

EUROPEANIZATION IN THE IMPLEMENTATION OF THE LEADER PROGRAMME

THE CASE OF CROATIA

By

Ana Laca

Submitted to

Central European University

Department of Public Policy

In partial fulfillment of the requirements for the degree of Master of Arts in
Public Policy

Supervisor: Professor Andrew Cartwright

Budapest, Hungary

(2011)

ABSTRACT

This paper is an assessment of the implementation of the LEADER programme in Croatia. Besides presenting the main features of the LEADER programme in general and its implementation in Croatia, it additionally interconnects the implementation of this programme with a concept of *Europeanization*.

In this paper it is argued that the implementation of the LEADER programme in Croatia was a result of the *Europeanization*, additionally enhanced by the financial and political incentives Croatian government had and have. The LEADER programme was just perceived as one of the steps on the way that can facilitate Croatian accession to the European Union. It is also argued that Croatia was not fully prepared for the implementation process, which diminishes the possibility for the rural areas to fully prosper and benefit from this programme.

Key words: LEADER programe, LAG, Croatia, Europeanization

ACKNOWLEDGMENTS

I would like to express my sincere gratitude to my supervisor, Professor Andrew Cartwright for his support, professional encouragement and valuable comments during the research process, and tolerance and understanding for my working habits.

I am also very thankful to my academic writing instructor Agnes Toth, for professional guidance, but most of all, for a friendly support she expressed during the entire academic year.

Special thanks to Marko, Melina and Nikola for being an eternal support and inspiration throughout the past five years, you are the ones who made it valuable.

At the end, I dedicate my work and results achieved throughout this year to the most important ones, my family, for all the encouragement and love they gave me.

LIST OF ABBREVIATIONS

CARDS - Community Assistance for Reconstruction, Development and Stabilisation

EARDF – European Agricultural Rural Development Fund

EC – European Commission

EFF – European Fisheries Fund

ERDF – European Regional Development Fund

ESF – European Social Fund

IPA - Instrument for Pre-Accession Assistance

LAG(s) – Local Action Group(s)

LEADER - *Liason Entre Actions pour le Development d'Economie Rurale*

PEP – *Pre-accession Economic Programme*

PHARE – *Pologne, Hongrie Assistance à la Reconstruction Economique*

SAPARD - Special Accession Programme for Agriculture and Rural Development

Table of Contents

<u>ABSTRACT.....</u>	<u>I</u>
<u>ACKNOWLEDGMENTS</u>	<u>II</u>
<u>LIST OF ABBREVIATIONS</u>	<u>III</u>
<u>INTRODUCTION</u>	<u>1</u>
<u>CHAPTER 1 - THE LEADER PROGRAMME.....</u>	<u>5</u>
1.1 THE HISTORY OF THE LEADER PROGRAMME.....	5
1.2 THE PRESENT OF THE LEADER PROGRAMME.....	7
1.3 THE MAIN FEATURES OF LEADER.....	11
<u>CHAPTER 2 – METHODOLOGICAL AND THEORETICAL FRAMEWORK OF THE RESEARCH</u>	<u>15</u>
2.1. METHODOLOGY	15
2.2 DELINEATION OF AUTHORITY BETWEEN THE EU AND ITS MEMBER STATES IN THE SPHERE OF RURAL DEVELOPMENT.....	16
2.3 FROM PASSIVE LEVERAGE TO EUROPEANIZATION	18
<u>CHAPTER 3 – THE LEADER PROGRAMME IN CROATIA: ILLUSTRATION AND ANALYSIS</u>	<u>23</u>
3.1 RURAL DEVELOPMENT IN CROATIA – LEGISLATIVE REVIEW	23
3.2 EVALUATION OF CAPACITIES PRIOR TO THE IMPLEMENTATION OF LEADER.....	29
3.3 IMPLEMENTATION OF THE LEADER PROGRAMME.....	33
<u>DISCUSSION</u>	<u>37</u>
<u>CONCLUSION</u>	<u>40</u>
<u>BIBLIOGRAPHY.....</u>	<u>42</u>

INTRODUCTION

Rural areas have significant importance due to the fact that they are representing more than 90% of the overall territory of EU, inhabited by more than a half of the overall population (56%) (EC, 2009b). Statistical data for Croatia are approximately the same. Here, rural areas present approximately the same surface (91%), with a little bit fewer inhabitants (47%) (Croatian Bureau of Statistics, 2005). Even though these areas are widespread all across Europe and represents considerable share of people, and territory even more, these areas are also lagging behind in development, especially when compared to urban areas. They are generally underdeveloped, inhabited by an aging population that is decreasing because many people migrate to urban areas, and even those that are staying are undereducated and underpaid compared to the urban inhabitants. Despite these facts, it was only recently that the scope of the problem and the importance of it to be solved has started to be recognized and the rural development policy has started being systematically and independently implemented.

As one of the possible and innovative solutions that could help to decrease the gap between rural and urban areas, 20 years ago the European Commission launched LEADER programme. The uniqueness of this programme was that it was not supposed to just be implemented from the national level by transferring funds towards rural areas, as it was with all the previously implemented programmes for rural development. Its purpose was building the social capital of the rural communities by involving different stakeholders on the local level, and by using that approach, a further goal was to try to achieve the sustainability of rural areas.

The possible benefits from the implementation of the LEADER programme are numerous, including the enhanced cooperation among different stakeholders, building of the social capital, raising awareness of the local inhabitants about their possibilities and chances to participate in the whole project and by participating possibly contribute to the rural development.

This research paper will investigate whether the decision to implement the LEADER programme in Croatia was made based on the estimation that the LEADER programme would be the best option to achieve sustainable development of the rural areas in Croatia, or it was a politically and economically motivated decision because it was believed that it would facilitate the pre-accession negotiation process and consequently enable Croatia to be eligible to attract resources from EU funds sooner. While investigating, I will primarily focus on the financial aspect of the project, more specifically what could be possible financial benefits from the implementation of the LEADER programme based on the existing absorbing capacities, observed from the perspective of the usage of pre-accession funds, supported by the existing legal framework.

Thus, the research question of this thesis is: *why Croatia decided to adopt the LEADER programme and whether the implementation of the LEADER programme is appropriate strategy for the improvement of existing situation of underdevelopment in rural areas?* More precisely, which were the reasons and incentives for the Croatian government to do so, and whether Croatian rural areas would benefit from the implementation of the LEADER programme. It is unquestionable that the rural areas are of immense importance for Croatia due to the territory they cover, and that those areas

are seriously lagging behind in their development, what is questionable is could the implementation of the LEADER programme contribute to the improvement of the existing situation.

My starting assumption is that the decision to adopt LEADER programme was primarily politically and financially motivated, that Croatia was not well prepared and that is why Croatian rural areas will not benefit from this programme as they could if Croatia was better prepared. Possible reasons for this assumption that I will elaborate in this research paper are a limited appreciation of the program amongst Croatian ministry people and local stakeholders, inadequate existing legal framework and insufficient absorption capacities to use the offered fund once when they become available. I will consider all of these as possible reasons why I believe this program offered and will offer little real help for Croatian rural areas.

I will support my arguments by using the theories of *passive leverage* and *Europeanization*, which claim that countries whose goal is become a member often implement EU policies without clear guidance and strategy, just because of the influence that EU has merely because of its existence, or the cost of exclusion. The methodology I will use is descriptive analysis of the single case study – Croatia, occasionally compared with the experiences and practices from the countries that recently joined the EU.

The reason why Croatia is selected as a single case study of this research paper is because of the significance and high percentage of coverage that the rural areas have for its overall development, high underdevelopment of those areas, where 77% of rural areas are considered to have prominent features of development delay (Hrvatski Farmer d.d.,

2009) its current unique position where is about to finish negotiation process, and because it as a non-member country implemented the LEADER programme even though some of the member states firstly rejected the possibility to implement it.

This thesis will contribute to the existing literature firstly by providing further knowledge on how the concepts of *passive leverage* and *Europeanization* have been practiced towards the countries in the sphere of rural development, more precisely with the implementation of the LEADER programme. Secondly, it will present certain features on the national level that needs to be taken into consideration prior to the implementation of the LEADER programme.

In the direction of achieving that contribution, the structure of this thesis is divided into three chapters. After the introduction, in the first chapter the overall context of the research will be presented by introducing the concept of the LEADER programme. Second chapter consists of the descriptions, both theoretical and methodological concepts that have been used in this paper. The third chapter is more narrowly focused on the implementation of the LEADER programme in Croatia, together with the aggravating circumstances related to its applications. These three chapters will be followed by discussion and ended with a conclusion.

Chapter 1 - THE LEADER PROGRAMME

In this chapter I will present the context of my research, and that is the rural development strategy in the European Union (EU), that was conducted and implemented in the last two decades, more particularly, The LEADER programme. Name LEADER is the abbreviation made up from the French acronym “Liaison Entre Actions de Développement de l' Économie Rurale”, which literarily can be translated as “links between actions for the development of the rural economy” (2011b). First of all, I will present the overall background of the rural development programs history within the EU, and discuss the incentives that led to the creation of the LEADER programme. Subsequently, the development and evolution of the programme will be shown, and to frame the issue even more, at the end of the chapter, the main features of the programme will be presented and elaborated furthermore.

1.1The history of the LEADER programme

The different EU development programmes existed till the end of the 1980's, but they lacked the intersectional harmonization at the local level. The approach that was applied towards the selection of the local beneficiaries was the “top – down” system, most of the time separated from the integrated environment of the original idea. The outcome was that there was no much interest whether there is an interaction among chosen projects, and if it was, what kind of the interaction. The same reluctance was noticeable towards the possibilities that different projects overlapped among each other, even though it resulted with misspending of awarded subsidies (Francia et al, 2005: 5).

The situation of many areas within European Union lagging behind in development, and funds intended to improve existing problems not adequately used, prompted European leaders to create a new, joint program intended mainly for development of rural areas. Firstly, the result was Cohesion fund that was targeting rural areas affected by the collapse of traditional industry and depopulation. Other result was the Leader programme, whose origins can be found traced back in 1988, in the communication of the European Commission towards European Parliament and Council. However, the first actions were conducted in 1991 when the project was launched in the 15 member states of EU. Until the start of the current LEADER programming period, it was one of the Community Initiative Programmes (Haken, 2011: 1). The purpose of the programme was to provide support and guidance to the European Union's rural regions to achieve sustainable development. Even though the programme was created for all of the member states to support different dimensions of rural areas (environmental, economic, social and cultural), the intention was to preserve their diversity (Haken, 2011: 1). The whole programme was supposed to be implemented through the activities of the Local Action Groups (LAGs), and I will further elaborate on them later in his chapter.

Historically, the development of the programme was divided into three cycles (Ilak Persuric, Jurakovic, Klara, 2009: 2). While the first cycle was the shortest one, it lasted for two years (from 1991 to 1993) and it was called LEADER I, the second cycle lasted for 5 years (from 1994 to 1999), and was called LEADER II. The last finished cycle, the LEADER + was the longest one and it lasted for six years (from 2000 to 2006).

According to the data presented in Basic guide of the LEADER Approach¹, the first cycle of the LEADER approach consisted of 217 LAGs and covered a total area 367 000 km² and were granted with EUR 442 million. In the second cycle, the report shows significant incensement of the allocated funds (EUR 1 755 million, which shows that the total amount quadrupled). Consequently, the number of established LAGs as well as the area that was covered by the programme quadrupled, and now there are 906 LAGs on the total area of 1 375 144 km². During the third cycle, even though the amount of the allocated funds (EUR 2 105.1 million), and the area that was covered (1 577 386 km²) slightly increased, the total number of LAGs slightly decreased and now there were altogether 893² of them (European Commission, 2006: 7). The causing factors of this outcome may be interpreted as the restructuring an reformulation of the existing LAGs, where certain areas were transferred to other LAGs, but even though the process of the formulation of the new LAGs impede or even stopped, at that stage already **46,84 %** of the overall territory of the European Union was covered by LAGs.³

1.2 The present of the LEADER programme

Starting from 2007 LEADER reached its fourth and current phase, that is meant to last till 2013 and it is officially called **LEADER Axise**. In its fourth cycle, Leader stopped being a separate programme and became integrated as a part of the European Union rural development policy and the fourth, horizontal axise of the rural development

¹ Fact Sheet: The LEADER Approach – A basic guide (Available at: ec.europa.eu/agriculture/rur/leaderplus/pdf/factsheet_en.pdf)

² This number reflects the number of LAGs before the enlargement of EU in 2004.

³ Based on the author's calculation

policy. As it is clearly stated in the preamble of the European Commission Regulative N° 1698/2005:

“The Leader initiative, after having experienced three programming periods, has reached a level of maturity enabling rural areas to implement the Leader approach more widely in mainstream rural development programming. Provision should therefore be made to transfer the basic principles of the Leader approach to the programmes building a specific axis in them, and provide a definition of the local action groups and measures to be supported, including partnership capacity, implementation of local strategies, cooperation, networking and acquisition of skills” (Article 50, EC Regulative N° 1698/2005).

This article can be interpreted as the acknowledgment to the increased significance of the LEADER programme that is shown in a form of an “umbrella axis” which involves the implementation of the other three vertical axes. Those three axes are defined as: *improvement of the competitiveness of the agricultural and forestry sector; improvement of the environment and the countryside and improvement the quality of life in rural areas* and *encouraging diversification of the rural economy* (EC official webpage). Throughout that process, effort will be directed towards farm and forest competitiveness (Axis 1), environment and land management (Axis 2), and economic diversity related to the quality of life in general within the Axis 3 (see the figure below). Except the implementation of the other axes, the purpose of the fourth axe is to encourage and facilitate the entry of private capital and inter-sectoral partnerships into the rural development (Haken, 2011: 4). The purpose of the LEADER is to be the engine of innovation and partnership in the other three axes, and all the activities needed to achieve its purpose are and will be financed from the European Agriculture and Rural Development Fund (EARDF).

Figure 1: The four EU rural development policy axes (European Commission, 2009: 14)

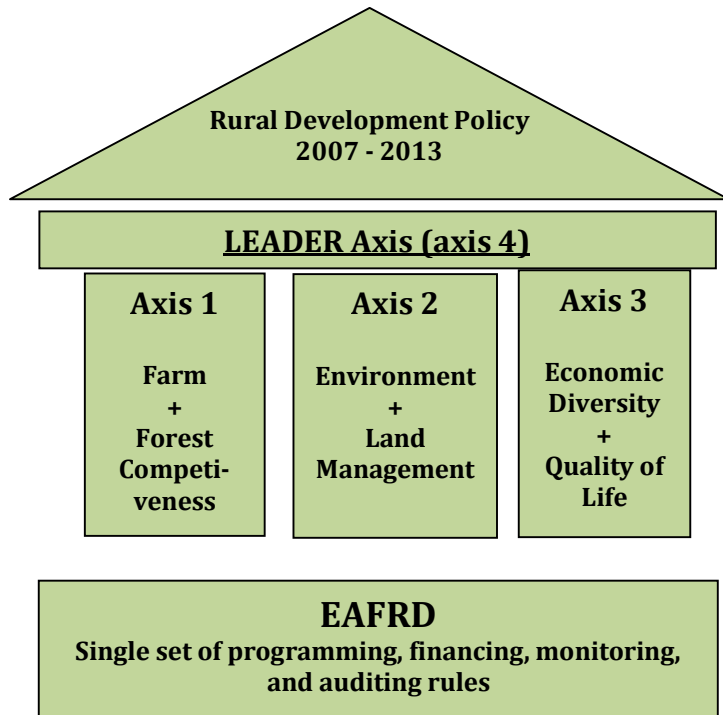
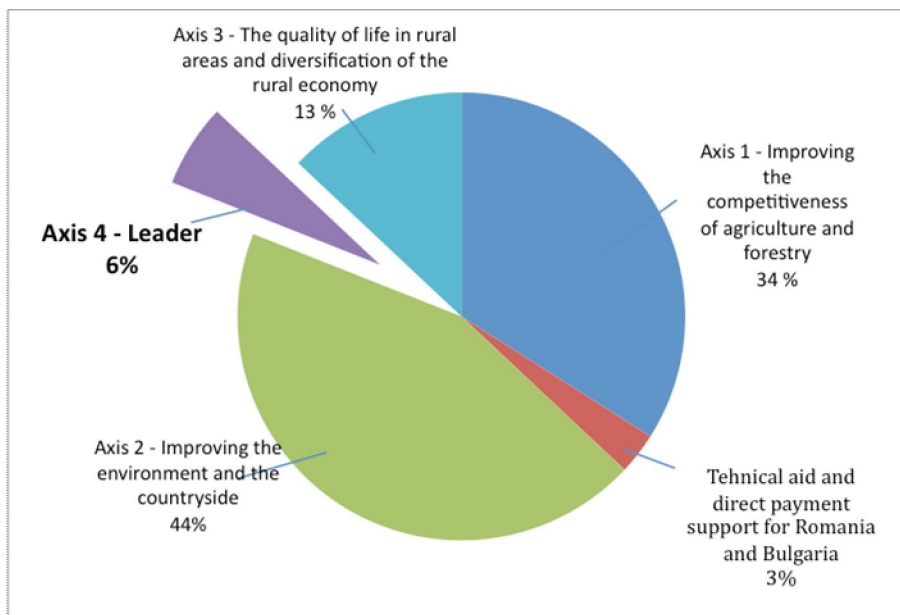


Figure 2: The four EU rural development policy axes (European Commission, 2009: 14)



For the period from 2007 till 2013, the funds from the EARDF were not equally distributed among four of the axis (see the Figure 2). It seems that the perception about increased significance of the LEADER programme was not followed by the increase of the allocated funds. To the Leader Axise only six percent of the total amount has been allocated, while to the other axis it was allocated at least twice as much (Axis 3 – 13%) to more than seven times as much (Axis 2 – 44%). Despite the fact that the amount of funds allocated to the LEADER programme has been constantly increasing since the programme was created, its share in the overall budget for rural development is still not significant. In the light of all that, it is possible to conclude that this programme is still not perceived as relevant and capable enough to solve the problem of rural underdevelopment all across the EU. It has rather been seen as one of the tools that can facilitate that goal, rather than achieve it on its own.

As mentioned earlier the main idea of the LEADER approach is to preserve the diversity among the different regions, or different LAGs. In this case, it implies that strategies and policies for the rural development need to be tailored differently to reflect the characteristics and necessities of each of those areas to which they are applied. In order for those strategies and policies to be more effective and efficient, they should also be implemented on the local level and by the local actors (EC, 2006: 8). It is common belief that the local actors are the ones who are most familiar with overall context and the factors that caused underdevelopment and which will provide optimal strategy for need assessment. In order to explain the concrete experiences of Croatia, in the next section the main features of the LEADER programme will be presented.

1.3 The main features of LEADER

While trying to define the main features of the LEADER programme, different authors came up with different classification. Anyhow, the majority of them differentiated the seven or eight main features. It is notable to notice that all the European Commission official publications differentiate seven features (see EC, 2006: 8 – 14 and EC, 1999), while the majority of the independent evaluation agencies and scholars differ from it and define eight main features of the LEADER programme. The essential difference is that the latter added the feature “*Local area based development strategy*” (see Lukesch, 2003 : 3 and ÖIR – Managementdienste GmbH, 2003: 67), which, in the official EC publications is integrated within those seven main features. For the purpose of this chapter, the latter classification with the eight features will be used and each of those features will be described and elaborated further more. Nevertheless, this classification will also be complimented by the relevant description and the findings of the seven – features classification.

The first official feature of the LEADER programme is previously mentioned *area-based local development strategy*, which implies the self-determined choice of the territory according to cultural, social and economic coherence and dynamic identities, as well as the local actors who are expected to work on assets and resources that are unique to a specific area. The strategy also connote the idea of a strategic vision that only integrates, but also actively utilise divergent views and interests of local actors to pursue common goals (Lukesch, 2003: 2).

The second, and most likely the most distinctive, feature of the LEADER programme is *the bottom-up approach*, that generally means that the local stakeholders are included in the decision-making process, either through the form of the consultations, or through the effective participation. The essential concept related to this idea is the concept of the capacity building that signify the necessity of the awareness raising that will preferably result with the participation of the different interest groups, as well as the clear definition of the criteria for selecting appropriate actions, that should be conducted throughout the whole policy cycle, from formulation to evaluation (EC, 2006: 9).

The third feature is related to the *partnership approach*, more specifically, to the private-public partnerships that are manifested in the form of Local Action Groups (LAGs) and are supposed to include representatives of the public bodies, private enterprises and civic associations (Lukesch, 2003: 2). The task of the LAG is to identify and implement the local development strategy, and along with that the allocation and management of its financial resources. LAGs are prone to be effective because they aggregate and combine available human resources and associate local stakeholders around the joint projects. They also encourage the dialogue between the actors and, through that cooperation, they facilitate the processes of changes (EC, 2006: 10).

The fourth feature reflects the importance of *innovation* that was one of the explicit aims of the whole programme. Innovation in general has a broad meaning and can be perceived as the introduction of the new approach, as well as the application of the different approach that has already been developed elsewhere (EC, 2006: 12). In this context, innovative approaches should take into account all of the local features,

emphasize their uniqueness, and not just serve to implement global standards (Lukesch, 2003: 2).

The fifth segment is the *integrated and multi-sectoral approach*, which means that LEADER is not a sectoral development programme, thus the actions and projects within the local strategies should be linked and coordinated as an articulated whole. Integration can be conducted in a single sector, specific groups of actions, or in all programme actions, but it always should reflect the links between the different economic, social, cultural, environmental stakeholders and sectors involved (EC, 2006: 13).

While the first five features represent the category of the *local features*, the sixth and seventh features can together be classified into the category of *trans-local features* (ÖIR, 2003: 67), and are related to the *networking* and *trans-national cooperation* and addresses the relationships between the local level and the outside world, usually between LAGs from the same country or at European level that is more formalized. Cooperation may occur directly or through already established networks (EC, 1999: 15).

The last feature reflects the *vertical category* (ÖIR, 2003: 67), and is related to the *decentralised management and financing*. Despite the fact that the local partnerships did not have the decisive word when it comes to project selection and funding, that did not prevent them to act in a role accountable for local development funding. This fact aggregated the essential innovation of the whole initiative (Lukesch, 2003: 3)

These features will be further discussed in the chapter 3, where the implementation of the LEADER programme in Croatia will be assessed. But before that, having in mind the history and the main features of the LEADER programme, in the next

chapter this research will proceed with a theoretical framework, more precisely with the theory of EU passive leverage and Europeanization that will explain the incentives of the Croatian Government when decided it to join in the programme.

Chapter 2 – methodological and Theoretical Framework of the research

This chapter will answer the research question by showing the theoretical approaches of *Europeanization* and *theory of leverage*, more precisely, the concept of *passive leverage* will be used with the purpose to explain why the LEADER programme is being implemented in Croatia. Firstly, I will present the methodology that will be used throughout this whole research. Secondly, I will briefly provide the deliberation of authority between EU and its Member States in the sphere of rural development. At the end of this chapter, I will frame the issue more by presenting definitions and the main features of the theories mentioned above. Thirdly, I will provide set of incentives that led the Croatian government towards the decision to implement the LEADER programme.

2.1. Methodology

While trying to explain what is case study in why is it good, John Gerring defined case study as an “intensive study of a single unit for the purpose of understanding a larger class of similar units” (Gerring, 2004: 342). In this research paper I will use a single case study of Croatia and do an intensive study of the implementation of the LEADER programme in Croatia for the purpose of understanding the process of Europeanization and how can it influence different spheres within the overall policymaking area.

While trying to do assess the features and the implementation of the LEADER programme in Croatia, I will use descriptive content analysis approach and analyze

mainly European Commission working papers, National strategies for development published by Croatian ministries, and journal and newspapers articles.

2.2 Delineation of authority between the EU and its Member States in the sphere of rural development

As it is stated on the official webpage of the European Commission, the European Union has its own rural development policy, which is created for the period from 2007 – 2013 and is implemented through four axes - competitiveness, sustainability, quality of life and the Leader approach. Theoretically, the individual EU Member States are allowed to decide about their rural development and implement completely independent rural development policies, but they rarely do so because that feeling of autonomy can be costly, and many of them cannot afford it (EC, 2011b).

Within the rural development policy there are certain requirements for each member state and candidate country whose aim is to become a member in future. Prior to 2007, one of the most emphasized criteria was that every country need to create its own rural development programme, which specifies what funding would be spent on which measures in the period between 2007 to 2013. After 2007, the National Strategy Plans based on *EU Strategic Guidelines for Rural Development*⁴ needed to be create, but other

⁴ On 20 February 2006 the Agriculture Council adopted EU strategic guidelines for rural development. These guidelines set out a strategic approach and a range of options, which Member States could use in their national Rural Development programmes. The six strategic guidelines are:

1. Improving the competitiveness of the agricultural and forestry sectors
2. Improving the environment and countryside
3. Improving the quality of life in rural areas and encouraging diversification
4. Building Local Capacity for Employment and Diversification

than that, more conditions about how the content of their strategies should look like do not exist.

Likewise the decision-making that has been given to the central EU level and each of the member states, the burden of the financing of this policy has been shared and partially funded from the central EU budget and partly from individual Member States' national budgets. The peculiarity of the LEADER programme is that it is just a part of the overall EU rural development policy, and member states likewise the candidate countries are not obliged to implement it. Moreover, after the 2004 enlargement, six out of 10 new member states (Czech Republic, Estonia, Hungary, Latvia, Lithuania, and Poland) already implemented certain measures prior to accession, or started to implement it when they became members. Four new member states (Cyprus, Malta, Slovakia and Slovenia) did not implement any Leader type measure in the period 2004-2006 while the third cycle of LEADER, LEADER +, officially lasted. Their reasons for that decision differs from state to state, but for Croatia the case that is especially relevant is the case of Romania, who even though was offered to implement the Leader+ pilot project, refused it and waited to become a member (Leader + official webpage). Reasons why Croatia decided to implement the LEADER programme will be disclosed from the theoretical background in the next section of this chapter.

5. Translating priorities into programmes

6. Complementarity between Community Instruments (EC, 2011b).

2.3 From passive leverage to Europeanization

Since it was created, the European Union (EU) was generally perceived as a stable legal entity that can provide many benefits for its member states, and its membership as a goal to reach from the majority who were left outside. Possible costs and benefits from accessing the EU and becoming a member were broadly discussed by many scholars (Anderson, Reichert, Breus, Baldwin, and many others dates), and it was mainly concluded that the benefits for the accessing countries outweigh the costs, but to what extent each country would benefit depends on its own preparation and capacities. In this paper I will use Vachudova's and Grabbe's theoretical framework to demonstrate how EU can exert its power over the candidate countries based on its economical and political power that is significantly larger than in the countries that are aiming to become a member.

While trying to answer the question why sometimes candidate countries accept certain policies when they are not obliged to, even though they are not ready to implement them, or the adoption of those policies is not in their best interest, Grabbe gives prominence to the *negotiating power*. According to her finding based on experiences of Central and East Europe countries (CEE countries), there is a strong asymmetrical interdependence between the EU and candidate countries while they are still not members of EU, which also has a "strong explanatory value for the CEE candidates' strategies in adaptation to the EU and also for the outcome of the accession negotiations" (Grabbe. 2006: 202). Before proceeding with further elaboration of the

theoretical framework that is being used in this paper, I will provide definitions of the concepts of *leverage*, both active and passive, and *Europeanization*.

Vachudova defines the concept of active leverage as:

deliberate politics to influence the states in question or to pave the way for their eventual membership – this is active leverage. For the EU to have leverage or ‘traction’ on domestic politics, a state must be a credible future member of the EU. (Vachudova, 2005: 65)

She continues by making a distinction between passive and active leverage by defining the passive leverage as:

the traction that the EU has on the domestic politics of credible candidate states merely by virtue of its existence and its usual conduct. This includes political and economic benefits of membership, the costs of exclusion, and the way the EU treats nonmember states. (Vachudova, 2005: 65)

Following that logic, when describing the Croatian case while trying to answer on the research question I will only use the concept of passive leverage because Croatia is not yet a member state, and back in 2008 was not a credible state because the negotiation process was at its beginning.

Additionally, Vachudova frames the issue more by stating that candidate countries often adopt policies without clear guidelines, which can threaten their success of implementation as a product of passive leverage (Vachudova, 2005: 228). This state perfectly describes the process of pre-accession negotiations in Croatia in general, and more specifically when applied to the process of the implementation of the LEADER programme that was absorbed as soon as it was possible, without any clearly defined strategies or law framework, where the success of the project and possible prosperity for

the rural areas in Croatia was risked just because of EU allurements. This will be framed furthermore and supported by arguments in the Chapter 3.

Grabbe raised an important distinction that had often been neglected, and that is the distinction between *EU accession preparation* and *EU accession negotiations*. In her book she argues, I think in a fully justified way, that even though EU accession preparations and negotiations are linked processes, at the same time they are very distinct and have their own logic. Thus, “negotiations are about ‘us and them’, a process in which each side seeks the best possible deal. But accession preparations are about ‘the future us’, a process in which the candidates align with EU norms and try to become like member-states. Europeanization involves both” (Grabbe. 2006: 202).

In my opinion, in the Croatian case the logic that the better the preparation, the shorter the negotiations was not recognized. The best indicator of how well prepared Croatia was is the length of the negotiations process, which lasts for almost six years. More precisely and related to the topic of this research paper, the Chapter 11 *Agriculture and Rural Development* was one of those who was opened first right after negotiation process started, and it is among last four that are still not closed. The accession preparation only considered the short run perspective of the ‘future us’ in terms of funds that will be available once Croatia becomes a member state, while the long run perspective in terms of rural sustainability and prosperity was not taken into account.

Europeanization as a theoretical concept has often been perceived as a consequence of the leverage theory and has also been a subject of various debates among many scholars (Radaelli, Ladrech, Olsen), and that is being defined as a “process

reorienting the direction and shape of politics to the degree that EC political and economic dynamics become part of the organizational logic of national politics and policy making” (Ladrech, 1994: 69).

Sometimes not only formal rules and policies can be considered as an outcome of Europeanization, but also the informal ones, which broadens the scope of the possible influence that Europeanization can reach. That is exactly what Radaelli has taken into account when he was defining Europeanization as:

processes of (a) construction, (b) diffusion, and (c) institutionalization of formal and informal rules, procedures, policy paradigms, styles, ‘ways of doing things’, and shared beliefs and norms which are first defined and consolidated in the making of EU public policy and politics and then incorporated in the logic of domestic discourse, identities, political structures, and public policies. (Radaelli, 2003: 30)

While defining Europeanization Radaelli brought to light another important dimension that can be noticed in Croatian case: the outcomes of the *Europeanization* can be interpreted as the result of soft power that was not forced neither conditioned by the EU, just the contrary, the decision about the adoption of this programme prior to the accession to the EU was entirely and exclusively made by Croatian executive and legislative bodies.

As Grabbe stated in her concluding remarks, Europeanization becomes embedded in domestic policies and institutions long before accession. In the case of CEE, the EU’s influence became embedded through processes of Europeanization while they were trying to become as similar as they could to the existing member-states, (Grabbe, 2006: 203) and in Croatian case, by implementing the LEADER programme, without minding about

how ready Croatia was to successfully implement it with existing capacities. The evidences for this statement will be delivered in Chapter 3.

Chapter 3 – THE LEADER PROGRAMME IN CROATIA: ILLUSTRATION AND ANALYSIS

After the presentation of the theoretical framework and its implications for rural development, in this chapter I will firstly introduce the rural development system in Croatia, more precisely the legislative framework that regulates rural areas in Croatia. I will specifically address the deficiencies of the existing framework. While doing that, I will constantly refer to the LEADER programme, which will facilitate me while trying to prove the hypothesis of this research paper. Subsequently, I will present the current situation and current level of (under) development of Croatian rural areas, particularly focusing on the level of utilization of pre-accession funds as an appropriate reflection of the absorption capacities of Croatia. I will finish this chapter by presenting the implementation of the LEADER programme in Croatia and the aggravating circumstances that impede its implementation, which will serve as an introduction to the discussion that will follow afterwards, and where possible implications of this programme for Croatia will be deeply elaborated.

3.1 Rural development in Croatia – legislative review

As mentioned in the introduction, rural areas have the large importance for the overall development in Croatia due to the percentages of the territory they cover, and number of people that inhabited them. In Croatia, there is still no official definition of rural and urban areas. The most commonly used method is the definition of rural areas as

those that are located outside of urban areas, which meet three main features: they are a small settlements with low population density, in which the systems of land use are mainly agriculture and forestry, and those settlements have their own rural identity (Vakakis, Tegasch, 2009: 3). Due to those circumstances, for the distinction between rural and urban areas, the most commonly used is the criterion of the Organization for Economic Cooperation and Development (OECD) based on population density had been applied. The threshold that separates rural from urban areas is 150 inhabitants per km². Applying this criterion, taking census data from 2001, the results for Croatia are following:

- 91.6% of Croatian territory is classified as rural, and 8.4% as urban areas;
- 88.7% of villages located in rural areas, and 11.3% in urban areas with 35% of the population in 14 cities with more than 30,000 inhabitants;
- 47.6% of the total population lives in rural areas, and 52.4% of population in urban areas.

Table 1: Classification of rural and urban areas according to the OECD criteria

Classification (2001)	OECD Criteria					
	km ²	%	Number of settlements	%	Number of inhabitants	%
Rural Areas	51.872	91,6	6.001	88,7	2.110.988	47,6
Urban areas	4.731	8,4	763	11,3	2.326.472	52,4
TOTAL	56.603	100	6.751	100	4.437.460	100

Source: Croatian Bureau of Statistics, Statistical Yearbook (31 December, 2005)

Instead of rural development, it is possible to say that in Croatia, rural underdevelopment has the very long history. Rural areas have always been lagging behind urban areas in the terms of density of population, education of the inhabitants, income they provided, level of employment, and many others. Up until three years ago when the Rural development strategy for the period 2008 to 2013 was finally adopted, Croatia had no similar document that was strictly related to the development of rural areas. The whole strategy which was written only on thirty eight pages is filled with vaguely defined objectives and principles that the Croatian government will seek to accomplish, without a definition of the actual measures that would provide it.

In that strategy, the strategic objectives for the rural development of the Republic of Croatia were defined as:

- 1) Improving the competitiveness of a agricultural and forestry sector,*
- 2) Conservation, protection and sustainable use of landscapes, cultural and natural heritage,*
- 3) Improving the quality of life in rural areas and the expansion of the economic program of the rural economy,*
- 4) Improving the effectiveness of the institutional environment.*

It is important to notice that each of these objectives is interrelated to the others, and in order to achieve sustainability of rural areas and consistent rural development, all of them need to be accomplished. The desired outcome can only be achieved with an accompanying rural development policy, which, as it is mentioned above is still missing.

The fact that is more important for the purpose of this research paper is that within the Strategy, the LEADER programme in general is mentioned only two times, firstly as one of the requirements where the Croatian government is obliged to assure resources for its implementation. There, the history programme is briefly explained in less than a paragraph. (The Strategy, 2008: 9). The second time when the programme was mentioned it at the end of the strategy within the section of priorities and methods to achieve their fulfillment, more precisely within the priority related to the increase of the degree of motivation and awareness of the local community. Here, LEADER is only briefly mentioned within one sentence. (The Strategy, 2008: 40). Just as a reference how unprepared and ignorant the Croatian government was towards the LEADER programme, I will use the Slovenian Strategy for rural development, which was made at the same time and which contains the whole section about the LEADER programme, including its implementation, financing, and all the other relevant details (Republic of Slovenia - Ministry of Agriculture, Forestry and food, 2007).

The extent to which the problems and importance of the rural areas in Croatia were neglected can be seen from the fact that within the Strategic Development Framework for the period from 2006 till 2013 adopted by the Croatian parliament and created by Croatian government, rural development was not even mentioned (Croatian government, 2006).

Another dimension of the approach of Croatian decision makers towards the issue of rural development can be traced from year to year in the Pre-Accession Economic

Programs (PEP)⁵ published by the Ministry of Finance. Within these programmes, the rural development programme is once again continuously being described in one paragraph, but that is the least concerning fact connected to these programmes. What strikes ever more are the data provided in the PEP for period from 2008 to 2010, that most of the funds allocated to the Ministry of Agriculture, Forestry and Rural Development is still focused in direct support of agricultural production (**86%**), but that share is gradually decreasing. The share of investment aid and aid for rural development has been increased to about **10%**, while the share of income support to non-commercial farmers is about 4% (Ministry of finance, 2008: 59). Another concerning fact is that the LEADER programme in general had firstly been mentioned in the PEP for the period from 2010 till 2012, and where it is where it is only mentioned as one of the measures of IPARD, even though the implementation of it started three years ago (Ministry of finance, 2010: 63 – 64).

In sum, neglectance from the Croatian stakeholders can be noticed on the official web page of the Ministry of Agriculture, Forestry and Rural Development, there are only six documents related to the rural areas and their development,⁶ and LEADER programme is not mentioned at all.

⁵ Pre-Accession Economic Program (PEP) is one of the most important documents that a candidate country for accession to the European Union makes every year within the framework of multilateral fiscal surveillance. The aim of PEP is to determine the appropriate economic policies and structural reforms and to develop institutional and analytical capacity to participate in the procedures of multilateral surveillance of the Economic and Monetary Union (EMU). Therefore, the PEP elaborates in detail the direction of economic and structural policy of the candidate country in the forthcoming mid-term period. (more informations available at the official web page of the Croatian Ministry of Finance: <http://www.mfin.hr/hr/pretpristupni-ekonomski-program>)

⁶ More details on the Ministry of Agriculture, Forestry and Rural Development official legislative data base available at: <http://www.mps.hr/default.aspx?id=2052> (Croatian only).

All this lacking in the existing legal framework resulted with the concerning data presented by Pavic-Rogosis. According to her analysis, lack of permanent income (only 5.1% of the total number of employees comes from villages), high average age, low education, neglected heritage, unsatisfactory equipment to basic services and infrastructure, and unsettled ownership situation (land, building and other properties) have resulted in neglecting rural settlements and the loss of young and able-bodied population (Pavic-Rogosis, 2011: 2). These data can be further supported by the latest research about development of rural areas conducted in Croatia conducted by the experts of “Hrvatski Farmer d.d.”⁷ according to the findings of their research, current situation of development in the rural areas is not on the satisfactory level: 77% of rural areas in Croatia now have prominent features of *developmental delay*. Only 8% of rural areas had *balanced level of development*, and only in 4% of them the *level of development was increased* (Hrvatski Farmer d.d., 2009).

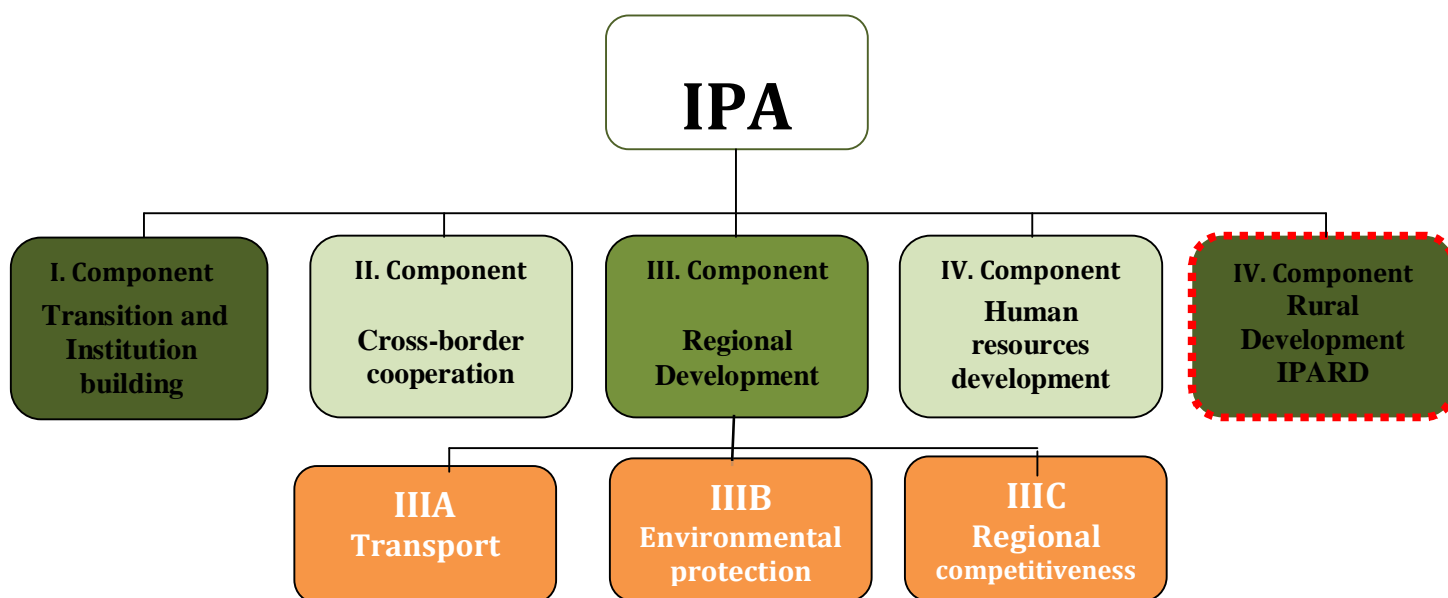
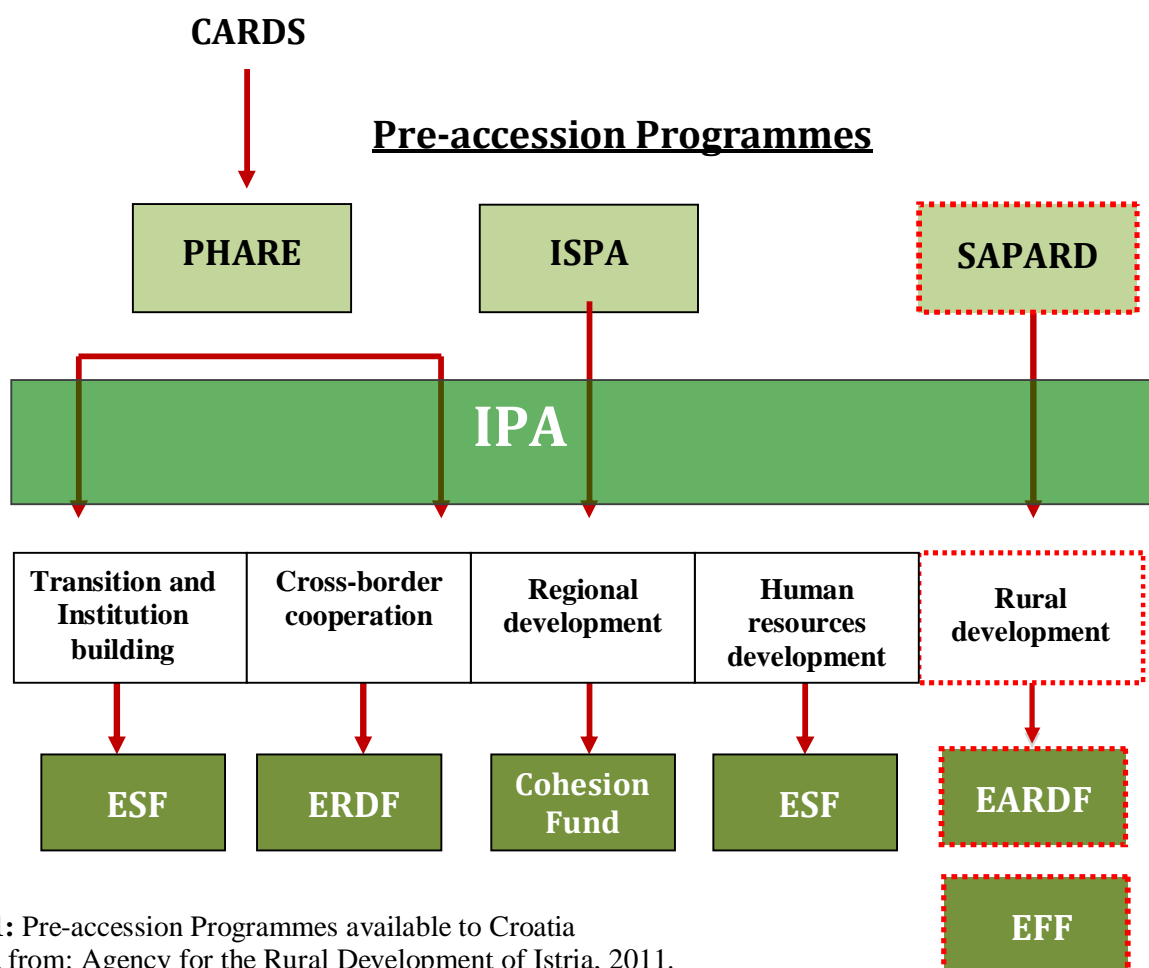
In the light of all the facts mentioned above, I believe it is possible once more to reaffirm the neglectance of the rural areas in Croatia, that is also possible interpret as an underestimation of their importance for overall development and prosperity of Croatia, which resulted with serious underdevelopment of rural areas. This chapter will proceed by briefly presenting the evaluation of absorption capacities prior to the implementation of LEADER programme, and to introduce the context in which this programme was implemented in Croatia.

⁷ “Hrvatski Farmer d.d.” is the joint stock company for rural development and marketing of “Croatian farmer” was founded in 1992 year at the initiative of the Ministry of Agriculture and Forestry. The main task of the company is linked to the sustainable development of rural areas in general, which includes the departments of agriculture-specific projects such as the indigenous food products indigenous breeds of domestic animals, ecological (organic) production of agricultural products, rural tourism, nature conservation and environmental protection. (more information available at <http://www.hrvatski-farmer.hr/CMS/0085/Default.aspx?EID=2192>)

3.2 Evaluation of capacities prior to the implementation of LEADER

This part will contribute claiming the research hypothesis of this paper by presenting the capacities of Croatia in the sphere of rural development, for which I argue that are not on satisfactory level and thus significantly diminishes the possible benefits of the LEADER programme in Croatia. Since there is no consistent research conducted that touches upon this subject, in order to show how ready Croatia was and support my argument, I will use the available data about the level of usage of the EU pre-accession funds, as well as the reports about Croatian progress during the negotiation process made by European Commission.

As Sumpor, I believe, rightfully emphasizes, the central question about the role of institutions in development is their institutional capacity for the transition or transformation. However, a problem that arises in this context and for which there is no clear solution is the *measurability* of existing capacity. The capacity of institutions often refers to the "absorption capacity" of a State or the use of structural pre-accession funds (Sumpor, 2009: 14). In this part of my research I will reflect only upon the level of utilization of the pre-accession funds whose purpose was to finance the rural development, in Croatian case those are SAPARD and IPA,



Once Croatia becomes a member state, European Fisheries Fund (EFF) and European Agricultural Rural Development Fund (EARDF) will replace fifth component of IPA. All the pre-accession funds that have been available to Croatia, as well as the funds for which usage Croatia will become eligible after becoming member state are presented in the Figures 1 and 2.

As it is visible from the data provided in the tables below, percentage of the utilization is not the satisfactory level (for SAPARD only 50%). From all the new member states, except Romania and Bulgaria, Croatia has the lowest rate of utilization. Yet, Romania and Bulgaria were prevented from using the resources from this fund for some time, which makes Croatian results even more unsatisfactory. Regarding the IPA funds, level of utilization is still at less than one percent because the measures 202 and 301 through which fifth operational programme is supposed to be conducted still have not been authorized by the EC.⁸

Following the EC's Reports on Croatian progress from the year 2005, it can be noticed that these reports are mainly focusing on the problems with the administrative capacities and utilization of pre-accession funds, so it has been emphasized how further strengthening, notably with regard to training of staff, is required (EC, 2005: 64). In the report made in 2006, focus is on the need to improve the rural infrastructure capacities (EC, 2006: 39). In 2007, Croatia has made good progress in implementing SAPARD, although it is necessary to make considerable efforts to ensure the efficient and effective

⁸ Requirements for accreditation measures 202 'Preparation and implementation of local rural development strategies – LEADER Rulebook' and 301 'Investment in rural infrastructure' were sent to the European Commission in May, 2010. Accreditation by the European Commission's auditor is still in progress. (Croatian Parliament. 2011: 20).

Table 2: Financial review of pre-accession SAPARD fund (in Euros)
Adopted from: Croatian Parliament. 2010 : 2.

	SAPARD
Allocated funds	25.000.000,00
Contracted funds	15.425.682,40
Contracted / Allocated funds	61,70 %
Funds received from European Commission	13.960.233,00
Funds paid to the end-users	11.635.801,93
Paid / Contracted funds	75,43 %

Table 3: Financial review of pre-accession IPA fund (in Euros)
Adopted from: Croatian Parliament. 2010 : 9.

	IPA (V) 2007 - 2010
Allocated funds	102.900.000,00
Contracted funds	6.075.112,83
Contracted / Allocated funds	5,90 %
Funds received from European Commission	11.535.000,00
Funds paid to the end-users	41.843,49
Paid / Contracted funds	0,69%

use of resources (EC, 2007: 32). In 2008 and 2009, it is once more emphasized how Croatia should further improve the ability to use EU funds in the pre-accession rural development programs (EC, 2008: 39; EC, 2009: 39). In the latest report for 2010, EC advocated the low level of utilization of SAPARD fund, and how Croatia should speed up efforts to strengthen the capacity for absorption of funds for rural development (EC, 2010: 35). The fact that the 'Chapter 11: Agriculture and Rural Development' is one of the last four remaining unclosed only confirms the scope and seriousness of the problems that Croatian rural areas are facing.

Usually, unsatisfactory results in the usage of the European Union funds are only the reflection and result of the unsatisfactory capacities on the domestic level, whether they are insufficient institutional, financial, administrative or academic capacities, lack of information about the possibilities for using the funds, and many others. Based on the percentage of the utilization of the pre-accession funds that were offered to Croatia and on the remarks emphasized by European Commission, it is possible to conclude that Croatian capacities were not on the satisfactory level when it was decided that the LEADER programme would be implemented, which will be further elaborated in the next section of this chapter.

3.3 Implementation of the Leader programme

Back in 2008, Croatian government set an objective to create a supportive legislative framework that would enable the functioning and chances for prosperity from the implementation of the LEADER programme. The aim was to create Operation of Local Action Groups, Implementation of Local Development Strategies until 15 April

2010, to prepare a new National Support for Agriculture and Rural Development Act that would comprise amendments to provisions relevant to rural development measures till 31 March 2010, to prepare for the post-accession period in Croatia by developing a National Strategic Plan for the Period 2012-2013 till June 2010 and to develop a Rural Development Programme for the Period 2012-2013 till June 2011 (HMMR⁹, 2008: 8). Up until now, none of this legislation was passed in the national Parliament, and the last aim has not been announced on the agenda so it is obvious that not even that aim will be fulfilled.

Criteria set by the EC that need to be fulfilled prior to the establishment of LAG are that LAG covers rural areas with population of 5000 to 150000 inhabitants. Is its territory LAG is a well-rounded and distinctive economic, social and geographic entity and should not overlap with other LAG areas, LAG should be formed from representatives of three sectors (public, civil, economic) where the public sector is no less than 50% represented, and local government sector is at least 20%. Another criterion is the representativeness of the managing body, which should comprise at least 30% women and at least one person younger than 25 years (Majdak, 2009).

The implementation of the LEADER programme in Croatia officially started in 2009 with a creation of the first LAG 'Gorski Kotar'. Despite the delay in accreditation of the Measure 202 'Preparation and implementation of local rural development strategies – LEADER Rulebook' has still not been approved, in practical sense, implementation of LEADER is well advanced.

⁹ HMMR (Hrvatska Mreža za Ruralni razvoj) – Croatian Network for Rural Development

By the end of February 2011, 13 of LAGs were established and their relevance in the national context is that they occupy a total area of 10670 km² which is **18,8%** of Croatian mainland inhabited by 417 000 people (**9,4%** of the total number of Croatian population), they are located in nine out of 21 counties, and they include 95 local governments (**17%** of the total number), of which 19 small cities, one major city (Sisak) and 76 municipalities¹⁰.



Picture1: LAGs in Croatia

Source: HMMR

Despite the increased

¹⁰ Own calculations based on the data provided on the HMMR official webpage

number of established LAGs, representatives of LAGs in Croatia encountered with many problems. Some of the following were summarized and presented by themselves in the manual "Together for sustainable rural development":

- Poor interest and passiveness of the local population, but also of some local self- government units, with regard to participation in projects aimed at spurring sustainable development in the area,
- Questionable representativeness of public sector participants, decision-makers placing little importance on work within the local partnership; local self-government units often appoint to LAGs young people who do not have any serious influence on decision-making,
- Questionable sustainability of a LAG after project completion; unless funding has been secured from different sources, LAGs cannot always count on public sector support after the project has ended. (Jelic Muck et al., 2010: 26).

If we take into account all the criteria set by EC that among everything exclude all the urban areas where most of the Croatian population live (52,4%), and all the problems with what the creators of LAG are encountering with, then the number of the people currently involved into the programme, as well as the number of 13 LAGs becomes more significant. Due to the increased significance of the LAGs as well as the overall significance of rural areas in Croatia, the purpose of this chapter was to expose the current situation in Croatian rural areas and implementation of the Leader programme. Along with that, the intention was to indicate the flaws and deficiencies that caused this situation of underdevelopment and numerous of problems, which legislative and executive forces on the ministry and local level should ameliorate.

DISCUSSION

Accession to the EU is the first and most important priority of the Croatian government and all Croatian political parties, and there is great consensus about it among the political elite, which facilitates the implementation of every law because there is no opposition within the legislative body. What concerns is the fact that it is not only first and most important priority; it is the only priority of the Croatian government. The best proof for that is recent blunderous statement made by Croatian prime minister Mrs. Jadranka Kosor, who unintentionally admitted to the journalists that this government does not do anything except 'fighting' to become a member state as soon as possible, no matter what it takes (Index, 2011). This statement only confirmed the main principles of the theories of leverage and Europeanization and demonstrated their appropriateness for the subject of this paper.

Beside when it comes to the implementation of the new programmes and policies, the concept of Europeanization can be seen from a different angle, and that is the effect it has on the administrative bodies. In the case of the implementation of the LEADER programme the case was not the Europeanization of the existing administrative bodies, it was a requirement to found the Agency for payments in Agriculture. The first results after this Agency was founded were very discouraging, only on the establishment of the Agency HRK 280¹¹ millions was spent, and the total amount of money used from the pre-accession funds was only HRK 182 millions (Jutarnji List, 2010). Once more, it was shown how low absorption capacities can be costly. More than that, it was shown that

¹¹ HRK – Croatian national currency

even though it is usually expensive to stay out of the EU, it is also very expensive to get in.

As it is stated by Möllers et al, Croatian Rural regions are heterogeneous. Hence, general prescriptions with regard to rural economic development policies cannot be applied effectively. A broad range of policy interventions may be needed and these interventions should to be tailored to local requirements. Decentralized and participatory decision-making may be necessary to identify the right policy mix for each region. (Möllers et al, 2009: 147) In that sense it is possible to conclude that the LEADER programme with its main feature based on the support to innovative approach, involvement of the local actors, and decentralized decision-making and financing theoretically could provide various benefits to Croatian rural areas.

The issue that this paper discusses is not whether the LEADER programme with its main features could provide benefits to Croatian rural areas - it is unquestionable that it could. The issue raised by this paper was that Croatian rural areas would not be capable to fully prosper from the LEADER programme due to the incomplete legislative framework and low absorption capacities, and executive and legislative government did not firstly solve these problems that are under their jurisdiction. Croatian government rather than to wait to implement new policies and finish the pre-accession negotiations “as soon as ready”, decided to apply the strategy “as soon as possible” (Marsic, 2006: 49).

Beside the political benefits from finishing the negotiations sooner, becoming a member of the EU would make Croatia eligible to use resources from the much wealthier

official EU funds, not more from the pre-accession ones. In addition, as Juvancic I believe rightfully emphasizes, financial negotiations on rural development policy start ‘at home’. They have to be accompanied with properly developed rural development policy at the national level. Moreover, allocated public funds have to prove the accession candidate’s co-financing abilities (Juvancic, 2006: 53-54). Croatia, with its one and only Strategy for the Rural Development written on the 36 pages, and very low amount of resources allocated for the sustainability of the rural areas can not expect that the EU, or in this case the implementation of the LEADER programme, will solve the problem on its own. Only a “proper balance between measures promoting competitiveness of agri-food sector, those supporting sustainable use of natural resources and landscape, and those stimulating economic diversification of rural areas is indispensable for carrying a long-term sustainable rural development policy” (Juvancic, 2006: 53-54).

Conclusion

The purpose of this paper was to establish the link between the concept of passive leverage and the influence that EU has on the candidate states in the field of rural development, supported by the Croatian example. The aim was not to emphasize the possible drawbacks of the LEADER programme and to claim that it is incapable to provide certain benefits and ensure prosperity of the Croatian rural areas. The aim was to show that in order for this programme to achieve its mission, adaptation and preparation on the national level prior to its implementation is required, and it is prerequisite to its success.

After the research was conducted, the conclusion of this paper, and at the same time, the answer on its research question is that the implementations of the LEADER programme in Croatia is an example of the passive leverage on the rural development reforms, presented in the facts that Croatia rushed into the implementation of this programme without primarily adjusting its legislative framework and improve its absorbing capacities. The reason for this decision was the goal to fulfill all requirements and finish long-term negotiation process in order to become an EU member state as soon as possible. I argued that Croatian decision makers based this decision on the expectations about possible financial and political benefits once Croatia becomes a member state and the quality of conducted reforms and the long-term prosperity of rural areas were not taken into consideration as such.

As the president of the first Croatian LAG, Petar Mamula, emphasized, “it is not only about money, it is about method” (Pelikan et al., 2010: 33). It is unquestionable that

LEADER, when is applied properly, offers many possibilities for rural areas and its inhabitants. Unfortunately, in Croatia so far the right method has not been applied. While trying to finish pre-accession negotiation process, instead of applying the strategy “whenever it is possible”, to wait “whenever it is ready” in the case of the LEADER programme would be much more beneficial for Croatian rural areas.

Bibliography

Agency for the Rural Development of Istria d.d. 2011. *Education of the organizational committee of the LAG North Istria*. www.azrri.hr/uploads/.../FONDOVI_EU_I_LEADER_PROGRAM_01.pdf (assessed on May 7, 2011)

Croatian Bureau of Statistics. 2005. *“Statistical Yearbook for the year of 2005”*. http://www.dzs.hr/default_e.htm (assessed on April 13, 2011)

Croatian Government. 2006. *“Strategic Development Framework 2006 – 2013”*. <http://www.strategija.hr/en/dev-strategy/strategic-documents-preparation/strategic-development-framework-20062013> (assessed on 17 May, 2011)

Croatian Parliament. 2011. *“Review on the usage of the EU pre-accession funds, from 1 July till 31 December, 2010”*. Zagreb. <http://www.sabor.hr/Default.aspx?art=38427> (assessed on 18 May, 2011)

Croatian Network for Rural Development (HMMR). 2008. *Quarterly e-bulletin of Croatian Rural Development Network (HMMR)*, No. 8.

European Commission. (2005a). *“Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)”*. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32005R1698:EN:NOT> (assessed 13 May, 2011)

———. 1999. *“LEADER European Observatory - Assessing the added value of the LEADER approach – Rural Inovation”*, Dossier No 4, June, 1999. <http://ec.europa.eu/agriculture/rur/leader2/rural-en/biblio/spec/contents.htm> (assessed 17 May, 2011)

———. 2005. *“EUR Lex - Support for rural development by the European Agricultural Fund for Rural Development (EAFRD), Council Regulation (EC) No 1698/2005”*

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32005R1698:EN:HTML> (assessed on 27 May, 2011)

———. 2006a. “*Fact Sheet: The LEADER Approach – A basic guide*”. ec.europa.eu/agriculture/rur/leaderplus/pdf/factsheet_en.pdf (assessed 13 May, 2011)

———. 2006b. “*Working Paper, Croatia: Report on Progress in 2006*” Ch. 11 http://www.eu-pregovori.hr/files/Izvijesce/Izvijesce_o_napretku_RH_2006.pdf (accessed March 6, 2011)

———. 2007. “*Working Paper, Croatia: Report on Progress in 2007*” Ch. 11 http://www.eu-pregovori.hr/files/Izvijesce/Izvijesce_o_napretku_RH_2007.pdf (accessed March 6, 2011)

———. 2008. “*Working Paper, Croatia: Report on Progress in 2008*” Ch. 11 http://www.eu-pregovori.hr/files/Izvijesce/Izvijesce_o_napretku_RH_2008.pdf (accessed March 6, 2011)

———. 2009a. “*European Network for Rural Development: EU Rural Review – The European Agricultural Fund for Rural Development*”, N°1, October. http://enrd.ec.europa.eu/publications/periodical/en/periodical_home_en.cfm (assessed 18 May, 2011)

———. 2009b. “*Working Paper, Croatia: Report on Progress in 2009*” Ch. 11 http://www.eu-pregovori.hr/files/Izvijesce/Izvijesce_o_napretku_RH_2009.pdf (accessed March 6, 2011)

———. 2010. “*Working Paper, Croatia: Report on Progress in 2010*” Ch. 11 http://www.eu-pregovori.hr/files/Izvijesce/Izvijesce_o_napretku_RH_2010.pdf (accessed March 6, 2011)

———. 2011. *Rural Development - Leader + Facts (The official webpage of the LEADER +)*. http://ec.europa.eu/agriculture/rur/leaderplus/faq_en.htm, (assessed 15 May, 2011)

———. 2011b. The official website of the European Commission. *Agriculture and rural development* (online). Available from: http://ec.europa.eu/agriculture/rurdev/eval/network/index_en.htm (accessed May 14, 2008).

Francia, R., Marticsek, J., Z., Petri, M., and Krolopp, A. 2005. “*LEADER: Community initiative for the economic development of the rural areas: A European approach and its Hungarian implementation.*” Central and East European Working Group for the Enhancement of Biodiversity” <http://www.ceeweb.org/workinggroups/ruraldevelopment/resources/LEADER.pdf> (assessed on 27 May, 2011)

Gerring, John. 2004. *What Is a Case Study and What Is It Good for?*. American Political Science Review, 98, pp 341-354.

Grabbe, Heather. 2006. “*The EU’s Transformative Power: Europeanization through Conditionality in Central and Eastern Europe*”. New York: Palgrave Macmillan. Ch. 1. st.free-lance.ru/projects/upload/f_4d904ec333b8e.pdf (assessed 28, April, 2011)

Haken, Roman. 2011. “*The Leader programme in the EU: history and method*” - Report made for EU-Croatia Joint Consultative Committee meeting, Zagreb, 27 January 2011.

Hrvatski Farmer d.d. 2009. “*Report on development of rural areas*”. <http://www.hrvatski-farmer.hr/CMS/0085/Default.aspx?EID=2192> (assessed 16 of March, 2011)

Ilak Peršurić A.S., Juraković L., Klara T. 2009. “*Leader programi i njihova funkcija u ruralnom razvoju*”. Institut za poljoprivredu i turizam, Porec. www.logincee.org/file/21352/library. (assessed 25 May, 2011)

Jutarnji List. 2010. “*The Agency spends more than it gives to the peasants*”. <http://www.jutarnji.hr/agencija-za-poljoprivredu-vise-potrosi-nego-sto-da-seljacima/598106/>. (assessed on May 14, 2011)

Juvancic, Luka. 2006. “*EU Rural Development Policy in the New Programming Period: Challenges Ahead and Implications For Acceding Countries*”. Plenary PAPER at the 1st JCEA/HAED International Conference on Agriculture and Rural Development, November 23-25, 2006, Topusko, Croatia.

Laderich, Robert. 1994. “*The Europeanization of Domestic Politics and Institutions: The case of France*”. *Journal of Common Market Studies* 32(1): 69 – 88.

Lukesch, Robert. 2003. *Assessing the equilibrium between autonomy and accountability – The evaluation of LEADER II*, Workshop 8. ec.europa.eu/regional_policy/sources/docconf/budapeval/.../lukesch.doc, (assessed on 31 of May, 2011)

Marsic, Tomislav. 2006. “*Assessing the negotiation experience: quick accession or good representation?*” In *Croatian Accession to the European Union*, ed. Katarina Ott, 29-56. Zagreb: Institute of Public Finance and Friedrich Ebert Stiftung. <http://www.ssoar.info/ssoar/View/?resid=6077&lang=de> (assessed 13 May, 2011)

Majdar, Tugomir. 2009. “*LEADER Programme in Croatia - opportunities in rural areas*”. www.urh.hr/arhiva/osijek_2009/1-2.pdf (assessed 18 of April, 2011)

Ministry of Agriculture, Forestry and Rural Development. 2008. “*Rural Development Strategy of Croatia for the period 2008 – 2013*”. (www.mps.hr/dokumenti/strategija.asp?id=17. (assessed on 30 of March, 2011)

Ministry of Finance. 2008. “*Pre-Accession Economic Programs 2008 – 2010*”. <http://www.mfin.hr/hr/pretp pristupni-ekonomski-program> (assessed on 27 April, 2011)

———. 2010. “*Pre-Accession Economic Programs 2010 – 2012*”. <http://www.mfin.hr/hr/pretp pristupni-ekonomski-program> (assessed on 27 April, 2011)

Österreichisches Institut für Raumplanung (ÖIR) – Managementdienste GmbH. 2003. “*Ex-post Evaluation of the Community Initiative LEADER II*” - *Final Report Volume 1: Main Report*. ec.europa.eu/agriculture/eval/reports/leader2/full4.pdf (assessed on 31 of May, 2011)

Pavić-Rogošić, Lidija. 2011. “*Rural Development and LEADER in Croatia*”. Report made for EU – Croatia Joint Consultative Committee. Zagreb. www.odraz.hr/.../ruralni%20razvoj%20i%20leader%20u%20hrvatskoj.pdf (assessed on 13, May 2011)

Pelikan, Jadranka, Pavić-Rogošić, Lidija, Muck - Jelic, Visnja, Haken, Roman, Pelikan, Mamula. 2010. “*TOGETHER FOR SUSTAINABLE RURAL DEVELOPMENT Manual for the implementation of the LEADER approach in Croatia.*” ODRAZ. www.odraz.hr/.../manual-together%20for%20sustainable%20rural%20development.pdf (assessed on May, 17, 2011)

Republic of Slovenia – Ministry of Agriculture, Forestry and Food. 2007. “*Rural Development Programme of the Republic of Slovenia for the period of 2007 – 2013*”. www.arsktrp.gov.si/fileadmin/arsktrp.gov.si/.../RDP2007-2013_en.pdf (assessed May 16, 2011)

Sumpor, Marijana. 2009. “*The institutional capacity for integrated regional development and new approaches to development in Croatia*”. Chapter 6 in “Participatory governance for sustainable development”, Institute of Economics. Zagreb.

Vakakis, Tegasch. 2009. “Leader plans Zadar – Strategy for development of the LAG Laura”.

Vachudova, Milada Anna. 2005. *Europe Undivided: Democracy, Leverage, & Integration After Communism*. Oxford: Oxford University Press.