

EMPOWERING RURAL COMMUNITIES: ENHANCING LAGS CAPACITY IN ROMANIA VIA SOCIAL ECONOMY VENTURES AMIDST AND BEYOND THE PANDEMIC

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Abstract: *Since the first years of operation of Local Action Groups, LAGs have started to have a positive impact on the social and economic development of rural areas, giving priority to marginalized communities and disadvantaged groups. Through resilience and adaptability, they also had a positive impact through entrepreneurship actions, by collaborating with local entrepreneurs and from the social economy sector, by creating jobs for people with reduced opportunities or social barriers, from these environments. Starting from the research question regarding the share of social economy and entrepreneurship initiatives within the Local Development Strategies proposed by the Rural Local Action Groups in Romania, the main objective of the study was to identify the social economy and entrepreneurship measures implemented in the SDL of the LAGs aimed at the general population but also Roma communities and vulnerable groups. We used a qualitative research method, more precisely the focus group interview method. The findings shed light on the nature of social economy initiatives, the challenges and opportunities faced by entrepreneurs, and the collaborative efforts of various stakeholders in fostering socio-economic development.*

Keywords: Local Action Groups (LAG), social economy, entrepreneurship, community development.

1. Introduction

The present study analyzes partial data obtained in a larger and more complex research. More precisely, we will analyze only the data related to the field of social economy and entrepreneurship in the context of the activity of rural LAGs in Romania. Community development initiatives play an essential role in addressing societal challenges and promoting sustainable development agendas at the macro level, but particularly in rural areas (Ryan, 1987). An effective way in which such initiatives can be carried out is through Local Action Groups (LAGs). These can be classified as public-private consortia, which use cooperation between local public administrations, entrepreneurs, social organizations, and citizen representatives to develop LEADER development strategies at the local level (Metis, AEIDL, CEU, 2010). Once these strategies are outlined, the LAGs commit to their implementation, using public funds, and coordinate the animation and development of projects, encouraging local actors to propose initiatives to support the strategy, focusing on the development of projects rather than their selection (Barone, Gaeta, Ghinoi & Silvestri, 2023). Thus, in a broad sense, they can be perceived as a variant of the tertiary sector, being a tool for strengthening social inclusion and cohesion (Delin, 2012).

Since its introduction in 1991, the concept of Local Action Groups (LAGs) in the European Union has been a notable success, evidenced by its continuation and expansion over time. The implementation of the LAG has generated significant results in the development of rural areas, providing an effective framework for collaboration between different actors and promoting local and innovative initiatives. Thus, this model has become a valuable tool in promoting cohesion and sustainable development in rural communities in Europe (Pártlová & Hron, 2016). In Romania, Local Action Groups (LAGs) are at the forefront of these efforts, covering all regions of the country. Their activities, challenges and achievements shape the

landscape of community development in Romania, especially in addressing the needs of vulnerable groups, including Roma (Parno & Vasilută, 2021) and in promoting inclusive growth, constituting a dynamic public-private partnership that brings together a variety of actors from the rural environment, with the aim of promoting their development (Alec, Fîntîneru, Badea & Baci, 2015).

This study deepens the analysis of community development initiatives in Romania, with a special focus on the essential role played by LAG organizations. Through a meticulous examination of LAG activities, challenges and achievements, this research sheds light on the complicated dynamics underlying community development efforts in the country.

Representing various stakeholders, such as LAG representatives, beneficiaries, local council members and NGO affiliates, study participants provide diverse perspectives on LAG initiatives. Ultimately, the importance of the LEADER program lies in the involvement of all local actors, both from the public and private sectors. And this involvement can only be achieved by considering their ideas, knowledge, and experience to define valid territorial projects (Costa, de Matteis, Preite & Tafuro, 2016). Thus, by organizing comprehensive focus groups and convening participants from different regions, this study ensures inclusion and broadens the scope of involvement, gaining a spectrum of perspectives and experiences.

The results of the study cover the diverse nature of LAG activities, from accessing funds for territorial and sustainable development to stimulating collaboration with various stakeholders. Despite facing formidable challenges such as rural depopulation and bureaucratic hurdles, LAGs have demonstrated resilience and adaptability, achieving commendable achievements such as establishing multi-purpose centers and supporting entrepreneurship.

Looking ahead, LAGs are poised to respond to the evolving needs of vulnerable groups, promote sustainable development and strengthen collaboration with stakeholders (Duqueno, 2020). The focus will be on learning from past experiences, encouraging innovation and prioritizing support for marginalized communities. Overall, this study examines the indispensable role of LAGs in fostering inclusive and equitable community development, supporting strategic planning, collaboration, and innovation as essential drivers of progress.

Through a comprehensive examination of LAG activities and collaborations, this research aims to contribute to the body of knowledge on community development initiatives in Romania and to support future policies and practices in this critical area.

2. Social economy

According to the definition proposed by (Amin, Cameron & Hudson, 2002), the social economy refers to non-profit actions that aim to combat social exclusion by producing and selling goods with social utility on market, without the involvement of the state or the private sector. By meeting social needs and often including the socially excluded, the social economy generates jobs and promotes entrepreneurship. Another definition proposed by Moulart and Ailenei (2005) considers the social economy as the various practices and ways of using economic resources to satisfy human needs, which are not included either in the scope of profit-making enterprises or in that of governmental institutions in the strict sense of the term. Essentially, the social economy comprises the voluntary, nonprofit, and cooperative sectors, which are formally independent of the state. Their market activities are tools for achieving social development goals that go beyond the limits of the market itself. Thus defined, the social economy should logically be considered as a third sector. Although there are slight differences in how it is explained, in essence, the social economy responds to the social needs of a community, through economic practices, measures, actions.

Regarding the characteristics of social economy organizations, according to Tomas Carpi (1997), they share common social and organizational characteristics: they are private in nature; membership is voluntary; prioritizing collective goals, such as social goals, job creation, member well-being and organizational sustainability, over profit-making; the absence of a regular hierarchical structure in members' interactions; the emphasis on the human dimension;

their main purpose being to meet the needs of members; and their principle of institutional organization is democratic.

In the context of LAGs, in addition to increasing the competitiveness of agriculture and forestry, protecting the natural and rural environment, they can also bring results in the sphere of the social economy and the inclusion of disadvantaged groups, by managing economic activities in rural areas, which lead to the improvement of the quality-of-life community members. For example, in a study carried out by Florescu and Rahoveanu (2021), which analyzed the impact that European funding had on the development of the rural environment in the area of influence of a Local Action Group from Olt County, one of the priorities of this LAG was poverty reduction, promotion of social inclusion, and economic development in rural areas. In order to achieve these priorities, the measures taken aimed to develop the villages in the region, by developing the social infrastructure and providing support for the creation of new economic activities, from which the local community can benefit and participate, in particular, marginalized people, socially excluded or in precarious economic situations. Thus, funds worth over 1.8 million euros were allocated to achieve the proposed objectives.

3. Entrepreneurship

Within capitalist societies, entrepreneurial activities are crucial to progress because new businesses stimulate economic growth and job creation. Because of this, the economic evolution of these societies depends largely on the ability of potential entrepreneurs to access and effectively use the available social and economic resources (Aldrich, 2005).

The concept of entrepreneurship is extremely diverse and can be approached from several perspectives. According to Naude (2008), within the economic field, there are a variety of definitions that explore the nature and role of the entrepreneur from an occupational, behavioral or outcomes perspective. The occupational definition places the entrepreneur in a self-employed context. This approach starts from the premise that a person can be either unemployed, self-employed, or full-time employed, and the entrepreneur is the one who chooses to be independent and run his own business. From a behavioral perspective, definitions describe the entrepreneur in terms of the perceived roles or functions they perform. Also, entrepreneurship can be defined according to the results that various forms of entrepreneurship can have on the economy. Thus, the various forms of entrepreneurship can contribute to economic growth, job creation, innovation, and the development of local communities. Therefore, understanding entrepreneurship in this sense involves analyzing its impact on the economic and social environment in which it operates.

Regarding the impact of entrepreneurship, studies have confirmed the positive impact it has on economic development (Galvão, Marques, Ferreira & Braga, 2020), on reducing carbon emissions and reducing problems climate, by implementing sustainable environmental practices (Gaweł, Benešová & Kotyza, 2024), respectively on vulnerable groups and areas (Chen & Barcus, 2024; Lang & Fink, 2019).

However, entrepreneurs face challenges, especially in rural areas, where they are less common or even absent in urban environments, since many rural communities and small towns are located in geographically isolated areas and far from business networks important. This limits access to human resources and a diverse workforce, broad buying and selling markets, and institutional support mechanisms for small businesses. Also, the small size and density of the population, together with limited local demand, make achieving economies of scale difficult for rural enterprises. Moreover, in many cases local economies in rural areas are dependent on a single industry or agriculture, exposing these places to higher sector-specific risks than their urban counterparts (Fortunato, MWP, 2014)

A solution by which these difficulties can be overcome is through Local Action Groups (LAGs). First, thanks to the fact that they can join these groups (Duquenoy, 2020), local entrepreneurs can have the support of other members, along with the necessary funds to continue their activity and make a positive contribution to society local. However, even if they

are not part of a LAG, local entrepreneurs can collaborate with them. Thus, by cooperating with such a group, which seeks to actively respond to the problems of the region of interest by making significant investments in development, local entrepreneurs can be supported in the establishment of green markets, education and the purchase of equipment (Božić, & Srbljinović, 2021). Also, through Local Action Groups (LAGs), entrepreneurship can be positively influenced by modernizing businesses, increasing profitability and the number of jobs, as well as offering entrepreneurial opportunities for a significant segment of the population (Chatzichristos & Perimenis, 2022).

4. Methodology

As part of the research approach, we used a qualitative method, more precisely the interview method, more precisely the focus group interview, with an interview guide as the instrument. For this, we believe that a semi-structured format was most appropriate and useful. This format allows for a combination of open and specific questions, giving participants the freedom to share their experiences while ensuring relevant topics are covered. It also facilitates further research on interesting or valuable information provided by participants. Here is how we structured the focus group:

The people selected for participation were members of the LAGs, including representatives of the LAG management, local public administration, non-governmental organizations, and companies, as well as the beneficiaries of the LAG projects. The participants had a good knowledge of the activities of their own organization and of the LAG of which they are a part, because we aimed to discuss, together with other specialists, about their own activities and those of the LAG, projects, etc.

We considered the four focus groups to cover the geographical distribution at the national level of the LAGs, with a corresponding allocation of the development regions. Thus, one focus group was dedicated to the North-West region, one to the South-West region, one to the North-East region and one to the South-East region.

We had in mind to have a minimum of 20-24 people recruited at national level, with a focus group consisting of a minimum of 5-6 relevant people from the territory of the LAGs, distributed in each of the four geographical regions mentioned previously and representing the categories of members of the GALs.

The present study analyzes partial data obtained in a larger and more complex research. More precisely, we will analyze only the data related to the field of social economy and entrepreneurship in the context of the activity of rural LAGs in Romania, thus restricting the number of targeted questions, results, and specific objectives to the following:

OB.a. To identify social economy and entrepreneurship measures implemented in LAG SDLs targeting the general population but also Roma communities and vulnerable groups, including challenges faced and significant achievements.

OB.b. Exploring specific pandemic and post-pandemic social economy and entrepreneurship support actions undertaken by LAGs or NGOs focusing on vulnerable/Roma groups that have generated interest among LAG members and the general population.

The research question in this case is "To what extent are social economy and entrepreneurship initiatives found within the Local Development Strategies proposed by the Rural Local Action Groups in Romania?"

5. Research results

Within this study, 4 focus groups were organized, each with a number of 5 participants, so we obtained 21 responses to the 12 topics proposed for discussion. The participants, 9 of the female gender and 12 of the male gender, do not have the same profile, in the sense that we tried to obtain different perspectives depending on the profile of the respondents, and here we are talking about either people who work at the level of GALs (with functions such as: executive

director, LAG manager, responsible project evaluator within the LAG, president, legal responsible), representatives of some NGOs:

"... I represent the Frumușița Community Resource Center Association. We are members of GAL Eremia Grigorescu from Galați county. We are an organization that deals with the Roma from the communities covered by the Eremia Grigorescu LAG and not only that, we operate at the level of Galați County..." (FG2, R2, M.).

"President of the Civitas Association together for the community, we unfold the activity in Solovăstru commune..." (FG4, R1, M.).

representatives of local councils:

"Mayor of Sulită Commune, Bătășani County, member of the Colinele Moldovei GAL". (FG3, R5, M.).

"For us, everything is a challenge because our role is to find resources and financing for everything the community needs. Unfortunately, more and more difficult, but it really was welcome the support received through the GAL." (FG4, R3, M.).

or beneficiaries of implemented projects:

"We accessed financing for a furniture production workshop through Codri de Aramă. We received support from Codri de Aramă. We are waiting to see what other funding will be available. In continuation, we want to develop We reached somewhere around 10 employees, we left with 2 and we got to 10." (FG3, R4, M.).

"I am a beneficiary of the Bison Land GAL. It's on the northeast side, like region, right around the city of Târgu Neamț I am the beneficiary of a project on non-agricultural. We are manufacturers of cotton socks and women's tights. We have accessed the project in 2018 and somewhere at the end of 2019 we completed the last installment of payment." (FG3, R5, M.).

Regarding the profile of the respondents, the majority, respectively 71%, are the representative members of the LAGs, and the rest, 29%, represent beneficiaries of the LAGs, mayors (representatives of local councils) and representatives of NGOs.

Regarding the organization of the focus groups, they were held online on the Google Meet platform, with different profile people from a macro region of the country (Southern Region of Muntenia, Western Region, Eastern Region, respectively Eastern Region). The meetings were set in advance, to ensure the availability and involvement of the respondents during the focus group. They lasted around two hours, during which ideas were developed, and the participants had the opportunity to learn new things or different perspectives from colleagues with the same interests from the same territorial region. We obtained the consent of the participants to record (audio and video) the discussions, so that the information provided by them can be used and processed in the present study under the protection of anonymity.

While some of the LAGs we contacted have territorial coverage of localities and small towns from a single county, others have a wider area, including localities from two counties:

"We have 12 communes from Galați County and 3 from Vaslui County." (FG2, R4, F.),

"We currently cover 10 communities in Mureș County and Harghita County." (FG4, R2, F.).

or even three counties:

"Gal Valea Someșului means 20 UATs, one of which is a city. It means parts of three counties: Cluj, Sălaș and Maramureș." (FG1, R5, M.),

But there were also LAGs whose composition included only localities from a single county. If we refer to the number of territorial administrative units at the level of LAGs, it varies between 7 and 20. It is obvious that their structure is not fixed and that, over time, some localities may leave or enter a LAG, this aspect being also mentioned by their representatives. Moreover, a large part of the respondents specified the composition of their LAG, mentioning the UATs (Territorial Administrative Units), the NGOs that represent the interests of the vulnerable groups (pensioners, Roma communities) involved, private companies, cooperatives, PFAs, but also the existing minorities in the area (Ukrainian and Hungarian minorities were mentioned from the NW part of the country) by the representatives of two LAGs.

Being asked what the areas of activity are, among the answers of the respondents there are many overlaps, which denotes similarities at their level, so that the areas of activity of the specified LAGs are:

Accessing Funds for Territorial Development, Rural and Sustainable Development - Through this field of activity, actions are initiated to access the funds allocated for development of the territory, focusing on rural and sustainable development. The allocation of these funds aims to improve infrastructure, promote sustainable practices, and stimulate economic growth in rural areas.

Rural Development and Farmer Support - Within this segment, efforts are focused on rural development and farmer support. In particular, LAGs are committed to supporting small farming communities, implementing projects that support Roma people and the elderly. These projects aim to increase the quality of life of these groups and promote sustainable agriculture.

Social Assistance and Social Centers - Initiatives in the field of social assistance have developed, but continue to develop, with an emphasis on new approaches and the creation of social centers. The objective of the LAGs is to provide the necessary support to vulnerable communities, including the elderly, through programs and services that improve their quality of life.

However, the diversity of projects carried out by certain Local Action Groups (LAGs) is highlighted by addressing several fields relevant to socio-economic development. These projects targeted vocational training, education, entrepreneurship development and improving health in the community.

A notable aspect is the fact that certain LAGs did not have projects focused exclusively on Roma communities, but were dedicated to all, depending on the needs and opportunities identified in the entire community. Through professional training projects, courses and training programs were offered to support the socio-professional integration of young people, including those from the Roma community. These initiatives have had positive results, including facilitating the establishment of businesses for young Roma and offering complementary education and after-school programs.

Thus, the LAG exemplified below implemented vocational training programs that had a significant impact in the community, training a considerable number of trainees in various fields. Through these efforts, it contributed to the development of the skills and qualifications necessary to support the insertion in the labor market and the improvement of the quality of life.

However, it is recognized that there is still room for improvement and expanding the impact of these projects, reflecting a continued concern to develop and optimize initiatives to support disadvantaged communities.

"Until now, we at GAL Eremia Grigorescu, have not had projects strictly focused on Roma. We have [...] a project with activity in the area of entrepreneurship, in the area of training professional, education and health. We worked on all four levels. We had gratifying results, including the entrepreneurship part, we managed to support young people Roma who managed to open businesses. We advised them, we took them to [...] Startup Nation. We opened their taste for entrepreneurship. We also had programs on the education side second chance and after school programs. On the professional training side, we had around six jobs that we managed to offer to students. We formed around 200 students and have also completed the courses. There are results, but there is room for better."(FG2, R5, M.)

However, there are certain difficulties or barriers, especially of an economic nature, that prevent organizations from reaching their full potential. But despite financial limitations, the associations managed to access several projects, each addressing different needs in the community. These projects have had a significant impact, covering various aspects such as sanitation, sports infrastructure, and school equipment.

Moreover, by funding several smaller projects instead of large projects, which would be fewer in number, some respondents noted that they can maximize impact. This approach

allows for a more efficient response to the diverse needs of the community and to support a larger number of beneficiaries. Although they are aware that the funds available are not sufficient to meet all the needs in their area, they make constant efforts to support development initiatives and encourage local entrepreneurship as well as economic development.

"We have now established at the meeting with the GAL management and with the partners in the GAL, we have taken on a private 50-50, Because we, in fact, have fewer and fewer sources of funding and what we do, we do for the community. Indeed, the private sector needs to develop to bring an increase to your budget and employment, but you don't always have the concrete solution. What remains behind us as UAT will always benefit the community. Obviously, we are interested, we try to do the right thing. Our funding sources are quite limited, quite since small. The finances we offer are quite small, but in return, from our financing, each town hall bought certain things they needed in the previous installment, but did not put money from them from the local budget, because there were other uncovered holes, and then any money is welcome. One piece of equipment, one machine for snow removal, for local services, so we accessed three projects. The first was the one for 37,000 euros, in which we bought a trailer, a tractor, with which sanitation works were practically carried out. The second project was the synthetic field, rehabilitated, and the third one we took to the education side, namely the equipment of the kindergarten and classrooms from grades 1-4, so we tried to make each project go in a different direction, to cover all the gaps. We financed a maximum of 100,000 euros per project, precisely so that we can finance as many beneficiaries as possible, because the needs are great. In our area we were on this tranche, 33,000 inhabitants, and the project part with all the bonuses we received was 2,000 euros and the money is not enough for our area, but we are trying, we told you, with the little money which we have to finance start-ups, company development, etc.

The positive experience of a beneficiary, who became an entrepreneur within the funding project, can be seen in her optimistic attitude towards the development of other projects in the future. This expresses the desire to continue to develop their business and open new activities in a large available space. Even though she does not yet have a clear idea for future projects, she is open to funding opportunities and wants support to implement her new initiatives. She is aware that financial resources are essential for the success of future projects and hopes to find adequate sources of funding to materialize her plans. Even though it admits that it no longer has sufficient financial resources to finance future activities from its own funds, it remains open to ideas and action plans, confidently awaiting future opportunities.

"[...] on the 1st floor and on the ground floor a rather large space. I want to open another business there. I am waiting for other funded opportunities. I don't have a clear idea, I know what I want, but until you have a financial base that gives you hope that you can implement the next project, you can't talk much about it. There is ample space, and the funding must be commensurate. We have already built the building, which is quite large, from our own funds. I don't really have the financial strength to finance the activity on the ground floor. Maybe you have ideas ideas? No, they are definitely ideas. There are also some action plans, but we are waiting."(FG3, R9, F).

Regarding the interaction with other entities, there are several non-governmental organizations active at the national level, which are willing to get involved and collaborate with other organized structures, such as: town halls, other NGOs, LAG Associations. In view of such collaboration, the importance lies in finding a common element and a common way of implementation, given the existing willingness and common desire, both on the part of these organizations and on the part of other entities involved in the process.

"They are NGOs active at the national level, willing. Availability and desire also exist on the one hand and the other, the important thing is to be realistic enough to find a common element, a common way to implement."(FG2, R1, F).

"Yes, there are also external organizations and during this programming period, we had one example - Rome Policy. We collaborated with them, took some steps, but we're coming back to Consensus 2003, which implemented various types of projects."(FG2, R3, F).

"Yes, we do have an association that carries out activities. Actually, I think there are more. About one, we had the opportunity to meet even the people who deal with such a thing. It is it's about the association from Dorohoi, It's not in our territory, but in general carries out activities with vulnerable groups in the territories, in this case around Dorohoi in Botoșani county up to the municipality, although there are some NGOs at the municipality level as well Botoșani who carry out activities with vulnerable groups."(FG3, R1, M).

A relevant example of an organization that has implications beyond the territory it occupies is represented by an NGO that operates a recovery and rehabilitation center for people with disabilities, offering other services such as a restaurant for people from vulnerable groups, an enterprise of social economy and specialized services for disadvantaged children and families.

"They have a recovery and rehabilitation center for people with disabilities, they have a restaurant for people from vulnerable groups, have a social economy enterprise, of which six people are disabled, have specialist services for children and families. It is the most important organization and the most involved at the moment in area, there is a municipality 10 km from us, the distance is not very long [...]."(FG1, R3, M).

Many such organizations that focus on children have been exemplified, so we can underline the existence of a significant number of organizations that focus their efforts on supporting Roma children and those from disadvantaged backgrounds. These organizations offer assistance and support on multiple levels, including education, culture, and personal development. Through specific programs and activities, these organizations try to ensure equal access to education and promote social inclusion for children from marginalized backgrounds. They also invest in the personal development of these children, offering them opportunities to develop and grow in a safe and supportive environment. Therefore, through such programs, organizations outside the territory also contribute to reducing social inequalities and creating a more promising future for vulnerable children, regardless of their ethnic origin or socio-economic circumstances.

"Activities were carried out at schools, social assistance (services) was given to individuals disadvantaged. Qualification courses were held on the digitization side, and they had 265 beneficiaries included in this project."(FG1, R5, M).

"But in general, there are activities to help families who really have serious problems, for example, they intervene in various cataclysms, fire, the house falls, someone gets sick ... there are several associations at the Botoșani county level that are really involved in problems, especially targeted at a certain category of people who need help. At the level of projects involved with a specific target group, there are generally projects right on European funds, because in general the funds are not that close at hand any NGO can carry out activities in the territory."(FG3, R1, M).

"In the territory of which we are a part, they carried out special activities on the social side The Corona Foundation in the case of domestic violence, having an important contribution in what concerns the protection of women and children in these situations of risk."(FG3, R6 F).

Thus, the data reveal the presence of NGOs active at the national level, indicating the desire to collaborate with other organized structures such as municipalities, other NGOs and LAG associations. Collaboration is highlighted as essential, requiring a realistic approach to find common ground for implementation (FG2, R1, F).

Data analysis highlights the importance of collaboration between external NGOs or other social economy organizations and local entities in addressing social issues and promoting community development. By leveraging each other's strengths and resources, these partnerships can lead to more impactful interventions and sustainable outcomes. However, funding limitations require collective efforts to overcome obstacles and generate positive change in SDL development.

However, the insights provided represent valuable lessons for future efforts, underscoring the importance of continued efforts to improve social infrastructure, promote

social inclusion, and promote community development. Through collective action and persistence, LAGs can continue to make sense.

In conclusion, primary data provide valuable insights into the plans and priorities of organizations associated with Local Action Groups (LAGs) regarding community well-being and development. The analysis reveals several key themes, including challenges related to funding procedures, diverse plans, focus on social services and support for vulnerable groups, maximizing impact with limited resources, anticipating future funding and projects, strategic planning and adaptation, and the importance of the multi-fund component.

6. Conclusions

The study explored the dynamics of social economy initiatives within Local Action Groups (LAGs) and their impact on rural development and entrepreneurship, proposing a sociological perspective starting from qualitative data obtained through focus group interviews. The findings shed light on the nature of social economy initiatives, the challenges and opportunities faced by entrepreneurs, and the collaborative efforts of various stakeholders in fostering socio-economic development.

The dynamics of the social economy within the LAGs

The concept of social economy, as elucidated by Amin, Cameron, and Hudson (2002) and Moulaert and Ailenei (2005), emphasizes the importance of non-profit actions aimed at addressing social needs and stimulating community development. The social economy, comprising the voluntary, non-profit, and cooperative sectors, operates independently of the state, with an emphasis on collective goals and democratic institutional organization.

The study showed that LAGs play a key role in promoting social economy initiatives, especially in rural areas. By channeling European funding towards poverty reduction, social inclusion and economic development, LAGs facilitate the creation of social infrastructure and the establishment of new economic activities. These initiatives not only generate employment but also empower marginalized individuals and communities, thereby enhancing overall well-being and quality of life.

Entrepreneurship and Economic Development

Entrepreneurship is emerging as a key driver of economic growth and innovation within capitalist societies. However, rural entrepreneurs face unique challenges arising from geographic isolation, limited access to resources and sector-specific risks. Local Action Groups (LAGs) offer a viable solution, providing support networks and financial assistance to local entrepreneurs, thus stimulating economic activity and job creation.

The study highlighted the diverse nature of entrepreneurship, ranging from self-employment to innovative ventures. Despite the challenges inherent in rural areas, entrepreneurs demonstrate resilience and adaptability, leveraging collaborative partnerships with LAGs and other stakeholders to overcome barriers to growth.

Partnerships, collaboration, and community development

Collaboration emerges as a central theme in promoting socio-economic development within rural communities. Local authorities, non-governmental organizations (NGOs) and LAGs work together to identify common goals and implement targeted initiatives to meet community needs. These partnerships facilitate access to funding, expertise, and resources, thereby maximizing the impact of development projects.

The study highlighted the importance of inclusive approaches to community development, with a focus on supporting vulnerable groups such as Roma communities and disadvantaged youth. Through vocational training programs, educational initiatives and social assistance projects, LAGs strive to promote equal opportunities and promote social inclusion.

In conclusion, the study data highlights the critical role of Local Action Groups (LAGs) in promoting social economy initiatives, stimulating entrepreneurship, and stimulating community development in rural areas. By capitalizing on partnerships and European funding, LAGs contribute to poverty reduction, social inclusion, and economic growth, thus improving the overall quality of life of residents. Furthermore, continued investment in social economy initiatives and supportive policy frameworks are essential to sustainably address the socio-economic challenges facing rural communities.

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