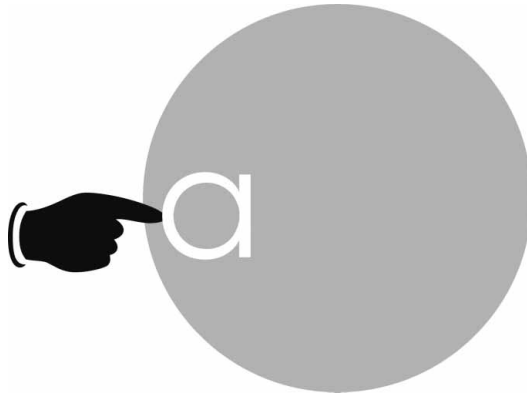


Extended abstract

*Contributions and Limitations of LEADER
Programmes to Rural Economic Diversification:
The Case of the Alcarria Conquense Region,
Spain (1991-2023)*



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Highlights:

1. Economic diversification as an engine of rural development to tackle depopulation problems.
2. Impact of LEADER programs on non-agricultural activities as a way of revitalizing the territory.
3. Limited financial resources and lack of entrepreneurial capacity are challenges to diversify the economy.

Abstract: Economic diversification is one of the ways to promote the development of European rural territories, particularly those experiencing stagnation and depopulation. The aim of this paper is to examine to what extent the rural development programs with LEADER approach, implemented in La Alcarria Conquense in the last 30 years, have favored the emergence and consolidation of non-agricultural activities and how these have influenced the dynamization of the territory. Through the analysis of the development programs, the categorization of fundable measures, and the evaluation of their impacts on the territory, it is concluded that the actions aimed at supporting SMEs, promoting rural tourism, and enhancing the agricultural sector have been crucial for diversifying the economy of the studied area. Among the limitations associated with this process include the following: the impacts of demographic dynamics on entrepreneurial capacity and innovation; the decline of effectiveness of investments in job creation recorded in recent programming periods; and the limited volume of financial resources allocated to funding programs with the LEADER approach.

Keywords: Economic diversification, depopulation, SMEs, rural tourism, pluriactivity, territorial approach.

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Extended abstract

1. Introduction and Justification

The evolution of rural development policies in Europe since the late 20th century has profoundly transformed the traditional productivist paradigm. Initially focused on agriculture as the exclusive driver of rural economy, the model was replaced with a multifunctional approach that recognises the economic, social and environmental diversity of rural areas. In this context, the LEADER Community Initiative has served as a key instrument to promote participatory local development strategies, especially in vulnerable and demographically depressed regions.

La Alcarria Conquense, located in the Cuenca province of Castilla-La Mancha (Spain), is a paradigmatic example of such structurally fragile rural areas. With a population density of only 3.49 inhabitants/km², an ageing rate above 33 % and notable male dominance, the territory faces critical conditions that directly impact its resilience capacity. Nevertheless, its sustained participation in LEADER programmes since 1991 makes it an ideal case to analyse the long-term effects of these development instruments.

This study is justified by the need for a longitudinal, territorially focused assessment of LEADER's impact on rural economic diversification, a topic still rarely studied systematically in Spain. Lack of research integrating demographic, institutional and sectorial variables across multiple programming cycles limits the understanding of the model's true scope. Hence the relevance of this research.

2. Objectives, Methodology and Sources

The main goal of this study is to analyse how LEADER programmes have contributed to economic diversification in La Alcarria Conquense from 1991 to 2023. It explores transformations in non-agricultural activities, support for SMEs, the promotion of rural tourism and the enhancement of local products, as well as the limitations that have shaped these processes.

The methodology follows a historical-interpretive approach based on the framework by Sancho and Reinoso (2013) to allow an evaluation of LEADER's impacts through input, execution, output and outcome indicators. The research consists of three phases: reconstruction of programme history, typological standardisation of eligible measures and a sectorial analysis of funded projects.

Sources include institutional documents prepared by the Local Action Group CEDER Alcarria Conquense, development strategies, reports, bulletins and project lists, as well as official INE (Spanish Statistics Institute) and Eurostat statistics. National and European scientific studies and external evaluations of the LEADER approach are also incorporated to provide a robust longitudinal, contextualised and methodologically analysis.

3. Results

Between 1991 and 2023, La Alcarria Conquense benefitted from five LEADER programmes, which mobilised a total investment of € 49,873,033. Financial distribution shows a public contribution of 54.9 % and a private one of 45. 1%, which reflect progressive the local adoption of the approach. In all, 715 projects were executed to support 488 direct promoters, including freelancers, commercial companies, agricultural cooperatives, municipalities and religious organisations.

An analysis of funded measures revealed three main intervention axes: support for small- and medium-sized enterprises (SMEs) and services, promotion of rural tourism, and enhancement of local products. The first spread € 13 million across 95 initiatives by targeting local microenterprises and proximity services. Rural tourism received € 14.2 million for 175 projects, including accommodations, restaurants and signage, to help to establish the region as an emerging tourist destination. Agrofood product enhancement, with € 5.9 million allocated to 40 projects, supported initiatives linked with territorial heritage, such as the creation of the Protected Designation of Origin "Aceite (Oil) de La Alcarria".

In employment terms, LEADER programmes have created 298 jobs and consolidated 251 existing ones. However, investment effectiveness declined over time, with public cost per created job rising from € 27,634 during the first cycle to € 112,901 during the last one, as influenced by regulatory changes, quality demands and technological capitalisation. Agricultural employment dropped significantly from 49 % to 24.88 %, which denotes a profound reconfiguration of the region's productive system.

4. Discussion

The findings reflect a sustained transition towards a hybrid rural economic model by blending traditional primary sector activities with emerging fields like tourism, services and agroindustry. This transformation, however, reveals internal disparities because some municipalities have embraced innovation, while others have remained trapped in dependence.

Local appropriation of the LEADER approach is evident in private investment mobilisation and institutional diversity among promoters. Yet resource concentration among recurring stakeholders raises questions about access mechanisms more vulnerable stakeholders' capacities.

Rural tourism's central role has yielded notable effects on employment, territorial identity and social cohesion. However, excessive reliance on this sector entails structural risks, particularly during external crises. Lack of integrated planning across tourism, agriculture and agroindustry limits the consolidation of resilient economic models. Comparisons with other Spanish regions, such as Andalusia, Extremadura and Castilla y León, suggest that LEADER's success largely depends on sectorial integration and community-rooted strategies.

Meanwhile, agricultural participation in diversification measures has declined. Factors like ageing producers, little digitisation, bureaucratic hurdles and weak entrepreneurial culture hinder the adoption of multiactivity models. This trend diminishes the role of agriculture in territorial transformation and calls for specific actions to strengthen its contribution.

Weaknesses have also emerged in evaluation mechanisms. The absence of qualitative indicators and systematic data on profitability, participation or environmental impacts limits institutional learning and continuous programme improvement.

5. Conclusions

The study confirms that LEADER programmes have made a substantial contribution to the economic diversification in La Alcarria Conquense. The mobilisation of public and private investments, the emergence of new productive sectors and the consolidation of rural tourism as a strategic axis highlight the

approach's ability to trigger territorial revitalisation. Job creation and increased female participation also reflect progress in equity and resilience.

Nevertheless, significant limitations remain, such as weak integration among economic sectors, resource concentration among recurring promoters and a declining agricultural influence. These challenges, combined with excessive dependence on tourism and insufficient qualitative evaluation mechanisms, cast doubts on the model's long-term sustainability.

To achieve a more inclusive and integrated form of rural development, LEADER must strengthen its participatory dimension, broaden project selection criteria and foster intersectorial synergies. The strategic reorientation of this programme requires overcoming administrative logic and reclaiming its transformative mission as an endogenous development policy.

In this regard, La Alcarria Conquense provides evidence for both achieved milestones and ongoing challenges by serving as a useful reference for making critical reflection on the design, implementation and future of the LEADER approach in vulnerable rural contexts.

6. Future Directions

The article outlines several research lines to deepen the understanding and application of the LEADER approach in complex rural contexts. It firstly recommends a longitudinal analysis of cumulative impacts in demographically fragile territories. Studies using cohorts of beneficiaries and projects would help to more precisely assess intervention sustainability and adaptability.

Secondly, it proposes investigating intersectorial synergies among agriculture, tourism agroindustry, crafts and services. Building territorial value chains and short circuits can reinforce economic resilience and promote the better integration of local identity with productive innovation.

A third line focuses on examining the actual participation mechanisms in Local Action Groups. It is necessary to explore the representativeness, depth and diversity of the involved stakeholders, as well as the quality of institutional dialogue and community ownership in planning processes.

Additionally, future research should incorporate mixed methodologies by combining quantitative techniques with qualitative approaches, such as interviews,

participant observation and a network analysis. This would capture the subjective, relational and symbolic dimensions that go beyond conventional metrics by offering a richer understanding of the territorial impact.