


European LEADER Programme (2014–2022) and Local Action for Territorial Development: The Paradox of Innovation



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Abstract In this chapter, the LEADER approach is analysed from the perspective of the different forms of local public action in support of territorial innovation. Instead of focusing on economic competitiveness, the LEADER approach seeks to promote innovation through the dissemination of new techniques or new production and service processes (technological innovation). Innovation also takes the form of new ways of organization and functioning of the economy (social innovation), and new ways of using or consuming a product or service (innovation in use). These three forms of innovation form the frame of reference for the LEADER approach, a frame of reference established by public policy with the intention of creating added value in public action in support of territorial development. In general, the LEADER approach is intended as a source and stimulator of multiple experiments and innovative solutions for the rural environment, in terms of both method and action. As part of a detailed analysis of the coordination of local action in support of territorial innovation, in this research we carried out a case study based on the evaluation of projects financed by the LEADER programme in two Local Action Groups (LAGs): The Pays Pyrénées Méditerranée, located in Roussillon, and the Pays Cœur d’Hérault, in the hinterland of Montpellier. The study focused on identifying the innovation processes at work in a total of 251 projects using a common assessment grid for both LAGs, the creation of a database with the characteristics of each project, and statistical and cartographic processing.

Keywords Rural areas · Innovation · LEADER · Local development · France · European Union

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1 Introduction

This article offers a geographical analysis of the application of the European LEADER rural development programme in its role as a public policy instrument aimed at stimulating territorial development through innovation. Territorial innovation is distinguished by the capacity of local societies to formulate projects and to identify and enhance the value of new economic resources conducive to the adaptation and renovation of local economies and their insertion in the global economy (Aydalot, 1985; Camagni, 2006; Crevoisier, 2006; Fontan et al., 2004; Kebir & Crevoisier, 2004; Lacquement & Chevalier, 2020). This interpretation of innovation within a territorial framework leads us to consider the existence of territorial capital (Camagni, 2006). This takes the form of a model that makes the most of the capacity of local societies to convert geographical and relational proximity into a network of cooperation between partners and harnesses the tangible and intangible resources of the local territory to create new sources of income and enhance their value (Camagni & Capello, 2013). Envisaged as a social and territorial construct, the innovation process is sensitive to the effects of geographical context that differentiate the ways in which the stakeholders involved in the economic development and management of the territories coordinate their efforts and form networks (Fontan et al., 2004).

The LEADER programme forms part of the public policies that encourage the emergence of local action systems aimed at promoting endogenous initiatives for the socioeconomic development and integration of rural areas (Lacquement & Chevalier, 2020). It introduces a new form of territorial governance (Leloup et al., 2005), in which local actors are invited to prospect for alternative resources and enhance their value in a bid to diversify the rural economy (Gumuchian & Pecqueur, 2007; Lacquement & Chevalier, 2019; Laidin & Berriet-Sollic, 2022; Pecqueur & Peyrache-Gadeau, 2004). Innovation is at the root of political action at a local level, by bringing together the stakeholders representative of rural society and engaging them in a prospective, participative process (Chevalier, 2014; Dargan & Shucksmith, 2008; Maurel et al., 2014). The composition and functioning of the cooperation networks in the LEADER programme (Local Action Groups or LAGs) shape both the management of endogenous initiatives and the content of development projects (Lacquement & Chevalier, 2016; Opria et al., 2021). The application of public policy assumes that local actors can take advantage of this frame of reference to design a development strategy aimed at the adaptation of the production-based economy. The implementation of the strategy then requires coordinated, concerted action in the search for, identification and enhancement of alternative resources with the goal of creating business activity and employment.

In this way, the LEADER approach calls into question the forms of local public action in favour of territorial innovation. More than economic competitiveness, what the LEADER approach is really seeking is to encourage innovation via the dissemination of new techniques and new processes for producing goods or providing services (technological innovation), new forms of organization and functioning of

the economy (social innovation) and new ways of using or consuming a product or service (innovation in use). These three forms of innovation have become a frame of reference for the LEADER approach, a benchmark established by government policy in order to create added value in public territorial development action. More broadly speaking, the essential objective of the LEADER approach is to encourage the emergence of a wide range of experiments and novel solutions for rural areas in terms of both methods and actions.

Our investigation of the coordination of local action in support of territorial innovation was based on a comparative case study. This was applied to the analysis of the strategies of two LAGs (Local Action Groups), namely the Pays Pyrénées Méditerranée LAG, based in Roussillon, and the Cœur d'Hérault, based in Languedoc. We also sought to analyse how the application of these strategies has influenced the dissemination of innovation in the areas concerned. To this end, we analysed 251 projects carried out by the two LAGs over the course of the 2014–2020 programming period, which in the end was extended to 2022 due to the health crisis produced by COVID-19. For each project, there is an information sheet specifying the name, the total amount involved (including the part from LEADER funds), the project promoters, the territorial resources mobilized, and the jobs likely to be created. Together, these information sheets form a dataset from which the various forms of innovation that the projects seek to promote (social innovation, innovation in use or technological innovation) can be interpreted. Multivariate statistical analysis techniques and map production were then used to characterize the innovation, the way it is conceived by the LAG, the way it is produced by local initiative and the way it is disseminated across the local territory.

2 Territorial Innovation as a Paradigm for Public Development Action

Territorial innovation involves the transformation of public action to improve the well-being of the population and the development of local territories. This has become a paradigm for public policies in this direction. Within the LEADER programme, territorial innovation is conceived as a frame of reference for public development action, a framework that is based on the theories of the institutionalist school of economic thought.

2.1 Territorial Capital and the Innovative Environment: Perspectives from Which to Analyse Territorial Innovation

In order to analyse the territorial framework for innovation within which the LEADER programme is applied, in this geographical study we develop the concept of *territorial capital* (Camagni, 2006). This is a broad concept that encompasses the ways in which the three dimensions that make up territorial development are applied and developed (Lacquement & Chevalier, 2016). The partnerships or cooperation networks for *local governance* (first dimension) (Leloup et al., 2005) function on the basis of a system of relationships based on proximity (Bouba-Olga et al., 2008; Torre, 2009; Torre & Filippi, 2005), which together form *social capital* (second dimension) (Burt, 1992; Granovetter, 1985; Lin, 1995; Loudiyi et al., 2008). This system carries out actions aimed at improving the integration of the local economy into the market in a bid to create *localized externalities* (third dimension) (Courlet, 2008; Courlet & Pecqueur, 2013; Gumuchian & Pecqueur, 2007; Pecqueur & Peyrache-Gadeau, 2004). Constituted in this way, *territorial capital* provides a basis for the economic competitiveness of a given territory (Camagni & Capello, 2013).

Territorial development can also be understood as the successful result of an innovative local society (Aydalot, 1985). It is this idea of an *innovative milieu* that gives endogenous development its spatialized status (Crevoisier, 2006). Innovation arises firstly from *savoir-faire*, the technical and economic dimension of development. It can also be the product of good organization, in other words, the capacity of local actors to coordinate their actions effectively within a network. The social context falls within a geographical context, made up of both distances and proximities, but also of competition and complementarity. According to the analytical hypothesis, endogenous potential is a source of innovation that has been conceptualized in many different ways and has progressively helped construct the link with territorial capital (Camagni & Maillat, 2006). This concept can also be viewed from a theoretical perspective and, within the field of social science, presents a major challenge in terms of its transposition to geographical analysis. The latter focuses on the interplay between social actors, their representations and practices, in a bid to understand the location and the spatial dissemination of innovation processes, while considering the effects in terms of geographical context produced by the diversity of spatial configurations (population and density structures, situations of proximity, of distance and of accessibility, types of production and service activities, ways and degrees of integrating these business activities into the global economy, etc.).

2.2 *The Concepts Put into Practice in Public Action: The LEADER Framework for Territorial Innovation*

The LEADER programme used the concept of territorial capital for the purposes of implementing public policy. The LEADER approach assumes in effect the setting-up of a Local Action Group or LAG made up of representative members of local society (first dimension). The LAG covers a clearly delimited area for action and engages in a process of dialogue and consultation with the goal of drawing up a development strategy (second dimension). The strategy therefore encompasses the selection of development projects arising from local initiatives, and enhancing the value of local resources (third dimension).¹ This approach, known as “bottom-up”, consists of creating and consolidating a capacity for action in support of economic development via the activation of *territorial capital*.² More than economic competitiveness, this process seeks to encourage innovation for the dissemination of new techniques or new processes for producing goods or providing services (technological innovation), new forms of organization and functioning of the economy (social innovation) and new ways of using or consuming a product or service (innovation in use).

These three forms of innovation form a frame of reference for the LEADER approach, a frame of reference established by public policy with the intention of creating added value in the practice of territorial development. The added value provided by LEADER lies above all in the integration of the socioeconomic development projects and actors into specific types of local governance, likely to stimulate cooperation, while also reinforcing the capacity for the dissemination and promotion of the programme and for territorial engineering from the perspective of the interdisciplinarity and efficacy of the projects (Lacquement & Chevalier, 2016, 2019; Laidin & Berriet-Sollic, 2022; Navarro et al., 2016; Opria et al., 2021). More broadly speaking, the essential objective of the LEADER approach is to enable the emergence of a wide range of experiments and novel solutions for rural areas in terms of both methods and actions.

2.3 *An Empirical Method and a Case Study for Analysing Territorial Innovation*

In order to analyse the manner in which local actors exploit this framework, we studied the ways in which local development action is coordinated, in other words, on the one hand the strategic development choices made by the LAGs and on the

¹ EUROPEAN COMMISSION, Directorate-General for Agriculture and Rural Development (2006), *The LEADER approach: A basic guide, Fact Sheet*, Office for Official Publications of the European Communities, 128 p.

² LEADER European Observatory, *Territorial competitiveness. Creating a territorial development strategy in light of the LEADER experience, Rural Innovation*, Dossier n°6, Part 1, December 1999, 43 p. <http://ec.europa.eu/agriculture/rur/leader2/rural-fr/biblio/compet/competitivite.pdf>.

other, the development projects as seen from the perspective of the project promoters and the territorial resources they activate. To this end, we carried out a comparative case study of two LAGs in the Mediterranean Midi in France: The Pays Pyrénées Méditerranée LAG and the Cœur d'Hérault LAG.³

The Pays Pyrénées Méditerranée LAG was chosen for two main reasons (Fig. 1). Firstly, because of its dynamic programming activity as the LAG that carried out the largest number of LEADER projects in the former Languedoc-Roussillon region.⁴ Secondly, because of the strongly contrasting levels of socioeconomic development in this area, a fact that is particularly clear if we compare the municipalities near the big cities with those in the hinterland (Lacquement et al., 2020). These striking territorial contrasts make innovation and its conception and dissemination throughout the local territory a serious challenge.

The Cœur d'Hérault LAG was also chosen for two reasons. The first is related to the age of the LAG, one of the oldest and most stable in the former Languedoc-Roussillon region. It was created within the framework of the first LEADER programme in 1991 and has been active throughout all the subsequent programming periods. Its boundaries have remained almost unchanged for 30 years. The second relates to its varying territorial dynamics, in the form of significant urban development in the South (influenced by the Montpellier metropolis) and an evident process of abandonment (both demographic and economic) in the North in the foothills of the Massif Central.

This case study is based first and foremost on the LEADER development strategy applied by the two LAGs. To this end, we made a careful review of their programme documents in order to clarify how their support for innovation is delivered. This entailed the construction of a data matrix that categorized and characterized the projects programmed by the LAGs on the basis of a series of selected variables (type of project promoters, type of resources mobilized and type of innovations). This matrix enabled us to design and execute various cartographic projections of the LEADER approach via two statistical processes: a univariate process that produced a descriptive map and a multivariate process that provided an analytical cartography based on typological interpretations.

³ These two LAGs are part of the 14 Local Action Groups operating in the former Languedoc-Roussillon region over the programming period 2014–2022. They are considered a *Pays* or region pursuant to the LOADDT (*Loi d'Orientation pour l'Aménagement et le Développement Durable du Territoire* - Law setting down the Guidelines for the Management and Sustainable Development of the Territory) of 1999. The Pyrénées Méditerranée LAG is situated in Roussillon and is made up of the four southernmost communities of municipalities in the Pyrénées Orientales Department. The Cœur d'Hérault LAG is situated in Languedoc and encompasses three communities of municipalities between Larzac and the Vallée d'Hérault.

⁴ The programming period began in 2014 within the framework of the Languedoc-Roussillon region before the application in 2015 of the regional reforms that created the Occitanie region by merging Languedoc-Roussillon with the Midi-Pyrénées region.

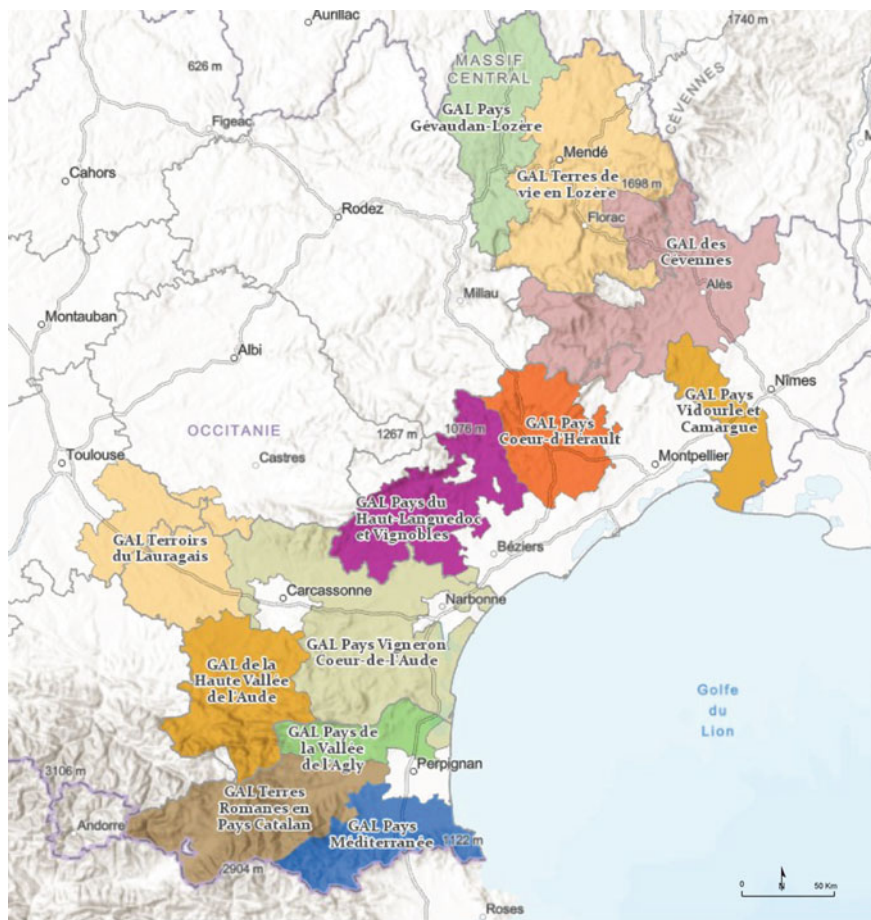


Fig. 1 LEADER programme (2014–2022) Local Action Groups (LAG) in the former region of Languedoc-Roussillon

3 Interpretation and Implementation of Territorial Innovation by Public Action

Once established as a frame of reference, innovation is interpreted by the LAGs over the course of the development action coordination process (Furmankiewicz et al., 2021; Lacquement & Chevalier, 2020). This process can be divided into three main stages. The first involves the drafting of the development strategy, which sets out the LAG's conception of innovation and how it can be harnessed to help achieve the LAG's objectives. In each project, support for innovation is determined by means of a project assessment grid, which awards points to the projects on the basis of a selective scoring system. Finally, the selection of the projects by the members of the

LAGs establishes the main lines of their development action, which are manifested in the contents of the projects.

3.1 Territorial Innovation and Development Strategies

The LEADER strategy 2014–2022 for the Pays Pyrénées Méditerranée was drawn up on the basis of work involving the diagnosis, analysis and inventory of the projects that have been deployed since Spring 2013 within the framework of a bottom-up approach. This strategy affects a rural territory of 58 municipalities and 105,000 inhabitants, organized since 2001 in a *Pays* or province pursuant to the LOADDT (*la Loi d'Orientation pour l'Aménagement et le Développement Durable du Territoire*) of 1999. The strategy set out a major priority, namely “Dynamization of the local economy”, which manifests itself in three development axes and is based on the enhancement of local resources, products, savoir faire and heritage with the goal of creating private employment. This is sustained by the engagement in the process of the four communities of municipalities that make up the local territory and through cooperation with other areas in France and abroad. This programme document sets out the guidelines for territorial development selected by the LAGs. Based on the observation that the local economy had to a large extent been *tertiarized* by the development of tourism and that in spite of this, a productive economy based on the promotion of natural resources and local savoir faire still remained, the strategy established three main objectives: reviving the productive economy through local micro-sectors in niche markets; encouraging the consumption of local goods and services with short supply chains; diversifying the tourist sector and lengthening the tourist season by improving the quality of the products on offer.

In the same way, the LEADER strategy 2014–2022 for the Pays Cœur d'Hérault was drawn up on the basis of a participative diagnosis of the situation within the framework of a bottom-up approach in a rural territory made up of 78 municipalities and 180,000 inhabitants. The development challenges varied greatly from one geographical sector to the other. On the plateaux for example an important issue was how to maintain population levels and business activity, while on the plains by contrast the environmental problems associated with increased demographic pressure were proving difficult to handle. The top priority of this strategy is as follows: “an economy that creates sustainable wealth in the service of employment, social inclusion and the general public”. This strategy is presented in three strategic lines of action that revolve around the notion of sustainability: (i) *Innovation as a lever for growth and the creation of long-term employment*: this line of action engages the territory and its actors in a global process while basing itself on local sectors or micro-sectors (agriculture, agri-food, biodiversity, health, well-being, tourism, culture and creative professions, environment, sustainable building); (ii) *The ecological and energy transition, a key factor in reducing the consumption of scarce resources, and in social cohesion and economic development*—This anticipates the changes in practices and the adaptations that will be required and accompanies the socioeconomic actors on

the path towards this goal. The aim is to sustain and develop a local economy of green growth that creates permanent jobs and maintains the quality of local resources, with the ultimate objective of becoming a Territory for Positive Energy towards Green Growth (*Territoire à énergie positive pour la croissance verte*—TEPCV); (iii) *the enhancement and promotion of the resources and know-how of Cœur d'Hérault*. In this case, the aim of the LEADER strategy is to support the processes for the certification and recognition of local resources intended for the general public. The resources targeted in this way are extremely varied, ranging from large natural and cultural heritage sites to agricultural or craft products.

3.2 A Score System as an Operational Tool for the Assessment of Territorial Innovation

This conception of the way in which the local economy is integrated into the global system is based on an approach involving support for innovation. The degree of support for innovation is determined by means of a project evaluation grid. This estimates the level and the form of innovation and distinguishes between technological innovation, social innovation and innovation in use. In this case, the innovation evaluation refers explicitly to the principles of sustainable development. This grid is used by the Technical Committee, the LAG's expert advisory body, to examine the projects before presenting them to the Programming Committee, its decision-making body. This grid is operational in the sense that its purpose is to implement the LEADER framework. This arises from a process in which negotiation and decision-making are institutionalized via the adoption of norms and rules for action. During the course of the appraisal process, each project is awarded points on the basis of its estimated level of innovation and the different types of innovation involved. The assessment procedures are identical in the two LAGs. The level of innovation is evaluated using a scoring system, a technique from the marketing field. Similarly, during the drafting of the strategy, benchmarking, another marketing technique is applied. This highlights the fact that despite the bottom-up approach in which theoretically, each LAG could establish its own rules, in the end they all apply very similar procedures.

Social innovation entails new forms of organization and functioning of the economy in the production and services sector, and in particular in the social and solidarity economy. This is manifested for example in economic structures such as cooperatives, mutual societies, associations or foundations, whose functioning and activities are based on the principles of solidarity and social utility. This form of innovation aims to reconcile business activity and social equity. It may be associated with innovation in use, which involves bringing about a change in the way of using or consuming a product or service. One example is the circular economy, an economic system of exchange and production which, for all the different stages in the product life cycle (goods and services), aims to ensure more efficient use of resources and reduce the impact on the environment, while enhancing the well-being

of the individuals concerned. Social innovation and innovation in use stem in part from technological innovations, in other words from new techniques or methods for producing goods or providing services.

3.3 Innovation in the Selected Projects

In both LAGs, the forms of innovation promoted by the programmed projects are in line with the key principles of the respective strategies. In the Pays Pyrénées Méditerranée, most of the funded projects (126 out of a total of 158) promote at least one of the three ways of innovation (social, use or technological). 51 projects combine two forms of innovation, and 12 combine all three. In the Pays Cœur d'Hérault, over 90% of the projects (189 out of 209) refer to at least one form of innovation and 43 display all three forms. In both areas, the project promoters seem to prioritize innovation in use.

This selection is the result of the institutionalization of the LEADER approach by the LAGs. The evaluation exercise produced a hierarchy in the distribution of the projects which can be characterized by describing the most significant examples and by analytical cartography.

In the Cœur d'Hérault LAG, the *ECOSUD* project obtained the maximum score in the evaluation, by mobilizing all three forms of innovation (technological, social and in use). This project was promoted by a company called CERES, a start-up incubator in Gignac. The promoters noted that over the course of recent decades, natural spaces and in particular water courses have suffered serious deterioration. The most visible consequences are floods, pollution and erosion. The aim was to try to improve the ecological condition of the natural spaces and water courses. To this end, CERES proposed to all local stakeholders (public bodies and collectives, nature associations and businesses specializing in river works) the local production of plants exclusively from samples taken from natural wetlands. The natural adaptation of these endemic plants would help improve the quality of the ecosystem in a sustainable manner. With a total funding of 92,823.58 €, LEADER targeted three complementary actions. The first involved the purchase of materials for the automatic regulation of the volume of water required to irrigate the greenhouses (hygrometric sensors, drip irrigation systems). The second entailed the installation of a "collaborative" IT platform, so enabling knowledge about the endemic plants (location, characteristics, etc.) to be shared amongst the inhabitants, collectives and businesses in the area. Finally, in partnership with *Etablissement d'Aide par le Travail* (ESAT), an organization helping handicapped people find work, the project helped create two protected jobs in the packaging of the plants and the management of stocks.

In the same way, the "Allpriv" project was selected by the LAG for its content in terms of technological innovation. Promoted by LEAL, a company located in Aniane, it enabled the creation of a miniature electronic device, installed with the relevant software, that provides nomad professionals with a simple, practical means of transporting sensitive IT data with full security. After filing patents, carrying out

market research, and presenting their new product in specialized trade fairs, the challenge for this business was to create a laboratory for hardware R&D. Thanks to the grants from the LEADER programme, it was able to purchase of the machines required to set up the laboratory. These machines enabled them to design printed circuits, and to place and fix the components on the contact points, so as to create new versions of circuit boards, testing new data protection designs and products. In addition, the company carries out 100% of its Research and Development activity locally in Aniane and has hired eight salaried employees, two of whom are highly qualified.

The LAG also selected the project promoted by the Beekeepers Syndicate of l'Hérault, who wanted to create a collective honey factory at their Agricultural College in Gignac. This project, which had a total budget of 61,699 euros allowed small and medium-sized amateur beekeepers to access honey extraction equipment (too expensive for individual beekeepers to buy) and provided them with a space in which to carry out this stage of the honey production process. More broadly speaking, it enabled the creation of a meeting place where beekeepers of all levels could exchange ideas and pool resources, so enabling them to form a network and develop a group. Training courses for professionals (rearing of queen bees), amateurs and the public in general were organized in order to raise local environmental awareness and spread information about issues such as biodiversity and pesticides. Apart from this technological innovation (the purchase of extraction equipment), the project also seeks to innovate in collective practices and ways of use.

For its part, the Pays Pyrénées Méditerranée LAG for example selected a project promoted by the Albères Côte Vermeille Illibéris community of municipalities in support of the organization in Argelès-sur-Mer of the first trade fair for aromatic and medicinal plants in the Department of Pyrénées Orientales. The community of municipalities is using the new powers bestowed on it by a recent law⁵ to contribute to the development of an emerging economic sector. There are three main challenges: launching new products onto the market, structuring the broad network of businesses involved in the production, sale and marketing (social innovation), and reducing the amount of abandoned farmland by growing new plants (innovation in use). The project has taken form in a partnership between the Chamber of Agriculture of the Department of Pyrénées Orientales and the Agricultural Syndicate of producers of aromatic, medicinal and perfume plants. The fair was open to professionals, but also to secondary school students and the general public.

The *Tour Sainte Anne* is a project that was selected by the LAG for its content in terms of innovation. Promoted by the Canigou Grand Site Mixed Syndicate, this eco-tourism project involves the creation and implementation of a path for the discovery of Roman heritage in the Massif du Canigou. In this way, it is mutualizing (social innovation) the tools (technological innovation) amongst the mixed syndicate (whose headquarters are in Prades, a market town situated outside the Pays Méditerranée) and the seven municipalities affected by the path. Two of these villages, La Bastide and Saint Marsal, belong to the LAG and are situated on the southern slopes of

⁵ Loi NOTRe (New Territorial Organization of the Republic) of 2015.

the Canigou in the least densely populated, remotest areas of the Haut Vallespir community of municipalities. The project presents a fully integrated tourist product in the form of a basket of goods (innovation in use), which brings together many different providers (social innovation) engaged in the outdoor activities sector and in certified forms of tourist services (donkey-owners, accommodation providers, restaurateurs, *Bistrots de Pays* country restaurant association).

At the end of the programme, the Agriculture DURABLE TECHNOLOGIE (ADURATECH) project was submitted to the LAG by a local company that designs and manufactures prototypes for agricultural robots with the aim of modernizing farming methods and adapting them to the challenges of the ecological, energy and food transitions of today. The new robots, aimed in particular at market gardening, mechanize the work involved in soil preparation, weeding, hoeing and watering (technical innovation), so contributing to the preservation of natural resources and the transmission of local agricultural know-how. LEADER funding was used to buy machines for the factory and to develop the company website. Experiments involving students from technical and agricultural colleges were conducted in a test centre in Serralongue in the foothills of Albères.

The maps highlight, on the one hand, the diversity of the innovation-based initiatives and on the other the widespread dissemination of these initiatives across the Pays Pyrénées Méditerranée region (Figs. 2 and 3). This situation can be better understood by breaking down the legend into six classes and by the importance of the classes that combine several types of innovation. The action of the LAG has led to the accumulation of projects, above all in the market towns in this region, the capitals of the communities of municipalities: Céret and Arles-sur-Tech, and then Thuir and Argelès-sur-Mer. Projects that do not promote at least one of the three forms of innovation are very rare. This distribution could also be compared with the geography of the programming, which shows that LEADER initiatives are polarized to a large extent in the market towns. This is due as much to the hierarchical territorial system, which causes the headquarters of the main institutions (*pays*, communities of municipalities) involved in the programme to be located in these towns, as to the agglomeration effects, which tend to densify the entrepreneurial fabric in the craft and retail sectors.

A similar distribution can be observed in the Cœur d'Hérault LAG. The projects selected on the basis of their contribution to the three forms of innovation also tend to be concentrated in the capital towns of the three communities of municipalities, Gignac, Clermont-l'Hérault and Lodève. This reinforces the polarizing power of these small towns, which already concentrate most of the economic and associative fabric in this area. For its part, innovation in use seems more evident in the projects located in the strongly touristic areas of the Haute Vallée de l'Hérault. In the sector of Saint-Guilhem-le-Désert, classified as a Grand Site de France, eight projects out of ten are linked to the tourism and hospitality sector. These projects are implementing strategies to improve online reservation and marketing systems in a bid to attract an increasingly international clientele.

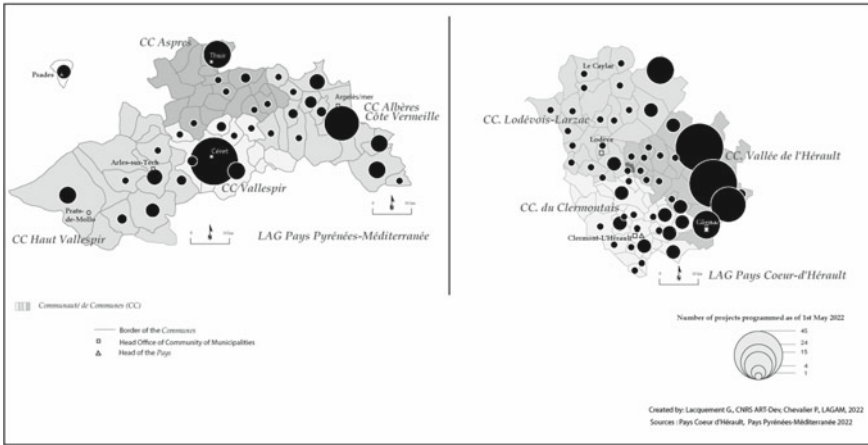


Fig. 2 LEADER programme (2014–2022) projects in the Pays Pyrénées Méditerranée LAG and the Pays Cœur d’Hérault LAG

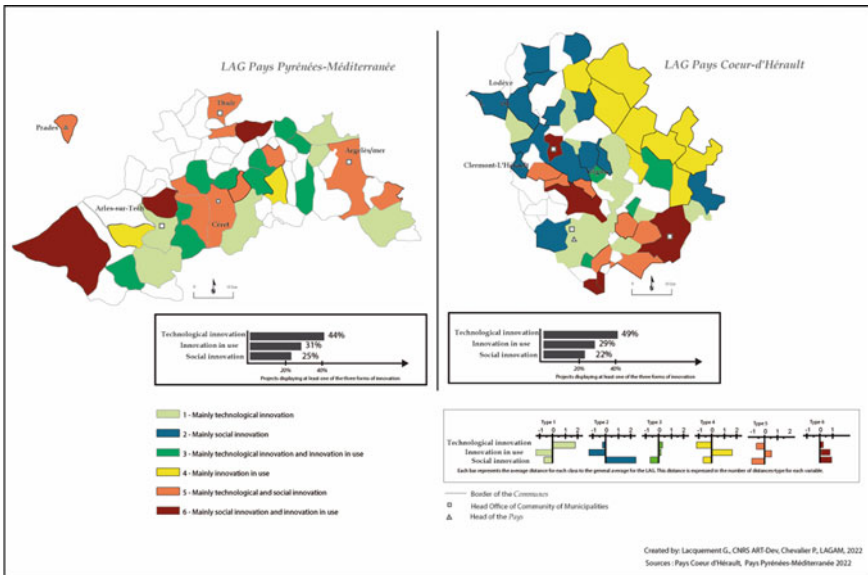


Fig. 3 Forms of innovation in the LEADER projects 2014–2022 selected by the Pays Pyrénées Méditerranée LAG and the Pays Cœur d’Hérault LAG

Nevertheless, the fact that initiative is often concentrated in certain areas does not mean that the programming of innovation is homogeneous. Considerable variations can be observed according to the project promoters and the resources mobilized.

4 Local Action for Territorial Development and Innovation

Within the framework of the bottom-up approach, project programming supports local initiative which springs, on the one hand, from the involvement of the project promoters and on the other from the mobilization of local resources for the socio-economic development of the territory. The local initiative is then implemented by local innovation strategies, which vary according to the socioprofessional affiliation of the project promoters and the manner in which they mobilize territorial resources. The strategies contribute to the development of the local area by creating new socioeconomic activities. In this study, we used multivariate analysis and hierarchical ascendant classification to characterize, in the form of typologies, local support for innovation and to evaluate the knock-on effects on the development of local territory.

4.1 *Local Resources and Innovation*

Territorial resources have progressively emerged as key elements in territorial organization and local development. This stems from the idea that any given place can have varied potential sources for development which social initiative, once it has identified them, can mobilize and transform into market assets or sources of economic value (Gumuchian & Pecqueur, 2007). The production of rural resources is thus understood as an individual or collective process, which consists of drawing up an inventory of the different objects and attributes, tangible or intangible, of a given area, with a view to stimulating economic activity and employment (Lacquement & Raynal, 2013).

In the case of the LEADER programme, the work of the Local Action Groups is based specifically on diagnosis and inventory techniques. These are carried out prior to the different forms of enhancing the economy, for which they form the basis. These include the modernization of infrastructures, development of sociocultural facilities, creation of businesses or new branches of production, design of tourism products, etc. It is therefore up to the cooperation networks formed within the LAGs to extract from these rural areas the resources required for local development. To this end, the LAGs organize calls for projects and then select the most suitable by dividing them into categories that can be analysed according to the types of resources mobilized. The models in circulation in the organizations that provide information and professional training for rural development agents, such as the French Rural Network (*Réseau Rural Français*), distinguish three categories of resources: environmental resources (biodiversity, landscapes, quality of life), cultural resources (heritage, local knowledge, traditional know-how) and social resources (companies, business sectors, professional training, facilities and infrastructures). A basic principle of the LEADER approach is that territorial development can be boosted by the multisector enhancement of local resources. The multivariate statistical processing and cartographic projections show that the innovation content of the projects varies

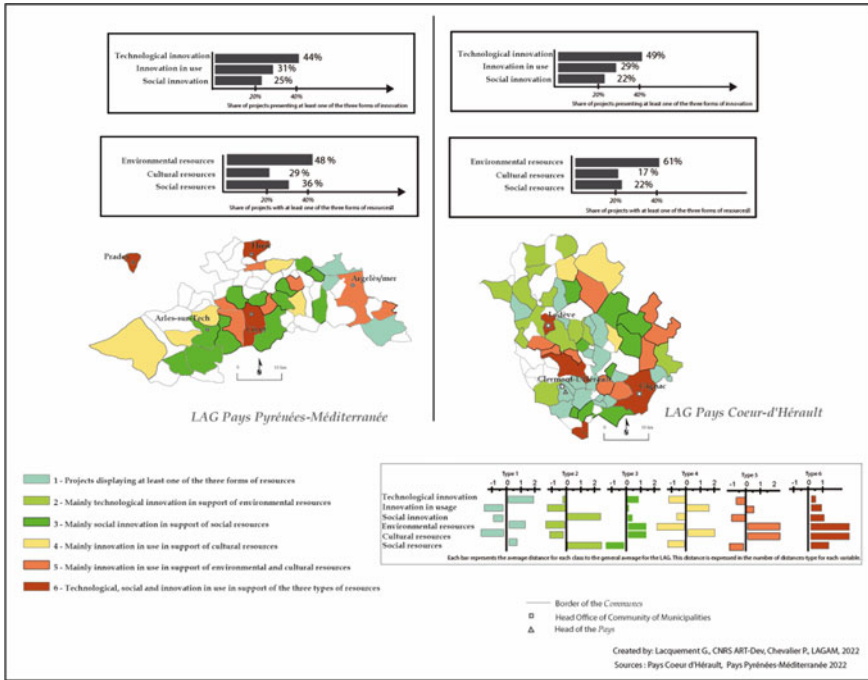


Fig. 4 Types of innovation and resources involved in the LEADER projects backed by the Pays Pyrénées Méditerranée LAG and the Cœur d’Hérault LAG (2014–2022)

according to the potential resources of the territory, which are activated to a greater or lesser extent by the selection choices made by the LAG (Fig. 4).

In the same way in the Pays Pyrénées Méditerranée LAG, technological innovation (Types 1 and 3) primarily concerns projects that enhance the natural and cultural heritage of the local territory through the creation or development of rural tourism businesses. Especially in municipalities in mid-mountain areas, innovation entails the conversion of the rural economy towards tourist services. The projects focus for example on the restoration of buildings as hotels or restaurants, the digitalization and/or modernization of reservation services, the creation of new products that help people discover architectural and cultural heritage, as well as hiking and outdoor sports. In numerous projects, innovation in use (types 4 and 5) is also associated with this process for the development of tourism resources. This is manifested in the design of projects that propose alternative forms of tourism, both in the sparsely populated, isolated mountain villages and in the more densely populated, tourist destinations on the coast. In this LAG, unlike in Pays Cœur d’Hérault, social innovation (type 2) makes no specific contribution to enhancing the value of local resources. On the contrary, it combines the other two forms of innovation in the many projects in which both associations and companies are involved in the modernization of collective infrastructures and amenities and/or in the creation of new business activities in

the production and/or services sectors. The selection of projects therefore reveals a potential for social resources, above all in the market towns of the region, such as Céret, Thuir and Prades.

4.2 Project Promoters and Innovation Strategies

The strategies drafted by the LAGs are committed to supporting innovation, but the project promoters adopt different strategies (Fig. 5).

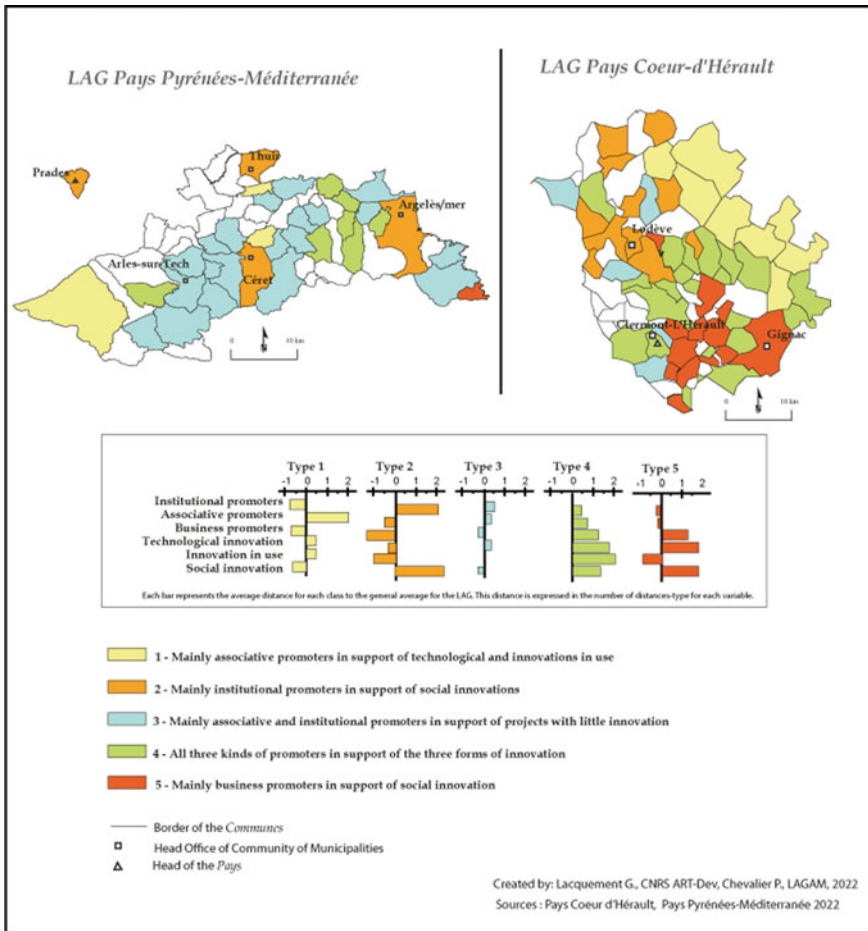


Fig. 5 Project promoters from the LEADER programme (2014–2022) and innovation strategies in the Pays Pyrénées Méditerranée LAG and in the Pays Coeur d'Hérault LAG

In the Pays Pyrénées Méditerranée LAG, the institutional promoters of projects (type 2) represent 54% of all project promoters. They dominate in market towns such as Céret, Thuir and Argelès-sur-Mer. Research indicates that project promoters are mainly Town Councils, Communities of Municipalities or Syndicates, while the nature of their projects shows the priority they give to public infrastructures. These projects mainly involve the construction of structural amenities (such as schools, stadiums or parks) and the layout of public spaces. In this case, local action prioritizes social innovation in that the institutions invest in projects that directly or indirectly support the development of new products, new services and above all new business sectors. However, many of the development or amenities projects promoted by institutions remain generic and hardly disseminate the different forms of innovation expected by the LEADER programme (type 3) across the territory.

The associative promoters represent just 28% of all project promoters. They are active above all in the villages in the mountains and foothills (type 1), and also in the municipalities on the Mediterranean coast (type 3). The residential appeal of these areas varies greatly, with the coastal and piedmont regions being especially popular. The new residents in turn breathe new life into the associations in the area. Many local associations realize how important the LEADER programme is and have made good use of it by applying for support for projects based on the enhancement of heritage, cultural and sporting resources. These associations have very strong local roots. They have forged many partnership links with the town councils, the communities of municipalities and the various local development structures such as the Pays d'Art et d'Histoire or the Canigou Grand Site Mixed Syndicate. As a result, they have acquired extensive experience in putting together project applications and actively participate in many local development initiatives, in a conscious attempt to preserve local identity. These project promoters prefer to harness all three forms of innovation, even if the result is incomplete or unbalanced and in the end the projects do not seem particularly innovative (type 3).

Companies represent 18% of project promoters. In most cases, the businesspeople who apply for grants from the LEADER programme are active members of the LAG and are involved in the drawing-up of the strategy. Most of them are the heads of small businesses (90% with less than ten employees). Three-quarters of them belong to the tourism, culture, local products and services sectors and a quarter to the craft sector. Deliberately oriented towards the diversification of the rural economy, these projects focus on the development of the social resources of the territory (know-how, local traditions) and on tourist investments (restoration of built heritage and the creation of guest rooms). In addition, companies tend to concentrate all local initiatives in support of innovation (type 4), in this way implementing the local strategy as conceived in the programming document. By choosing to invest in social innovation, the institutional promoters support initiatives from associations and companies that mobilize new techniques to develop new uses for products and services.

In the Cœur d'Hérault LAG, institutional project promoters represented just 21% of all project promoters. These were above all small town councils who applied for European funds almost exclusively to finance the enhancement of their environmental heritage. These municipal projects supported the diversification of local

products (niche, alternative or unconventional products), and also their differentiation by awarding them geographical origin or quality labels. For these municipalities, the creation of added value is expected to have beneficial knock-on effects on employment and income. This could be decisive in rural areas at risk of economic marginalization due to the disappearance of productive activities.

The majority of project promoters (55%) come from the associations sector. In general, their projects combine all kinds of territorial resources (environmental, social and cultural). As a result, LEADER action tends to focus on the restoration of village buildings and above all on investments in sociocultural services and amenities. They also promote projects in support of cultural heritage (local museums, discovery trails, and the restoration of proto-industrial heritage such as forges or tanneries), which are then executed by other territorial cooperation structures such as communities of municipalities.

The rest of the project promoters are businesspeople (just under 30% of the total). Their projects are distinguished by the fact that they try to integrate social resources. They take a global approach to activating the resources inventoried in the local area. This form of resource development is influenced by proximity to cities and tourist numbers. The main aim of these companies is to obtain income from urban and/or tourist customers by specific branding of local products and by promoting natural and cultural heritage.

4.3 What Are the Knock-On Effects on Territorial Development? the Paradox of Innovation!

Innovation strategies contribute a priori to the development of the local territory via the creation of new socioeconomic activities. They raise the question of the efficiency of public action and its knock-on effects on the development of local territories (Lacquement et al., 2020; Laidin & Berriet-Sollic, 2022; Lécuyer, 2022; Opria et al., 2021). It is true that the projects carried out by the LAGs have helped generate wealth and improve the living conditions of the local population via the creation of new products and services (Cejudo García et al., 2022). This dynamic leads in turn to the creation of new businesses and new jobs. In the Pays Pyrénées Méditerranée LAG, the 173 LEADER projects supported the creation of 21 new businesses and 41 new jobs. The 243 projects funded by the LAG Cœur d'Hérault LAG created 51 new companies and 63 new jobs.

However, the multivariate statistical processing found no correlation between innovation in its different forms and the number of companies and jobs created. The projects identified as innovative by the management boards of the LAGs have no direct, specific or notable knock-on effects on the local development of socioeconomic activities (the correlation coefficient between the forms of innovation and the number of jobs created is 0.2 for the Cœur d'Hérault LAG and less than 0.15 for the Pays Pyrénées Méditerranée LAG). The analysis reveals a paradox, the paradox of

innovation in general, or perhaps in this case the paradox of innovation as structured as a frame of reference and a standard for public action for territorial development. In fact, local action in support of innovation stems from a process of categorization, which occurs later on in the LEADER approach. This is mainly based on the way in which, by promoting projects, local actors take the initiative in identifying and developing local resources.

The graph (Fig. 6) produced by a new statistical analysis⁶ displays the different types of initiatives that sustain employment. The graph informs first of all about the way territorial resources are mobilized within the projects. The projects backed by the Cœur d'Hérault LAG activate the environmental, social and cultural resources of the territory in a much more integrated way than the projects of the Pyrénées Méditerranée LAG, which mainly combine cultural and environmental resources. The graph also shows that job creation varies in line with the resources being harnessed in each project. In the Pays Pyrénées Méditerranée LAG, new jobs were created above all via the enhancement of cultural resources. In the Cœur d'Hérault LAG, all three types of resources acted as creators of employment and the most efficient evaluation was for environmental and social resources. Finally, the graph provides information on the role played by the different project promoters in job creation. In both LAGs, associations were the main promoters of job-creating projects. In the Cœur d'Hérault LAG, the initiatives proposed by associations were backed by a dense entrepreneurial fabric, which further strengthened the employment situation. By contrast, in the Pays Pyrénées Méditerranée LAG, local authorities and institutions made up for the relative weakness of entrepreneurial initiative, by promoting projects and developing resources that supported job creation.

The results of this case study do not allow us to reach conclusions that can be generalized for all the LEADER groups in France. Nevertheless, they are representative and significant of the role that the organization of local space and the institutional context seem to play in the direction of public action. The LEADER approach stems from a complex mechanism whose operation combines three main elements that determine the forms of involvement of local actors in the cooperation network. The first refers to the length of time the LAG has been involved in local development initiatives. Although in theory, the LEADER programme offers local actors the chance to obtain new financial resources and to mobilize their capacity for action, in practice, it depends a great deal on the methods of engagement of rural communities, whose capacity for learning about the local development model is linked to their accumulated experience. More broadly speaking, the age and diversity of local development mechanisms enable the network to be structured and operated on a broader basis of

⁶ A Factorial Correspondence Analysis (FCA) was carried out on the whole set of projects from the two LAGs. This analysis associated the number of jobs created with the type of resources (social, environmental and cultural) mobilized by the project promoters. The first two axes of the graph (Fig. 6) explain 78% of the variance. A hierarchical ascendant classification (HAC) was then applied to the results in order to differentiate the projects according to the two criteria of types of resources mobilized and number of jobs created. In parallel, the projects were classified according to the project promoters by a hierarchical ascendant classification (HAC). The two classifications were then projected onto the same plane.

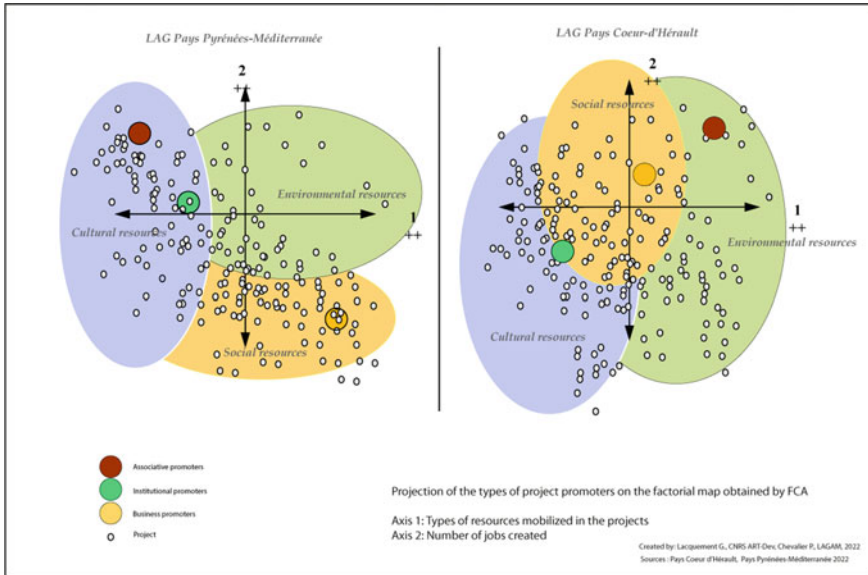


Fig. 6 Employment trends, territorial resources and project promoters

mutual knowledge and individual involvement. In the Pays Pyrénées Méditerranée LAG, whose creation dates back to the year 2000, the involvement of civil society and the business community in the system is less marked than in the Cœur d’Hérault LAG, where it is bolstered by 30 years of LEADER programming.

The socioeconomic organization of the local space therefore plays a role in the form of public action: population densities, the distance between places, and the socioeconomic structure of the local territory influence the emergence of systems of actors likely to get involved in cooperation networks. The large, sparsely populated Pays Pyrénées Méditerranée LAG is made up of a large number of small local companies, whose socioeconomic dynamics are fragmented according to their location (valleys, mountains, etc.). This is exacerbated by the current economic crisis, which heightens the risk of marginalization of certain isolated municipalities. Conversely, the Cœur d’Hérault LAG area, which falls within the area of influence of the city of Montpellier, is very dynamic from a demographic and economic point of view. Under these conditions, the formation of partnerships makes it easier to encourage the participation of many more potential project leaders.

Finally, the LEADER mechanism is highly dependent on the modus operandi of the local action system, which can strongly polarize collective action around a small number of local actors. Given the rules within which their actions must be formulated, these actors are obliged to develop their learning capacities. Sometimes, this goes hand in hand with the roll-out of “informal spaces” for reinterpreting public policies and “avoidance strategies” (Pfeffer & Salancik, 1978). In the Pays Pyrénées Méditerranée LAG, for example, Town Councils and other institutions who are strongly

engaged in the LAG network, take the place of associations and companies, who seem little inclined to take part in local development action. Conversely, in the Cœur d’Hérault LAG, the associative and entrepreneurial spheres, which are very active and above all well-structured, have gradually taken the lead.

5 Conclusion

This case study highlights specific ways of activating territorial capital in local development action. The Pays Pyrénées Méditerranée and Cœur d’Hérault LAGs have set up governance systems that contribute to the production and dissemination of innovation in the local area. The general aim of the development strategy and the programming procedure is to support local initiatives by targeting the resources that can be mobilized and the ways they can be used to help create businesses and jobs. The analysis of the projects according to their content and according to their promoters also revealed different ways of coordinating local action towards innovation for the socioeconomic development of the local area. The different innovation strategies were differentiated according to the project promoters and the resources identified for the creation of business activities.

However, this study has also revealed an interesting paradox, namely that innovation does not a priori create businesses and jobs. It is structured into categories (technological, use, social), which are taken into account in the selection of projects by the LAG management board. This consolidates and sustains an approach that is based above all on the initiative of the local actors and their capacity to promote projects that enhance the value of local resources. It is this initiative that creates businesses and jobs. The projects they promote could cover one or more forms of innovation, but their socioeconomic efficiency depends first and foremost on the way in which local actors identify and enhance the territorial resources likely to create new business activities. The socioeconomic results of the LEADER approach on the local territory are therefore not homogeneous. They are directly related with the capacity for initiative of local actors to promote networking and the identification of new resources. This depends heavily on localized learning and on the experience they have acquired over the years. This initiative then spreads across the local area in line with its spatial configuration and its territorial potential, which is expressed in terms of the location of market towns, the strongly varying densities of the entrepreneurial and/or associative fabric and institutional polarizations in specific places. The application of the LEADER programme is thus part of a localized, contextualized process.

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