emphasis on local agency leads to the concept of community empowerment, understood as a process through which local actors develop their competencies, autonomy, and capacity for collective action. Empowerment can consequently strengthen both social capital and territorial resilience by enabling communities to mobilize their own resources and participate more effectively in development processes. Multi-actor partnerships, the integration of local knowledge, and meaningful community participation therefore represent key conditions for the success of local development initiatives (Dushkova and Ivlieva, 2024).

3. METHODOLOGICAL ASPECTS

The study explores the extent to which LAGs have succeeded in fulfilling the principles of participatory governance and bottom-up development promoted by the European rural development framework. The research adopts a qualitative and exploratory approach, based on the documentary analysis of secondary sources of information relevant to the activity of LAGs in the North-East Region of Romania. The documentary corpus includes institutional and LAG reports, strategic and operational documents, academic studies, institutional analyses, as well as articles published in the local and national press. The information collected was systematized and analyzed through an interpretive approach, with the aim of identifying the main organizational characteristics, the roles assumed in local development, and perceptions regarding institutional effectiveness. A comparative analysis of the official image promoted by LAGs and the outcomes reflected in sources available at the community level made it possible to identify discrepancies between stated objectives and perceived performance. Finally, the main organizational and systemic vulnerabilities that may influence the capacity of LAGs to contribute to sustainable rural development were identified.

4. RESULTS AND DISCUSSION

4.1. Critical Perspectives on LEADER and LAGs

The LEADER approach represented a major innovative step in the EU paradigm of regional development. While the operationalization of participatory structures and their benefits for local communities are widely recognized,

various criticisms have also been raised, together with opportunities for enhancing their positive effects. Against this background, several important paradoxes in the functioning of LAGs have been identified at the European level (Table 1).

Table 1. Contradictory aspects in the operationalization of LAGs

Characteristic	Description
Bottom-up development vs. administrative control	LAGs are expected to enable locally driven decision-making, but they operate within a system that is strongly regulated by the EU and national authorities.
Participation vs. elite capture	Who effectively participates in decision-making? Does the LAG represent the community as a whole, or primarily local actors with greater resources and influence?
Partnership vs. formal partnership	The presence of representatives from the public sector, private sector, and civil society does not automatically translate into genuine collaboration.
Innovation vs. risk aversion	LEADER promotes innovation, but funding rules may favor relatively conventional projects and approaches.
Local autonomy vs. bureaucracy	The capacity of LAGs to identify and implement locally appropriate solutions may be constrained by administrative procedures.
Territorial inclusion vs. territorial inequalities	A community may be formally represented, while certain groups or categories of actors may nevertheless remain marginalized.

Source: European Commission (2022)

Many LAGs in EU countries are established primarily on administrative criteria rather than on the basis of shared territorial identities, common interests, or similar socio-cultural characteristics. Although LAGs facilitate the implementation of local projects, they do not always succeed in generating cohesive territorial communities or in developing a strong collective identity (Opria, Corodescu-Roșca and Roșu, 2024). The participatory nature of LAGs is often constrained by formal administrative requirements and programme regulations, generating tensions between the "bottom-up" philosophy of the LEADER initiative and the realities of institutional governance. Although LAGs contribute to local development through project implementation, community mobilization, and the strengthening of social capital, their functioning remains highly dependent on access to external funding. This financial dependency, combined with the risk of public-sector dominance and formal rather than substantive participation, constitutes a major source of vulnerability for participatory governance structures in rural areas (Wojciechowska-Solis, 2022; Manolescu, Percic and Talmaciu, 2019).

Among the vulnerabilities identified in studies of local governance and highlighted in the literature are coordination deficiencies, political fragmentation, resource dependency, and limited administrative capacity. Identifying and understanding the factors that facilitate the functioning of LAGs, on the one hand, and their vulnerabilities and constraints, on the other, are essential for assessing their capacity to contribute to sustainable rural development and to the broader objectives of participatory governance (Bisogno et al., 2023). Other vulnerabilities are related to significant discrepancies between rural development objectives formulated at the European level and their implementation at the local level. In this regard, policy complexity, limited resources, and uneven institutional capacity may reduce the effectiveness of the implementation process (Boix-Fayos and De Vente, 2023).

According to the Triple-A model (Agent – Action - Aim), when applied to LAGs, vulnerability may arise from ambiguity regarding roles and objectives, particularly from a lack of clarity concerning the responsibilities of local actors, the role of governing structures, and the expected outcomes of participation (Hamann et al., 2024).

Local elites, whether administrative/political or economic, represent key actors in rural development due to their privileged access to economic, informational, and institutional resources. Evidence indicates that administrative elites exert a stronger influence on the performance of associative/ participatory structures and on development outcomes than economic elites. It is highlighted the vulnerability of participatory structures to the phenomenon of elite capture, whereby a relatively small group of influential actors monopolizes decision-making processes and the distribution of public resources for its own interests (Li et al., 2023). The risk of concentrating decision-making power in the hands of a limited number of local actors, particularly public administration representatives or influential economic leaders, has also been highlighted in the European literature on the implementation of the LEADER approach (Cardenas Alonso and Nieto Masot, 2020). Such concentration may affect the representativeness and legitimacy of local development processes.

In summary, the vulnerabilities of LAGs encompass several dimensions that require continuous attention in terms of their operationalization and the mitigation of potential adverse effects. Despite the vulnerabilities identified in the literature, LAGs have also stimulated networking at the regional, national, and international levels. They have made a significant contribution to fostering cooperation among local authorities, businesses, NGOs, and local communities, facilitating the exchange of good practices and the development of joint projects.

4.2. Challenges of the LEADER Approach and LAGs in Romania

The implementation of LEADER principles is more challenging in post-socialist countries, where institutional and cultural legacies affect participatory

processes. The lack of social capital, low levels of interpersonal trust, a limited culture of dialogue, and insufficient experience of cross-sectoral collaboration constitute important barriers to the development of genuine participatory governance. In Romania, the persistence of centralized administrative practices and the predominance of top-down approaches may constrain the capacity of LAGs to function as genuine participatory bodies (Marquardt, Möllers and Buchenrieder, 2012; Opria, Corodescu-Roșca and Roșu, 2024). The operationalization of these structures has also been challenging. It is worth noting that Romania was the last EU Member State to establish the National Rural Development Network (NRDN) in 2012 and the first to discontinue its operation, following the termination, in June 2013, of the contract with the Spanish company *Innovacion y Desarrollo Local*, which had administered the Network Support Unit since November 2012.

In Romania, the LEADER approach has contributed to strengthening local governance structures and stimulating the participation of local actors in rural development processes. However, its implementation has taken place within an institutional environment characterized by considerable differences in administrative capacity, managerial resources, and the quality of participatory processes. The literature points to the influence of local authorities and political actors on decision-making, limited participation of civil society organizations, and difficulties in integrating vulnerable groups, particularly Roma communities. These factors may constrain the ability of LAGs to transform formal participation into substantive co-governance and locally embedded development processes (European Commission, 2022). Participatory governance bodies bring together actors with different and often conflicting objectives. Reaching consensus therefore requires continuous negotiation, trust-building, and mediation mechanisms. In the case of Romanian LAGs, tensions may arise from the influence of particular local groups, the interests of public administrations, conflicts between economic interests and community development objectives, and the dependence of partnerships on a small number of key individuals. Such conditions may affect the legitimacy of strategies and decisions and the capacity of partnerships to maintain balanced relationships among participating actors (Hubeau et al., 2017; Talmaciu and Manolescu, 2023).

A related challenge concerns the substantive quality of participation. Although LAGs are designed to provide a framework for local actors to influence development priorities, community participation may remain predominantly consultative, with limited influence over strategic decisions. The involvement of strategic external actors, such as universities, within this broader consultative framework is also sporadic and, in many cases, largely formal (Talmaciu and Manolescu, 2025; Talmaciu, Percic and Manolescu, 2023). Research conducted in Romania suggests that these limitations affect the

capacity of LAGs to fully implement the principles of Community-Led Local Development (CLLD) and to address socio-economic disparities between territories. The effectiveness of participatory governance consequently depends not only on the existence of formal participation mechanisms, but also on the extent to which these mechanisms enable actors to exercise meaningful influence over local development decisions (Crunțeanu, Comșa and Fîntîneru, 2024).

Another important dimension concerns the capacity of local actors to sustain participation over time. Recurrent vulnerabilities identified in the literature include limited institutional capacity, leadership deficits, weak cooperation, and insufficient civic engagement. These factors are particularly relevant to LAGs, whose functioning depends on the ability of diverse local actors to coordinate resources, maintain partnerships, and translate collective priorities into development initiatives (Dushkova and Ivlieva, 2024).

The role of social capital is similarly ambivalent. Although social capital can support cooperation, collective action, and local development, it may also generate exclusionary effects, resistance to innovation, preferential treatment of certain groups, or clientelistic relationships. In Romanian rural communities, informal networks and the dominance of established groups may therefore influence the transparency and inclusiveness of decision-making. Low civic engagement, social fragmentation, political divisions, and excessive dependence on local elites may further weaken the effectiveness of participatory governance mechanisms (Farkas, 2021). This is particularly relevant in the Romanian LAG context, where local authorities and institutional leaders may possess substantial capacity to coordinate decision-making and mobilize financial and administrative resources. The concentration of influence among a limited number of actors represents a related governance risk. Local elites, whether political, administrative, or economic, may have privileged access to institutional, informational, and financial resources, potentially allowing them to shape priorities and resource allocation. Such dynamics may lead to forms of elite capture, reducing the representativeness of participatory structures and limiting the involvement of less influential actors. The risk is especially relevant where governance arrangements are characterized by weak accountability mechanisms or limited countervailing capacities among civil society and other non-dominant stakeholders.

Empirical research conducted in Romania indicates that, despite the contribution of LAGs to rural development, their effectiveness remains affected by structural conditions extending beyond the internal functioning of individual organizations. These include dependence on European funding, low levels of inter-territorial cooperation, rural depopulation, and continued economic dependence on agriculture (Ilie et al., 2021; Prigoreanu, Verzea, and Brezuleanu, 2025). At the same time, insufficient involvement of vulnerable groups and

limited innovation capacity may constrain the transformative potential of LEADER-based governance (Lupușor and Stoicov, 2024; Ansell, Sørensen and Torfing, 2022). Consequently, the long-term contribution of LAGs to territorial development depends not only on the continuity of financial support, but also on the capacity of local institutions and partnerships to adapt to broader demographic, economic, and social challenges.

The Romanian experience reveals several institutional vulnerabilities that affect the capacity of LAGs to generate structural change in local communities. These include the limited tradition of local collaboration associated with the post-communist institutional legacy; uneven administrative and managerial capacity; strong dependence on European public funding; difficulties in translating the principles of Community-Led Local Development into effective development practices; limited capacity to address economic and demographic disparities in rural areas; and challenges related to digitalization (Manolescu, Vîrlan and Talmaciu, 2025; Crunțeanu, Comșa and Fîntîneru, 2024). An additional institutional issue concerns the absence of clearly defined quality standards for the selection of local development strategies. Unlike most of the countries analyzed in the European Court of Auditors report (2022), Romania did not define minimum quality standards for this purpose. This situation may affect the consistency of participatory processes and the capacity of LAGs to formulate coherent and results-oriented strategies. The absence of clear quality criteria may contribute to significant differences between LAGs in institutional capacity, difficulties in performance monitoring, the formulation of strategies with overly broad objectives, and reduced transparency and accountability in decision-making. The European Court of Auditors (2022) report identifies several further structural issues affecting the efficiency and added value of LEADER implementation in Romania:

- High administrative costs (€77.3 million), representing 28.8% of the value of projects financed through the LEADER initiative (€268.4 million).
- Overlap in the financing of measures already available through other programmes, including investments in agricultural machinery, projects for young farmers, and investments in agricultural holdings, potentially reducing the efficiency of resource allocation.
- The predominance of conventional projects and traditional local investments, rather than innovative initiatives emerging from complex participatory processes.
- Governance-related imbalances, including weak representation of young people in LAG decision-making bodies, gender imbalances in leadership structures, overly broad strategic objectives, difficulties in demonstrating impacts on social capital, complex administrative

procedures, and difficulties in measuring the added value generated by LEADER initiatives.

Taken together, these findings point to a gap between the formal institutional design of LEADER and the capacity of local governance arrangements to generate substantive participatory, innovative, and transformative outcomes. In the case of Romania, the European Commission's recent assessment (2024) of the impact of the LEADER approach indicates that LAGs have made progress in strengthening local participation, cross-sectoral cooperation, and social capital in rural areas. However, several challenges continue to affect the effectiveness of these arrangements. In summary, the main vulnerabilities of LAGs in Romania concern several interconnected but analytically distinct dimensions: institutional and administrative capacity, the quality of participation, the distribution of decision-making power, social capital and trust, innovation and cooperation, and the broader socio-economic context in which LAGs operate. Strengthening managerial capacity, improving participatory mechanisms, increasing transparency, and enhancing strategic adaptability are essential conditions for consolidating the role of LAGs as sustainable drivers of local and regional development.

4.3. Challenges and Vulnerabilities of LAGs in the North-East Region of Romania

The European initiative translated into the Romanian context through the establishment of LAGs generated high expectations within society, particularly in less developed areas, including the North-East Region of Romania. An analysis of the evolution of participatory structures in this region reveals several positive developments: the number of LAGs has evolved positively, with growth exceeding initial expectations; most LAGs continued their activities beyond the first programming period; the geographical area covered increased; and their typology became more diversified, including the emergence of urban LAGs.

At the same time, an analysis of the activities of LAGs in the North-East Region (https://www.asociatii-romania.com/grupuri-de-actiune-locala-gal-uri; https://gal.afir.ro/) and of institutional statistics and reports concerning their outcomes (https://www.fonduri-structurale.ro/) highlights a number of characteristics that raise concerns regarding their capacity to assume broader and more significant roles at the regional level. These include limited managerial capacity, organizational inertia, the predominance of the public sector within partnerships, weak prioritization and communication, and statutory ambiguity.

Limited managerial capacity. Reports analyzing the implementation of national rural development programmes indicate that 64% of LAGs report relying on external consultants for documentation and local development strategies, while the proportion of LAGs in the region under analysis facing this situation is higher than the national average. This practice may generate

difficulties in the implementation and monitoring of projects and strategies, reduced autonomy compared with other countries, and difficulties in assuming the role analogous to that of a managing authority for local programmes implemented through the National Rural Development Programme. Inadequate planning may also encourage a "last-minute spending" syndrome, whereby funds are spent toward the end of the implementation period in order to meet deadlines, with potentially negative effects on the usefulness and quality of the products and services procured.

Inertia. Although expectations regarding the activities of LAGs were high, their operationalization has been a slow process. Many community animation activities tend to replicate activities already included in the programmes of local authorities, with limited additional effects. Evaluation reports on funding programmes, including the Regional Operational Programme and the National Rural Development Programme, contain negative findings regarding the involvement of LAGs in attracting funding. The context fostering this inertia is associated with systemic problems affecting sustainable rural development, limited administrative and community capacity, shortages of qualified human resources, deficient infrastructure, low quality of life, and limited economic attractiveness.

Predominance of the public sector within partnerships as a potential determinant of low effectiveness. The distribution of LAGs according to the professional or institutional background of their presidents indicates a predominance of the public sector, although the partnerships themselves are predominantly composed of private-sector entities. The proportion of LAGs with presidents originating from the public sector is the highest at the national level in the North-East Region (Manolescu and Talmaciu, 2021). The limited visibility of LAG activities in the region can also be highlighted through national-level evaluations. Thus, at the *Rural Fest* events recognizing LAG achievements, only one of the ten awarded LAGs was from the North-East Region – *Asociația „Grupul de Acțiune Locală Podu Înalt Vaslui"* – while none of the three awarded cooperation projects originated from the North-East Region. At the *Structural Funds Gala*, only one of the 28 awards was granted to an initiative from the North-East Region, namely to *Asociația Grupul de Acțiune Locală Ceahlău*, for the project *"Implementation of the Local Development Strategy of the Ceahlău Microregion"*.

Weak prioritization. For regions with limited resources, prioritization becomes particularly important for improving the efficiency of activities. Through their local development strategies, LAGs should clearly communicate the priorities they intend to address. Although prioritization offers clear advantages, it needs to be supported by long-term strategic planning and adequate communication. During certain periods, resource allocation is strictly oriented towards the internal functioning of LAGs, with this component

accounting for a substantial proportion of available resources and, in some cases, reaching as much as 100%, leaving no funds allocated to projects. Support measures for potential beneficiaries are consequently considered a lower priority, with delays, insufficient resources, and a lack of continuity in programmes being reported.

Inadequate communication. Analytical reports indicate that potential beneficiaries are often unaware of the funding opportunities offered by LAGs. Romania is identified in the report on the results of the questionnaire conducted by the European Network for Rural Development (ENRD) on LEADER implementation at the LAG level across the EU as one of the countries with the lowest proportion of LAGs responding to the questionnaire (8%), together with Hungary (7%). At the operational level, an analysis of LAG websites reveals that some are non-functional or insufficiently updated, while activity reports are sometimes inadequately structured and predominantly descriptive. Public-facing office hours are often organized on a part-time basis, which may constitute an additional barrier for potential beneficiaries.

Statutory ambiguity. LAGs have been declared ineligible under certain programmes or measures for which applicants could not be public-sector actors, despite the fact that private-sector actors constitute the majority of their partnerships. Although decision-making power formally belongs to the private sector, according to the partnership agreement (public-sector actors generally account for no more than 40% of total partners), there is a perception that, in practice, LAGs remain under the direct influence of mayors and political authorities.

5. CONCLUSIONS

The findings suggest that the vulnerabilities of LAGs in the North-East Region are primarily associated with the gap between the administrative and strategic responsibilities assumed by these structures and their actual capacity to fulfil them. Their limited organizational scale, insufficient human and financial resources, and dependence on external expertise constrain the development of an autonomous strategic orientation, while the complexity of procedures and documentation, which are insufficiently adapted to varying administrative capacities and territorial contexts, creates additional implementation difficulties. Moreover, still limited institutional maturity and dependence on centralized financing and control mechanisms constrain the operational autonomy of LAGs, sometimes encouraging the assumption of a predominantly administrative role at the expense of their role as catalysts of local development. Nevertheless, LAGs retain significant potential for community animation, mobilizing local actors, and facilitating cooperation, and the realization of this potential depends on strengthening managerial capacity, adapting administrative requirements, and aligning available resources with the strategic objectives pursued.

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