

The LEADER and PRODER Programmes: A Real Contribution to Rural Development? The Galician Case¹

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Abstract

This paper presents an overview of the results of an assessment of the implementation of the LEADER II Community Initiative and the PRODER I Programme (Operational Programme for the Development and Economic Diversification of Rural Areas) in Galicia. Both are public programmes with a local initiative perspective centring rural areas as their field of intervention with the set aim of fully developing such areas.

Both programmes were up and running in Galicia over the period 1994-1999, involving a total of 2,582 projects spread out over 26 different boroughs. Based on an initial study of secondary sources designed to determine the main socioeconomic variables detected in the 26 areas covered, an analysis of each of the different projects implemented was carried out before going on to establish an overall assessment of the effects produced by both programmes.

The aim of this paper is to provide elements for discussion regarding the applicability of such strategies for rural areas which lag far behind European levels and to gauge the true bearing they have on the diversification of activities.

1. Introduction

The LEADER² and the PRODER³ Programmes are both public programmes which adopt on a local initiative approach, targeting rural areas as their field of intervention. The main difference between the two is that LEADER is an E.U. programme, whereas the PRODER I⁴ Programme is limited in its scope of action to the 10 Autonomous Communities which make up the Spanish State. However, despite this difference, the following similarities make it possible to deal with the two programmes together:

- They are both aimed at promoting rural development;
- They are both locally-based with local partners responsible for setting them up and implementing them;
- They both pursue a model of development which is not based exclusively on agricultural activities.

¹ The analysis which served as a basis for the current paper enjoyed the backing of the following research projects: “Cambio estructural y políticas agrarias: el caso de los sistemas agrarios especializados en cultivos herbáceos, olivar y ganadería bovina” [Structural Change and Agricultural Policies: The Case of Agricultural Systems Specialising in Herbaceous Crops, Olives and Beef] (CAMESPA), financed by the Ministry for Science and Technology (ref.: AGL2001-2680-C02-02); and “Cambio estructural e políticas agrarias” [Structural Change and Agricultural Policies], financed by the Galician Government Directorate General for Research and Development (Code: PGIDIT02PXIC24201PN).

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² 91/C180/12.

³ Royal Decree 206/1996 dated 9 February 1996.

⁴ PRODER grew up out of the application of the Inter-regional Community Support Framework for Objective 1 Regions within the Spanish State.

According to the approach adopted in both cases, the development of such areas 'has to' be based on the optimal utilization of local resources through the participation of the local population and via the promotion of private initiatives with a bottom-up, integrated, multisectorial approach based on innovation. In practice, a bottom-up approach rules out across-the-board solutions because each area has its own set of resources, problems, needs, experiences and other factors which must be taken into account when undertaking any kind of action plan.

One of the main points of debate concerning this kind of approach applied is whether it is suitable for all rural areas across Europe. This approach initially grew up in rural areas with a relatively high population density, modern, capitalised farms and a dense rural network with a high per capita income. However, this situation cannot be applied across the board to the whole of the E.U., particularly to rural areas in the South whose situation is very different.

The study area chosen for the research in hand is very much in line with the situation described, i.e. an area which is considerably underdeveloped as compared with⁵ general European levels and where agriculture continues to play an important social and economic role, to which end the authors believe that an analysis of the way these public programmes are applied will help raise a series of interesting points to contribute to the on-going debate.

2. Methodology

To carry out this work all the territories in the autonomous community of Galicia which managed a LEADER II or PRODER I programme, which implied total of 26 different boroughs, comprising an area of 18,000 km², and a population of 1.2 million people.

The work was carried out in two well-differentiated phases, requiring the use of various information sources.

1. First of all, a territorial analysis was carried out, allowing us to define the main socio-economic characteristics of the areas. The aim was to obtain on the basis of the big figures of execution of both programmes and of the type of situations found in the territories, an approximation to the actual potentiality of said territories. To establish a classification of the Galician boroughs where these initiatives were applied, we carried out a factor analysis using demographic, employment and income variables⁶. As it is already known a factor analysis summarized in a few factor the information provided by a high number of variables. In the first place, we verified that all the adequate conditions for the application of a factor analysis were complied with, which was verified after carrying out Bartlett's sphericity test ($BA=16847, 088$) and given that the significance level was $p=0.00$. The method of main components was used for the extraction of factors. The analysis by clusters allowed us to group boroughs in such a way that, with respect to the variable values, each cluster is the most homogeneous possible and, in relation to the rest, the most heterogeneous possible. With the three factors obtained in the previous factor analysis, a cluster analysis was carried out using the K-means method. We carried out tests for 3, 4, 5 and 6 clusters, then deciding to work with three clusters. The interpretation of the characteristics of the boroughs included in each of the groups was carried out on the basis of the values that the three factors take in the centre of the clusters.

⁵ The whole of Galicia is defined as Objective 1.

⁶ The variables selected were: population density, population evolution, structure by age, education level, sectors of occupation and level and origin of family income.

2. The second part of the work consisted on an analysis of the records of execution of each project provided by AGADER⁷. The information gathered in these records allowed us to create a data base with the following information for each of the 2,582 projects:
 - Volume and source of investment.
 - Intervention mode of funding of the project.
 - Responsible promoter.
 - Productive character or name of project.
 - Productive sector.
 - And finally, in the case of business projects, it was also included the estimates of number of projected jobs⁸.

3. The Geographical Scope of the PRODER I and LEADER II Programmes

Before going on to describe the study in detail, it is important to bear in mind that the approach in question was first applied in the Spanish State in the guise of the LEADER I Programme⁹ (1991-1994). However, the present paper will refer exclusively to the second phase of this Programme, using the results of the application of LEADER I for comparison only. Two considerations were taken into account when making this decision, namely:

1. The application of the LEADER I Community Initiative had a series of specificities¹⁰ which made it different in its latter phases;
2. The small number of Local Action Groups (LAG) which the Programme generated in its early phase meant that they were not representative at a regional level¹¹.

The low level of development of the LEADER I Initiative contrasts with the situation which arose over the period 1994-1999, during which a large part of the Galician territory became involved in the management of a LEADER II or a PRODER I programme, with 59.7% of the Galician territory running one of these programmes. Map N°1 shows how the application of these programmes led to the setting up 26 LAGs, with 13 running a PRODER I and 13 running a LEADER II programme. As far as the different groups are concerned, the situation is far from homogenous, ranging from periurban areas and inland, highly developed mountainous areas, to areas with a large farming potential where the agricultural sector is undergoing a process of modernisation.

To specify these situations we applied the above described cluster analysis. This allowed us to classify Galician boroughs in three big clusters¹²:

⁷ Galician Intermediate Organism.

⁸ Job estimates are obtained through the statement of the responsible person of each group.

⁹ 91/C73/14.

¹⁰ For a more detailed analysis of the results of the application of the LEADER I Initiative in Galicia, see Pérez Fra, M. : *A contribuição da Iniciativa LEADER ao desenvolvimento de zonas rurais. Análise dos resultados do programa LEADER I em Galiza e o Norte de Portugal* [The Contribution Made by the LEADER Initiative to the Development of Rural Areas in Galicia and Northern Portugal], University of Santiago Press, Santiago, 2003.

¹¹ Four LAGs were up and running during the first phase with a budget of 18.7 million Euros. The actual impact on both the population and the areas involved was predictably negligible, affecting only 3.5% of the Galician population and 6.1% of the territory.

¹² The behaviour of the variables differentiating them is the following:

- Cluster 1. These boroughs have an illiteracy rate higher than that of the other clusters, and high in the whole Galician region, as well as an important perceptual weight of workers in the construction and industry sectors.
- Cluster 2. The main employment source in these boroughs is the fishing and services, being of little importance the number of agrarian workers. With respect to the education level, the population with obligatory education is predominant, although also with secondary and university education, being the least important the weight of the

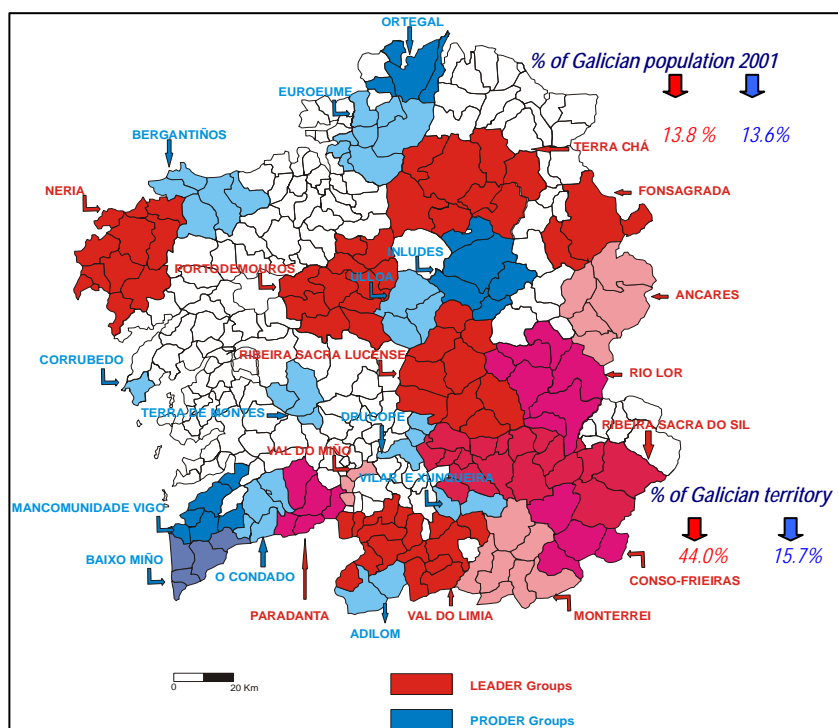
- **Cluster 1**, comprising the 40.9% of Galician boroughs.
- **Cluster 2**, including the 28.1% of boroughs.
- **Cluster 3**, with the 31.0% of boroughs.

The boroughs included in cluster 2 are those of a higher economic dynamism in Galicia. Their economy has an elevated tertiarization level with respect to the average in Galicia, and the agriculture is no longer the main source of jobs. On the other hand, they present the most positive demographic behaviour: lower level of ageing, better education levels, increase in population and high population densities.

Clusters 1 and 2 are located in areas with a higher level of backwardness: boroughs which show a stagnation in the census, or loss of population, and which have, besides, important education deficiencies, high levels of ageing and a still important agrarian population, specially in cluster 3.

As it was expected the distribution of LEADER and PRODER areas is not homogeneous, the 83.4% of the cases are located in clusters 1 and 3. However the presence of boroughs managing a PRODER within the areas with a higher economic dynamism (cluster 2) is over that of the LEADER where we only find an 8.3% of the cases. Later on we will come back to this issue to study the impact on each of the areas of the agrarian adjustment process.

Map N° 1. Geographic Spread of the Programmes



Source: The authors

population with no studies at all. Besides, the boroughs in this cluster experimented a growth of population in the last two decades and show high population densities. In relation with the age groups, boroughs in this cluster show a significant weight of population younger than 16, and the group of population between 16 and 64 years old, and not the population older than 64. In agreement with these results, the income of wage earners is more relevant than the income of welfare beneficiaries.

- **Cluster 3.** Here the agrarian sector is the one providing the most part of employment. In agreement with this result, the income of wage earners is substantially lower than in the rest of clusters. With respect to the education level, the population in these boroughs is typically a population with no studies, but with a reduced illiteracy rate, and the population with secondary and university education is not significant. Besides, boroughs in this cluster suffered a decrease of population during the last decade and show low population densities.

The implementation of the two programmes took up funds in excess of 173,000 million Euros (Table 1), including not only the public funds earmarked for this purpose but also private funding provided by a range of local partners¹³.

Table 1. Total Funding and Sources

	Total Funding (millions €)	E.U. (%)	State Admin. %	Galician Govt. (%)	Local Govt. (%)	Private Sector (%)	N° of Projects
PRODER I	49.83	44.9	1.5	8.7	9.4	35.6	572
LEADER II	123.90	38,2	2.05	13.3	4.4	42.0	2,010
TOTAL	173.73	40.1	1.8	12.0	5.8	40.2	2,582

Source: The authors based on data provided by AGADER

The large differences in the amount of funding available to the different LAG groupings¹⁴ render averages unrepresentative. In overall terms, the LEADER II groups handled larger budgets than the groups involved with the PRODER Programme, with an average budget of 9.5 and 3.8 millions Euros respectively. However, the differences are not so pronounced when we turn to look at the funds available per Km² and per capita, with the PRODER Programmes applying 9,300€ per Km² on average as opposed to 10,755 € per Km² for the LEADER II Programmes, with a per capita ratio of 296 € and 136€ for the LEADER and PRODER programmes respectively.

The figures provided so far clearly indicate that the funds available for either programme fall short of settling the problems which they were supposed to be designed to address. The scale of funding made available are an indication of the way in which this kind of programme will not be able to solve the problems faced by rural areas in Galicia. Even a preliminary overview of such areas provides a good idea of the scale and complexity of the problems they face, i.e. depopulation, aging of the population, a low birth-rate, differences between coastal and inland areas, economic and social marginality, large-scale deficiencies in infrastructures, low level of qualifications, a lack of productive sectors which offer alternatives to the primary sector, the break-up of the traditional farming-based society, etc. These problems are also shared by other areas also classified as Objective 1 located in the South of Europe.

4. Analysis of the Results

The analysis begins with the investment ratios included in Table 2:

Table 2. Breakdown of Capital In-put Sources

	Ratio of private/public capital	Investment per project €	Ratio of outside capital *
PRODER I	0.55	87,112	0.816
LEADER II	0.72	61,644	0.868

*Local capital is the sum of the capital provided by local partners plus that provided by Local Government. Outside capital input is calculated by adding E.U. funding to the capital provided by the State and Galician Governments.

Source: The authors based on data provided by AGADER

¹³ It is worth pointing out that the LEADER II Initiative has improved as far as capital input provided by the private sector is concerned, reaching levels in excess of those achieved for the first phase of the Programme (Pérez Fra, 2003).

¹⁴ The budgets varied between 2 and 15 million Euros.

One of the figures in Table 2 refers to the proportion of public funds over private funds. As far as this question is concerned, it should be pointed out that, notwithstanding important differences between groups, the Table reveals a fairly low level of funding for PRODER I. The second phase of the LEADER Programme yielded more positive results, with perhaps the most outstanding feature being the improvements made regarding the results for the first phase of the Programme which were in the same order as for PRODER I at 0.55 (Pérez Fra, 2003).

The amount of local capital made available apparently yields similar results in both cases, notwithstanding the fact that the sources of this capital were quite different in either case as shown in Table 1, with PRODER I benefiting from an increased input from local government, whereas the ratio for LEADER II is provided by increased capital input from the private sector. Once again it is important to highlight the improvements made regarding the earlier phase of the programme, with its much lower level of local capital input, at 0.64 (Pérez Fra, 2003).

The level of investment per project reveals an increase in the case of PRODER I, while levels remained stable for LEADER II projects, only slightly above levels for phase 1.

In order to provide a clear overview of the situation, we shall now go on to analyse a series of differences based on two variables which we felt to be relevant, i.e. whether of the projects carried out were business-oriented and the type of partners involved.

We shall begin by analysing whether or not the types of project carried out were geared towards the production sector. Table 3 shows that both in the case of LEADER II and PRODER I only a small fraction of the total number of projects carried out were aimed at either creating, expanding and/or improving some kind of productive unit. This situation changes, however, when we turn to look at the actual amounts invested, which once again reveal differences between the two Programmes.

Table 3. Relative Weight of Business-oriented Projects

*	Business-oriented Projects		Non Business-oriented Projects	
	N° of projects (%)	Investment (%)	N° of projects (%)	Investment (%)
PRODER I	24.8	44.6	75.2	55.4
LEADER II	25.5	57.6	74.5	42.4

Source: The authors based on data provided by AGADER

There are also differences in the amount of investment per project depending upon whether or not a project is business-oriented:

- In the case of LEADER II, business-oriented projects received the greatest financial backing, i.e. 139,000 € as opposed to a 35,000 €, reflecting the same situation as for phase 1;
- The situation is reversed for PRODER I, with an average investment of 68,000 € for business-oriented projects as opposed to 111,000 € for non business-oriented projects.

Four different groups were set up in order to determine the type of local partners involved in the projects, namely:

- Public bodies. This group includes any project promoted by a public body. Table 4 shows that the presence of such partners was very high, especially for PRODER projects. Barring a few exceptions, the bodies involved were practically all local public administrations;
- Private entities, including individuals and other private bodies. Together with the previous group, this group accounted for the bulk for the projects carried out and in the case of LEADER projects, it was also responsible for most of the funding;

- Non-profit making organisations. A very mixed group, by and large made up of small, local associations involved in small-scale cultural or social projects, which explains why this group is so underrepresented regarding capital input;
- LAG. This group includes all of the projects carried under the auspices of a LAG itself. Despite the apparently strikingly high level of participation of LAGs in LEADER II projects, it should be pointed out the figures referring to the number of projects implemented are magnified by the activities of one of the groups involved where the LAG played an active role in promoting¹⁵ small-scale training projects. The actual figures for capital investment are substantially lower, more in line with the levels for LEADER I where they accounted for 10.9% of the overall capital investment.

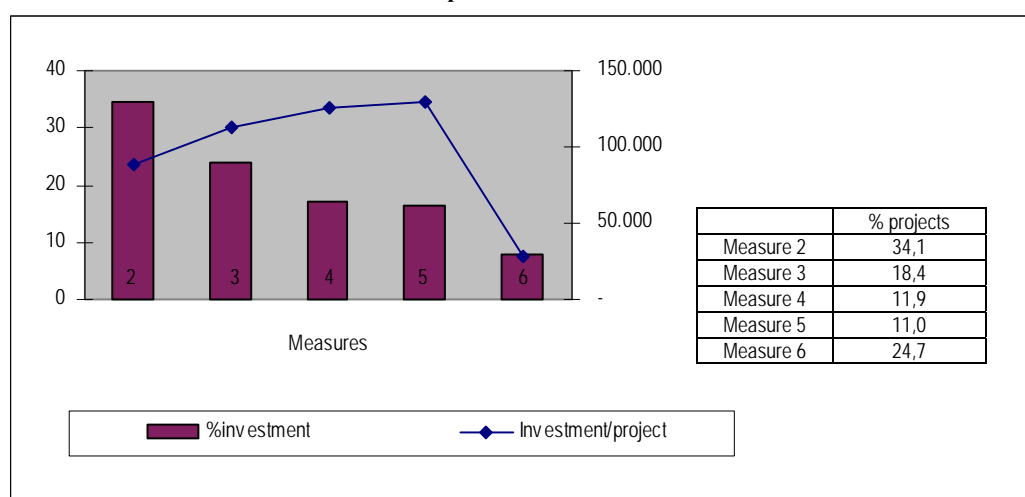
Table 4. Types of Partners Involved

	PRODER I		LEADER II	
	Projects (%)	Investments (%)	Projects (%)	Investments (%)
Public Bodies	48.5	38.9	26.2	21.1
Private Bodies	30.7	46.9	28.3	59.3
Non-profit making Organisations	12.4	8.5	13.4	8.5
LAGs*	8.4	5.6	32.2	11.7

*This Table does not include any activities designed exclusively to provide funds to cover the running costs for the LAGs.

Source: The authors based on data provided by AGADER

We shall now go on to provide a more detailed analysis of the types of projects carried out. We shall begin by analysing the way the different Measures were spread out before going on to deal with the business-oriented projects, examining the way they were distributed over the different sectors.

Graph N° 1 PRODER I¹⁶


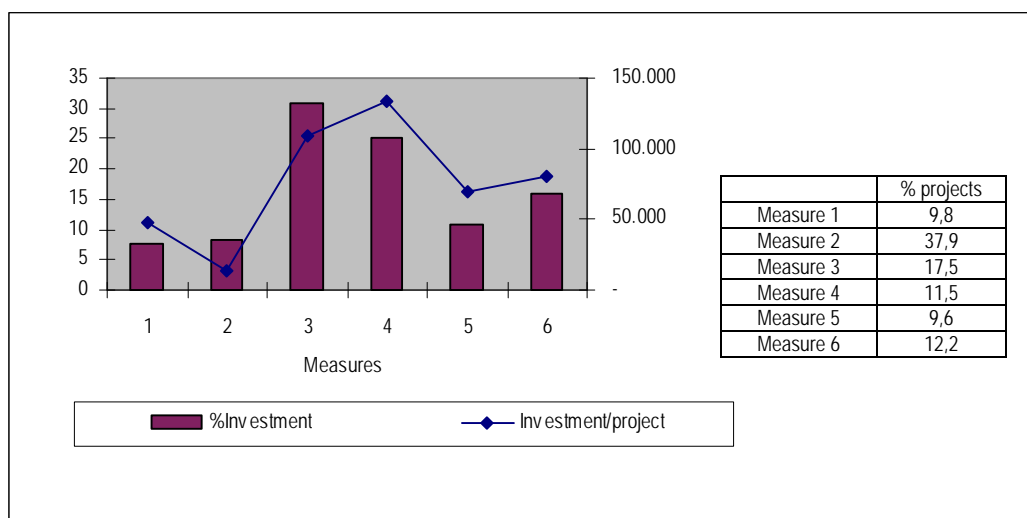
¹⁵ In concrete terms, this group was responsible for 49.4% of all of the projects included in this category.

¹⁶ The central areas of interest focused the Programme PRODER I were as follows:

- Measure 2, Making better use of local assets;
- Measure 3, Encouraging investment in tourism. Rural Tourism;
- Measure 4, Encouraging investment in tourism. Local tourism;
- Measure 5, Promoting small companies, crafts and services;
- Measure 6, Services and businesses.

Measures 1, 7 and 8, i.e. Making better Use of the Rural Environmental, Improving the Farming and Forestry Productive Capacity and Improving Farming and Forestry Disintensification were not implemented in Galicia.

Graph N° 2 ¹⁷ LEADER



Source: The authors based on data provided by AGADER

Graphs 1 and 2 reveal how the projects were concentrated in the tourism sub sector¹⁸, with projects covered by Measures 3 and 4 of PRODER I accounting for 41% of the total funding available. This concentration was slightly less pronounced in the case of LEADER II, where Measure 3 accounted for 30.7% of the overall funding¹⁹.

Other factors also worthy of examination for our analysis involve the following points:

- In the case of PRODER I, a large part of the available funding was concentrated in the Measure geared to improving local assets, taking pride of place regarding the number of projects and coming second place regarding funding, accounting for 34.7% of the total. Most of the projects carried out in this field involved the optimisation of local heritage together with the provision of small-scale infrastructures and basic amenities. Local public bodies were responsible for carrying out a large proportion of such projects;
- In the case of PRODER I, running and material costs incurred by LAGs were covered by Measure 6, which effectively accounted for 90.1% of the total capital investment for this Measure. In the case of LEADER II, these costs were covered by Measure 1, where they accounted for 97.3% of capital investment;
- Although on the whole Measures involving the tourist sub sector accounted for most of the available funding, it was not these particular Measures which involved the highest rate of investment per

¹⁷ The central areas of interest focused the Programme LEADER II were as follows:

- Measure 1, Technical assistance for rural development;
- Measure 2, Training and contract assistance;
- Measure 3, Rural Tourism
- Measure 4, Small and medium-scale companies
- Measure 5, Developing and marketing agricultural products
- Measure 6, Environmental enhancement and improvement;

Two other Measures not included in Tables 1 and 2 involved were the Acquisition of Capabilities and Transnational Cooperation. Neither cases was well represented, with the former affecting involving only 6 groups, accounting for 0.4% of the total LEADER funds and 1.4% in the latter case.

¹⁸ This phenomenon is not limited exclusively to Galicia, but is a trend which affects the whole of Europe.

¹⁹ This figure illustrates another important shift regarding the results produced by LEADER I, with an even more marked concentration of funding in Measure 3, accounting for 63.3% of the total.

project. In fact, for both programmes, projects providing backing for small-scale companies showed the highest rate of investment per project.

The situation described can be accounted for by analysing the way the different types of partners are spread out over the different Measures. In fact, it is fair to say that there was a marked concentration of certain partners in certain Measures, although this tendency is less accentuated in the case of the LEADER programme:

- For PRODER, Measure 2 involving the optimisation of local assets, accounts for most of the projects run using public funds, amounting to 65.1% of all of the projects carried out by public bodies and 63.5% of public capital input. Private initiative is concentrated in projects geared to providing support for rural tourism and to encouraging small-scale companies. Measures 3 and 4 accounted for 56.6% of the projects run by the private sector, accounting for 58.1% of private capital input. Measure 5 accounted for 38.2% of the projects and 34.0% of the capital investment;
- LEADER presented a broader spread, with public capital investment concentrated in Measure 6 which accounted for 34.5% of the projects and 53.0% of the total capital investment for this group and Measure 3 accounting for 16.1% of the projects and 24.4% of the capital investment. Private initiative was primarily involved in Measures 3 and 4 which accounted for 31.4% of the projects and 40.6% of the capital investment and 41.9% of the projects and 40.1% of the capital investment respectively.

What this reveals is that public bodies were primarily involved with projects geared to improving the environment and heritage and to improving small-scale public amenities, occasionally involving the creating of tourism-oriented infrastructures. On the other hand, contrary to what this initial spread of the different Measures might suggest, particularly in the case of PRODER, private partners were primarily interested in setting up and improving business-oriented initiatives, although not exclusively centred on the tourism sub sector, with considerable investment in other sectors.

In the same vein, the figures yielded by the analysis of the relative weight of each kind of partner with each Measure are particularly interesting. These figures show that in both programmes, private initiative clearly led the way as far as Measures designed to provide support for business ventures were concerned, accounting for 82.5% of the projects in the case of PRODER and 93.5% in the case of LEADER. However, the situation is somewhat different when we turn to look at the Measures designed to back tourism, where both public administration²⁰ and, in the case of the LEADER, non-profit making organisations²¹ played a leading role.

We shall now go on to analyse the business-oriented projects which not only accounted for a significant part of both Programmes, but also had a more immediate impact on the area in question, at least in terms of job creation.

The graphs No. 3 and 4 indicate the important role which tourism continued to play, although it is not actually as high as the Measure-based analysis would tend to suggest. We believe that this fact demonstrates that the vested interests of the private sector are only partly to blame for this sectorial bias detected in the Programmes which can be largely explained by the behaviour of the public sector

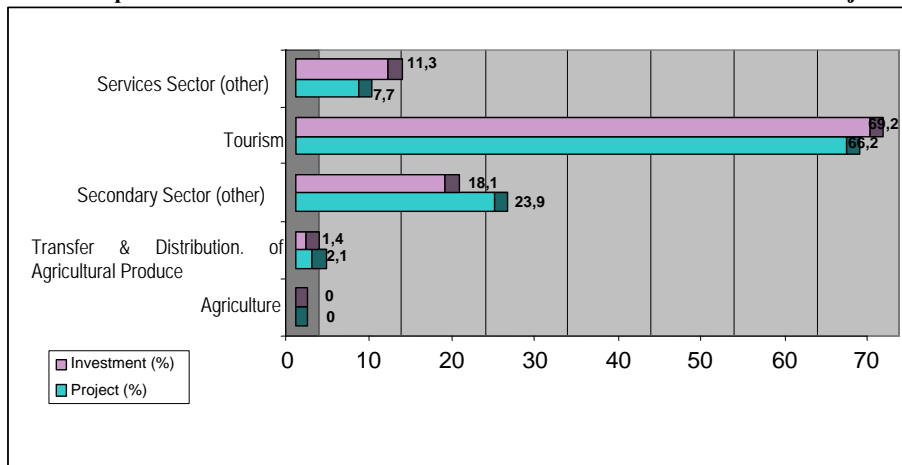
The low level of involvement in projects directly or indirectly related to agriculture is also clear, more markedly so in the case of PRODER, which can be explained by the fact that the Measures designed to provide support for farming, i.e. Measures 7 and 8, were not actually applied in the case of Galicia. The

²⁰ 41.9% for Measure 3 and 35.3% for Measure 4 in the case of PRODER I.

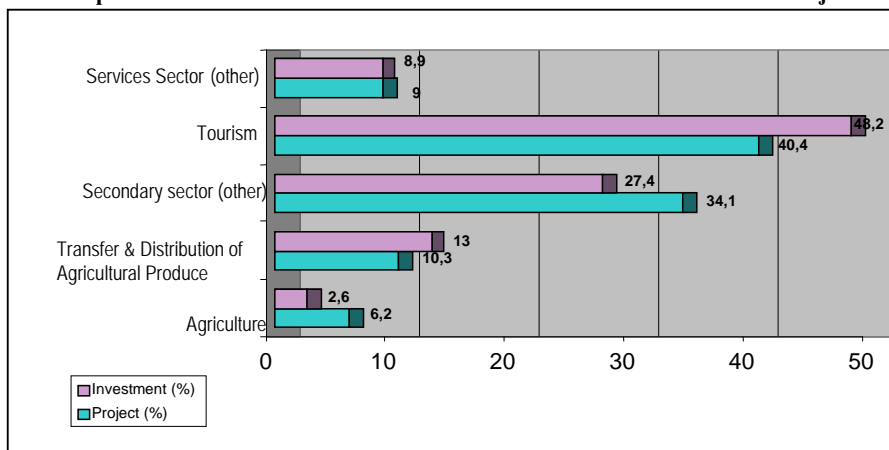
²¹ For Measure 3 of the LEADER II Programme, public administration and non-profit making organisations were responsible for 21.9% and 21.7% of the projects respectively, although the latter's participation was substantially lower in terms of the actual funding provided.

negligible impact that the Programmes had on this sector is therefore due neither to a lack of interest on the part of agricultural partners nor to a lack of productive attitudes in the affected areas, but rather to the way both of the Programmes were actually set up.

Graph N° 3 Sectorial Classification of the PRODER I Business-oriented Projects



Graph N° 4 Sectorial Classification of the LEADER Business-oriented Projects



Source: The authors based on data provided by AGADER

Finally, we shall now turn to consider the effects that these Programmes have had on the diversification of activities in rural areas. It is a well-known fact that over recent decades farming has been undergoing an upheaval due, in part, to the need to bring farms in line with the European context. Amongst other effects, this process has led to a sharp drop in the total number of farms, in turn leading to a sharp fall in jobs in agriculture and this phenomenon has an inevitable knock-on effect on the areas dealt with here. In fact, it is fair to say that the areas studied are badly affected by this on-going process. The previous territorial study enabled us to define most of the areas covered as rural areas where the agricultural sector continues to play a key role²².

The fact that the Farming Registers recorded a 41% drop in the number of beef farms²³ between 1989 and 1999 (INE, 1989, 1999), in turn leading to a 45,9% in the number of people employed on family

²² The following figures should serve to illustrate this fact: 30% of the population was involved in the agricultural sector in 20 out of the 26 affected boroughs, rising to 50% for 9 boroughs (Pérez Fra, et al, 2003).

²³ We have chosen to quote the figures for this particular type of farm rather than giving overall totals because they represent the sector with the highest level of professionalisation within the general context of Galician farming.

farms, gives an idea of just how far-reaching of this process has been. In absolute terms, it is worth pointing out that this upheaval led to the loss of over 140 jobs for that same period.

What bearing has this process had on rural areas? Has it led to a diversification of the economy in these areas or has it simply meant the loss of jobs?. It remains clear that an analysis of the demographic evolution for these areas is far from optimistic, with the population censuses for 1991-2001 revealing sharp falls in the population for almost all of the areas studied.²⁴

According to the previously mentioned source, in the areas of study this process implied the closure of 31,256 farms and a decrease in the agrarian labour of 37,678 people. Did these Programmes in any way help to correct this situation? A reply to this question would require a more in-depth study than that carried out to date, including fieldwork in the affected areas. However, an analysis of the impact they have had on job creation does allow for a certain number of conclusions to be drawn. According to the figures provided by the Galician Agency for Rural Development (AGADER), the number of jobs created by the Programmes increased by 414 for LEADER and by 274 for PRODER, while estimates for long-term jobs was in the order of 221 for LEADER II and 93 for PRODER. Everything would seem to indicate that the impact these Programmes had on job creation falls very short of making any significant contribution to solving the problems faced by these areas.

A comparison of the figures of population employed by sectors from the 1991 and 2001 Census, allows us to approach to the existence of economic diversification in global terms in these areas. Thus, the figures confirm the before mentioned sharp fall of agrarian employment: according to the 2001 Census the number of people working in the agriculture sector is, in this areas, the 51.5% of the level in 1991. But the figures also show the existence of an important increase of employment in the other two sectors, specially in the tertiary sector: thus, the number of workers in the secondary sector increases with respect to the figures in the 1991 Census in a 11.5% and the tertiary sector in a 42.4%

Unfortunately, these figures hide the existence of really different realities between the 26 analysis areas. The previously mentioned analysis of clusters allows us to make a cut between the boroughs that give form to these areas, in such a way that we can see the evolution of this variable according to the level of development of the areas.

Graph n° 5 Differences in working population 1991-01 (absolute terms)

	Primary Sector	Secondary Sector	Tertiary Sector
Cluster 1	-20,349	4,292	9,088
Cluster 2	-7,200	9,776	58,947
Cluster 3	-28,097	352	7,574
TOTAL	-55,646	14,420	75,609

Source: Population Census 1999 and 2001

The graph allows us to verify that only in those borough included in cluster 2 the creation of employment in the secondary and tertiary sector is over the loss of agrarian employment. It seems thus clear that, independently of the existence of a PRODER or LEADER programme, the areas with a higher level of backwardness the fall of agrarian employment is balanced with the passing of population from active to inactive population or with the people in working age leaving the region.

²⁴ The population increased in only 4 of the boroughs affected, all of which were located in the most dynamic part of Galicia, with three of them located within the sphere of influence of Galicia's largest city. The remaining boroughs have continued to register a drop in the population since 1981, amounting to a fall of over 20% in 14 cases. (Pérez Fra, et al, 2003).

Conclusions

To sum up, the following conclusions can be drawn from our analysis:

- The application of LEADER II and PRODER I programmes was without doubt a take over fact, but not due to the volume of funds or their impact in the involved rural areas, but because of the innovative side of their approach: they constitute a new way of intervention which gives the rural communities a manoeuvre margin, until now unheard of.
- We could verify that the most part of the areas involved in the management of one of these programs show backwardness levels in the analysis indicators, with respect to the average in Galicia. This situation will get worse due to the great impact of the agrarian adjustment process. An analysis of the capital provided by each of the different groups involved clearly stands to highlight the chasm which exists between the stated aims on the one hand and the means made available to achieve them on the other. The shortage of the funds available seriously stunted the true potential impact that these programmes could have had which could never be capable of providing an overall solution to the problems of underdevelopment faced by the areas in question.
- Alongside the similarities which exist between the LEADER II and the PRODER I programmes with consequences for the outcomes of their implementation, a series of differences were also identified, some of which refer to the results for each programme. These differences can be attributed to the following reasons:
 - Some of the LEADER II groups responsible for running the initial phase of the programme found it very difficult to implement the second phase;
 - Despite their similar aims, the PRODER I and the LEADER II programmes used different criteria when selecting the areas where they were to be implemented, with the LEADER programme reserved for highly underdeveloped inland and coastal areas where the primary sector continues to be the main source of employment, whereas the PRODER Programme covered a wider range of situations. What this means in practice is that there are areas which, despite being rural in nature are nevertheless economically dynamic, side by side with other areas with characteristics similar to those which belong to the LEADER groups;
 - A series of differences regarding the actual design of the Programmes, particularly concerning their respective main focuses, which determine whether any given type of projects is feasible or not. The decision of the Galician Government to exclude the agrarian sector from grants and subventions in the case of PRODER programme has been a limiting factor for a great part of the groups.
- As in the past, a large part of the funds and projects are concentrated in the tourism sub sector, although this concentration must be contextualised by referring to the level of private initiative investment. The vested interests of the private sector are only partly to blame for this sectorial bias detected in the Programmes which can largely be explained by the behaviour of the public sector.
- The comparison of projected employment figures with the reduction of agrarian employment in the last decade does not leave any doubt: these programmes are far from being a solution for the problems that these areas have to face. The contribution of these programs to the diversification of their economy is extremely modest. Once again, it is evident the difference between the purpose of the programmes: development of rural areas through the diversification of their economies and funds to gain this aim.
- On the other hand, population census demonstrate that although at a regional level in Galicia it may seem that the economic diversification will be to come, the areas with a lower level of development were excluded, and the disappearance of explorations translated into the net destruction of jobs and a loss of population.

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