

Policy Spaces for Rural Development in the Baltic Sea Region

Introduction

In the following chapter we discuss policy spaces for rural development, with a special focus on the European Union and the Baltic Sea region in particular. The term policy space in general refers to the room for manoeuvre that decision-makers (e.g., supra-national and national governments) have to design and implement policy measures for rural development. Of interest is the EU strategic vision for rural areas—with a special focus on the Baltic member states—and the policies that financially underpin it. Among them, the self-described »most successful policy tool for community-led local development« is the LEADER methodology, first introduced in the 1990s and by now having become an integral part of the EU policy for rural areas.¹ While the relevant literature is rich, there is less research linking this methodological instrument to its spatial arrangement.

The chapter explores the construction of spatial arrangements within the LEADER methodology in Baltic Sea EU member states. It starts with a short overview of approaches to rural areas and local self-government. It then discusses the main EU instrument for rural development and its spatial manifestation across the Baltic Sea region in the 2021–2027 Programming Period. It is shown that the construction of such policy-specific entities does not follow a detectable logic that would support a unitary perspective to the macro-region.

Rural Areas and Local Transformation

The literature on rural development is extensive and so are the attempts towards a single, universal definition of what a rural area *actually* is.² Policy bodies in the European Union have also approached the rural in different ways over the last decades, using diverse spatial units. A first argument of this

1 EU CAP NETWORK: LEADER/CLLD, eu-cap-network.ec.europa.eu/networking/leader_en (23.02.2026).

2 On the mental representations of the 'rural' in European research cf. Arora-Jonsson, S./McAraevey, R.: From Crisis to Sustainability: The Politics of Knowledge Production on Ru-

chapter is that such designations are important, because they are associated to discourses and facilitate or obstruct ways of thinking *about* the rural, which in turn inform policy objectives and anticipations *for* the rural. In addition to being subject to theoretical constructs, the rural territories of the EU Member States are also areas for which a broad range of tools and financing instruments have become available. Similar to spatial constructs, those instruments are also subject to change, on the basis of factors such as policy expertise and evaluation, academic literature and, of course, the political forces that influence the design of said policies.

Thus, EU rural policies and consequent territorial constructs such as the NUTS levels³ are thoroughly interlinked. For example, when the EU's Long-term vision for rural areas 2040 (LTVR 2040) advocates for place-based approaches, such approaches are implicitly interconnected to spatial units and the policy instruments involved. Among such instruments, the one most closely associated to a place-based approach for rural areas has been the LEADER methodology.⁴ This instrument was first introduced in the 1990s to promote bottom-up policies for rural development. These policies have been associated with specially designated areas, the LEADER regions. This raises the question of how these areas are formed within the EU member states in a macro-region. This question is topical, at a time when EU financing instruments find their place in or intersect with territorial arrangement of fiscal policies and administrative transformations in states with different approaches to local self-governance.

In general, policies for rural areas are linked to the spatial organisation of local administration. The latter has also undergone significant transformation and policy reforms over the last decades, with a key objective having been decentralisation, i.e., the division of functions between central and local governments, based on the principle of subsidiarity. Decentralisation reforms in the EU and the Baltic Sea region member states have mostly aimed at amalgamation⁵ and the reduction of the number of municipalities.

ral Europe, in: *Sociologia Ruralis* 63 (2023), No. 3, pp. 771–792, DOI: 10.1111/soru.12446. (23.01.2026).

3 Nomenclature of Territorial Units for Statistics (in French: *Nomenclature des Unités Territoriales Statistiques*).

4 LEADER stands for *Liaison Entre Actions de Développement de l'Économie Rurale*.

5 Territorial amalgamation into an enlarged local government unit is often considered as an ›archetypal‹ public administration reform (cf. Kuhlmann, S./Bouckaert, G. (eds.): *Local Public Sector Reforms in Times of Crisis. National Trajectories and International Comparisons*, London 2016) that improves the quality and effectiveness of public services, economies

While amalgamation reforms have taken place mostly in Central and Eastern Europe, different types of territorial and decentralisation reforms have been applied across all EU countries.

The different forms of local self-government across the Baltic Sea region correspond to different state structures and institutional setups as well as to local contexts: For example, local self-government in Sweden has been historically uninterrupted and dates back to the municipal reforms of 1862 and 1971. This stability has resulted in local municipalities enjoying fiscal and political autonomy in the present, with Sweden having the highest degree of decentralisation in the EU. Self-government in Poland on the other hand has been subject to fragmentation along changing borders and political regimes. In the 1990s, Poland proceeded with radical decentralisation reforms that saw the municipality turning once again into the main self-government unit, now backed by the principles of subsidiarity and complementarity. As a result, by the 2010s Poland's position in the local autonomy index was very high. However, in recent years there has been a slow move towards re-centralisation and it has generally been acknowledged that significant barriers in achieving *true* local self-government in Poland persist.

In the EU member states of the Baltic Sea region, national spatial planning systems have also undergone significant transformations, with strategic frameworks becoming very popular at the turn of the century as they facilitated functions related to multi-level governance, public-private partnerships, resource allocation and investment in infrastructure and service.⁶ Nonetheless, it has also become common ground that policies should be differentiated according to local circumstances and the realities of spatial diversity. In terms of EU policy this is well expressed in the Territorial Agenda 2030 which advocates for place-based policy responses to territorial challenges and a

of scale and a targeted allocation of increased resources (cf. Steiner, R./Kaiser, C./Tapscott, C./Navarro, C.: Is local always better? Strengths and limitations of local governance for service delivery, in: *International Journal of Public Sector Management* 31 (2018), No. 4, pp. 394–409, <https://doi.org/10.1108/IJPSM-05-2018-226>; Tavares, A.: Municipal Amalgamations and Their Effects: A Literature Review, in: *Miscellanea Geographica* 22 (2018), No. 1, pp. 5–15, <https://doi.org/10.2478/mgrsd-2018-0005>; OECD: *Regional Outlook 2016. Productive Regions for Inclusive Societies*, OECD Publishing, Paris 2016, www.oecd.org/en/publications/oecd-regional-outlook-2016_9789264260245-en.html (14.05.2024); Swianiewicz, P./Gendźwiłł, A./Houlberg, K./Klausen, J. E.: *Municipal Territorial Reforms of the 21st Century in Europe*, London 2002, <https://doi.org/10.4324/9781003022589>).

- 6 Murray, M./Neill, W.: Strategic Spatial Planning in Berlin–Brandenburg: A Requiem for Balanced Development?, in: *Planning Practice & Research* 26 (2011), No. 1, pp. 107–121, p. 107, DOI: 10.1080/02697459.2011.542067. (08.06.2024).

stronger uptake of EU territorial instruments⁷ by sub-national authorities and citizens. Many such instruments are specifically crafted to address the needs and potential of rural areas.

The EU Perspectives to Rural Spaces

The fact that the EU policies towards rural areas have undergone significant transformation becomes clear when discussing the conceptual, thematic and political changes of the Common Agricultural Policy (CAP) and the EU Cohesion Policy: Established in 1958 in the context of the European Coal and Steel Community (ECSC) the CAP initially aimed at increasing agricultural productivity and securing the food base of the ECSC member states. In the following decades and while the EU was transforming, first into a supranational political entity with the 1993 Maastricht Treaty and then into an international legal juridical entity with the 2009 Lisbon Treaty, the CAP also changed significantly. In this context, a rich discussion has unfolded about how to make best use of the EU instruments for rural development.

In the previous decades, the CAP and Cohesion Policy had taken two main paths⁸: Initially, both academic literature and policy favoured *exogenous* approaches, whereby rural areas were viewed as requiring external inputs in funding. This later changed, with the literature stressing the need for solutions to be found within, whereby the rural areas may build on their territorial capital, through *endogenous* and *neo-endogenous* approaches.⁹ Due to the limited human, social and institutional capital of many rural regions, neo-endogenous development, which incorporates support from state or EU sources, gradually became the preferred approach. This change is also related to the fact that

7 Pertoldi, M./Fioretti, C./Guzzo, F./Testori, G./De Bruijn, M./Ferry, M./Kah, S./Servillo, L. A./Windisch, S. (eds.): Handbook of Territorial and Local Development Strategies, Publications Office of the European Union, 2022, DOI: 10.2760/57919. (26.11.2024).

8 Illustratively described as constituting »legacy effects« (cf. Copus, A./Dax, T.: ESCAPE. European Shrinking Rural Areas: Challenges, Actions and Perspectives for Territorial Governance. Final Report—Annex 1, Policy Background, ESPON 2020, www.archive.espon.eu/escape (06.05.2024)).

9 Endogenous development has three main characteristics: (1) localities can effect change in their favour, rather than be resigned to being victims of external political and economic forces; (2) economic and other development activity is reoriented to maximise the retention of benefits within the local territory by exploiting local physical and human capital; and (3) local development is focused on the needs, capacities and perspectives of local people (cf. Ray, C.: Neo-Endogenous Rural Development in the EU, in: Cloke, P./Marsden, T./Mooney, P. (eds.): The Handbook of Rural Studies, London 2006, pp. 278–291, p. 278).

the tools and instruments for rural development have evolved and the degree of flexibility accorded to each member state in how to combine them has increased. However, and despite their abundance, the coherence, strategy and longevity of such rural policy instruments has been absent or questionable.¹⁰ In that context the neo-endogenous approach is also undergoing transformation while regional disparities persist.

Indeed, there is nothing special in the EU having regional disparities. What makes the EU unique »is the sheer volume of financial and institutional resources that are devoted to regional development« as well as »a strong focus on—some might even argue, an obsession with—cohesion«.¹¹ An availability of resources alone does not predicate successful outcomes, indeed. Studies, for example, have shown that the increased use of repayable financial instruments hardly reaches the disadvantaged areas these instruments are designed for, because the logic behind such instruments includes avoiding the effort, risk and costs that are associated with putting them into practice in disadvantaged areas.¹² Other complications stem from the delineation of an area subject to intervention. For instance, the concept of a *less developed region* (any NUTS-2 region with a per capita GDP below 75 % of the EU average) lies at the heart of the EU Cohesion Policy. However, impoverished rural areas situated within NUTS-2 regions where a relatively wealthy city raises the per capita GDP have no access to funding. Such examples show that substantial conceptual and methodological challenges with regard to disadvantaged and rural areas remain.¹³

Territorial cohesion nonetheless remains at the core of the EU Cohesion Policy and was strengthened in the 2021–2027 Programming Period. This is also evident in the emphasis on a *harmonious* development of EU Member States and regions, as per the Treaty on the Functioning of the European Union (TFEU), with an additional emphasis on support to the less favoured regions. Among them are rural areas (or ›other than urban‹ areas). The EU

10 ESPON: ESCAPE. European Shrinking Rural Areas: Challenges, Actions and Perspectives for Territorial Governance. Final report, ESPON 2020, www.archive.espon.eu/escape (13.11.2024), pp. 4f.

11 Farole, T./Goga, S./Ionescu-Heroiu, M.: Rethinking Lagging Regions. Using Cohesion Policy to Deliver on the Potential of Europe's Regions, World Bank Report on the European Union, Washington DC 2018, www.worldbank.org/en/region/eca/publication/rethinking-lagging-regions (19.09.2024), p. 34.

12 ESPON: Financial Instruments and Territorial Cohesion. Final Report, ESPON 2019, www.archive.espon.eu/financial-instruments (13.11.2024), p. 13.

13 ESPON: ESCAPE. Final Report, p. 43.

Rural Action Plan also aims at fostering innovative businesses, quality jobs and new skills, ensuring better infrastructure and services, as well as sustainable agriculture. A range of concepts and plans aim at the promotion of sectors other than the traditional rural ones. Finally, and with regard to the design and implementation of the above by the local and regional governance bodies, the Policy Objective »Europe closer to citizens« puts forth integrated territorial development strategies and local development strategies and requires that they shall follow a place-based, integrated, multi-stakeholder approach.¹⁴ The bottom-up element is especially important for generating the local development strategy. Central to that is the *community-led local development* (CLLD) approach, the continuation of the earlier LEADER method.

In Search of an EU Policy Space

As discussed above, with the publication of the LTVR 2040 the European Commission defined a vision for rural areas and communities that includes stronger, connected, resilient and prosperous rural areas and communities. The CAP and the Cohesion Policy, complemented by a wide range of funds, financially underpin these goals. The LEADER/CLLD method, the self-declared »most successful policy tool for community-led local development« methodologically underpins these goals.¹⁵ This tool began as an area-based development approach, in which local partnerships, an integrated multi-sectoral strategy, innovation, networking and cooperation are constitutive elements.

The LEADER approach was introduced in the 1990s to address the challenges of rural regions across the EU. It initially developed as an experiment, wherein bottom-up approaches in disadvantaged rural areas were financially supported, generating processes which were closely linked to community development and cohesion at the local level. Three decades later, the scope of the LEADER approach has developed into an integral part of the EU rural policy. A significant expansion in its thematic focus has also taken place, while relevant literature is now substantial.¹⁶ A parallel development at the EU level,

14 Pertoldi et.al.: Handbook of Territorial and Local Development Strategies.

15 EU CAP NETWORK: LEADER/CLLD, eu-cap-network.ec.europa.eu/networking/leader_en.

16 Cf. Chatzichristos, G./Perimenis, A.: Evaluating the social added value of LEADER: Evidence from a marginalized rural region, in: Journal of Rural Studies 94 (2022), pp. 366–374; Johansson, J./Holmquist, M.: LEADER and rural development policy—What's the problem

starting with the 2014–2020 Programming Period, was that all EU member states and regions were requested to adopt integrated policy approaches to territorial development. With regard to the rural areas, this was concretised in the addition, to the LEADER approach, of the CLLD tool.

The CLLD extended LEADER's outreach to a wider range of measures and territories, which had up to then been considered ›non-rural‹ and thus excluded from funding: Starting with the 2014–2020 period, towns with a population not exceeding a certain size, as well as areas bordering to the administrative limits of large cities could now make use of the LEADER/CLLD method. Few countries used this option then but with the 2021–2027 Programming Period the scope of this measure expanded. Under the LEADER/CLLD method, Local Action Groups (LAGs) are formulated. The LAG, a partnership of local public, private, and community representatives, becomes then responsible for the implementation of LEADER/CLLD in a respective area. These areas are usually created by bringing together a number of small administrative units. Being the spatial arrangement of the LEADER/CLLD approach, the LAG is a tailored deliberative polity.¹⁷

Another key change between the 2007–2013 and 2014–2020 Programming Periods has been the opening up of the previous LEADER approach to other ESI funds: The CLLD projects can be supported by a single European Structural and Investment (ESI) fund or by a combination of any of the four eligible funds: the European Agricultural Fund for Rural Development (EAFRD), the European Maritime and Fisheries Fund (EMFF), the European Social Fund (ESF) and the European Regional Development Fund (ERDF). With the addition of the fisheries areas for example, the Fisheries Local Action Groups (FLAGs) were constituted as special types of LAGs. Thereby the LEADER approach underwent a significant upgrade from a rural development niche to an integrated local development initiative. The possibilities that opened up in 2014 for using or combining different EU funds within a single strategy allowed the LAGs to better concentrate and respond to

represented to be?, in: *Journal of Rural Studies* (2024), No. 108, 103287, DOI: 10.1016/j.jrurstud.2024.103287. (23.01.2026); Shucksmith, M./Brooks, E./Madanipour, A.: LEADER and Spatial Justice, in: *Sociologia Ruralis* 61 (2021), No. 2, pp. 322–334, <https://doi.org/10.1111/soru.12334>.

17 Servillo, L.: Tailored polities in the shadow of the state's hierarchy. The CLLD implementation and a future research agenda, in: *European Planning Studies* 27 (2019), No. 4, pp. 678–698, DOI: 10.1080/09654313.2019.1569595. (23.09.2024).

the local needs of the respective areas.¹⁸ But LEADER regions are still the main policy focus despite the existence of multiple funding sources, while the implementation of LEADER/ CLLD is different in individual EU Member States.¹⁹

The LEADER/CLLD approach has so far become a terrain of experimentation with an enormous outreach, insofar as the early forms of LEADER are considered: The method is utilised in either process-focused or sector- or theme-focused purposes. Process-focused purposes include innovation, knowledge exchange, governance, stakeholder and civil engagement. Sector- or theme-focused purposes range from supporting local entrepreneurship, food processing, artisanship, thematic tourism, natural and cultural heritage projects, small-scale public services, as well as shortened value chains, local food pacts, job creation, up to social services such as immigrant integration, support for youth, groups in social exclusion.²⁰ So far, a common critique with regard to project funding, which also touches upon the function of the CLLD, concerns a lack of continuity in funding which results in the fragmentation of project development and implementation. The discussion about the need for long-term perspectives that integrate targeted EU and domestic policies is indeed topical, with regard to the post-2027 Programming Period. Already following the experience of the 2014–2020 period it was suggested to upscale the LEADER approach to allow local and regional stakeholders more space and financial autonomy to manage larger sums of EU funds,²¹ basically aiming to tackle the widespread observations about persistent bureaucracy barriers, administrative complexity and delays in the implementation of LEADER/CLLD projects.

In any case, the LAG applies the LEADER/ CLLD approach in a given territory which is ›rural in character‹ and covers a clearly defined area. Local actors that form these LAGs are tasked with the design and implementation of strategies following the LEADER/CLLD method. At the beginning of an EU funding period, a strategy which defines objectives and fields of action has to be developed. With this strategy, a designated LEADER region can

18 Kah, S./Martinós, H./Budzych-Tabor, U.: CLLD in the 2014–2020 EU Programming Period: An Innovative Framework for Local Development, in: *World 4* (2023), No. 1, pp. 122–139, DOI: 10.3390/world4010009, (23.01.2026), p. 135.

19 Servillo, L./De Bruijn, M.: From LEADER to CLLD: The Adoption of the New Fund Opportunities and of Their Local Development Options, in: *European Structural and Investment Funds Journal* 6 (2018), No. 3, pp. 223–233.

20 Kah/Martinós/Budzych-Tabor: CLLD in the 2014–2020 EU Programming Period, p. 132.

21 ESPON: ESCAPE. Final Report, p. 43.

apply for funding in the respective regional administration or national state. In summary, a LAG can thus be described as a policy space, as it constitutes a »governance arrangement of stakeholders [...] which has the capacity to mobilise funding resources«. ²² In this context, it is worth taking a step back and observing how these LEADER regions were designated to fulfil a »policy space« function, particularly in the Baltic Sea region.

Locating the EU Policy Space in the Rural Baltic Sea Region

Different EU member states in the Baltic Sea region have implemented different approaches to the LEADER/CLLD method, ranging from the single-funding model to more ambitious approaches that seek to make use of a broader mix of funding resources. ²³ The designated LAG territories in the eight countries reflect each country's logic of organising the territory into administrative units and its approach to local self-governance. The arrangement of NUTS subdivisions already shows the diversity of the macro-region: The three Baltic states and Denmark are single NUTS-1 areas; Finland is practically one too. ²⁴ Sweden consists of three NUTS-1 areas. Germany has arranged its 16 Federal States into 16 NUTS-1 areas, while Poland's 16 voivodeships are arranged into seven NUTS-1 areas (Fig.1).

That the existing territorial organisation in the Baltic Sea region is far from balanced is obvious, considering the great differences in size and population between the countries. But this allows to refer again to domestic approaches to local self-government: In countries such as Germany and Poland, the national state is different from the regions, while in others these levels overlap. Another line of fragmentation across the Baltic Sea region can be drawn along traditions of self-governance, with Poland offering a case of recent radical reform amidst the background of historical fragmentation, whereas Sweden boasts a historically uninterrupted development and a stable self-government setting today. This fragmentation can be expected to feature in the current designation of LEADER regions as well.

22 Palonen, K.: Four Times of Politics: Policy, Polity, Politicking, and Politicization, in: *Alternatives: Global, Local, Political* 28 (2003), No. 2, pp. 171–186, DOI: 10.1177/030437540302800202. (23.06.2024).

23 Kah/MArtinos/Budzich-Tabor: CLLD in the 2014–2020 EU Programming Period, p. 125.

24 Mainland Finland is one NUTS-1 area. The autonomous Åland islands constitute a separate, second NUTS-1 area, but this division reflects the legal status of Åland rather than other features.

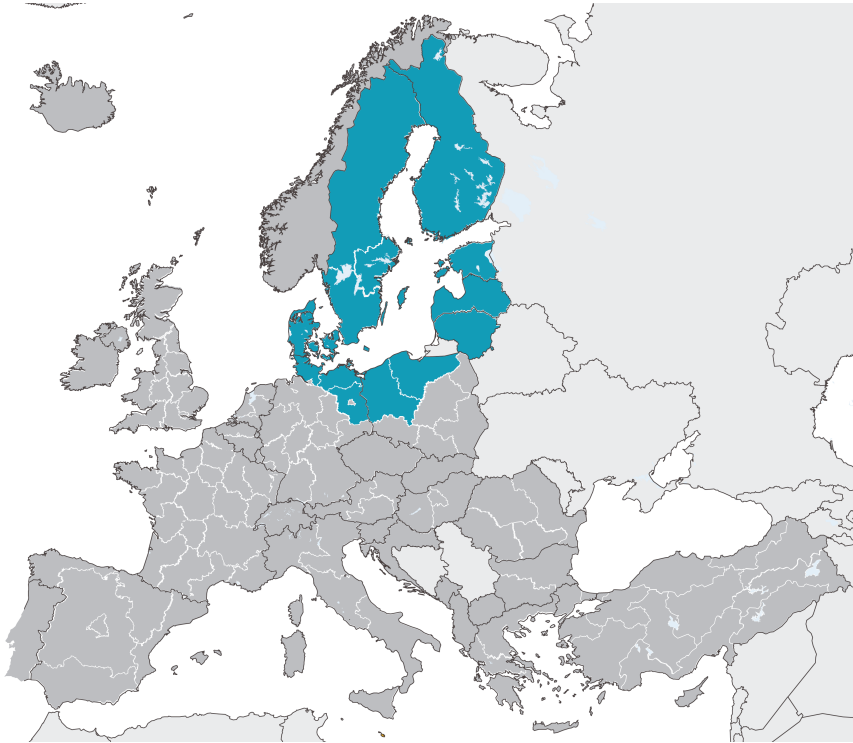


Figure 1: NUTS-I areas in the Baltic Sea region

In order to sketch the designated LAG territories, the basic features of size, population and population density were acquired. Information for each LAG territory across the eight countries was obtained in several ways, since there is no common European approach on the availability of this information to the general public. A methodological question arose with regard to Germany and Poland, the two most populous countries which also host hundreds of LAGs. Moreover, parts of these countries, such as Bavaria in Germany or Malopolska in Poland, do not share much with the historical or geographical features of the Baltic Sea region. The question of which LAG areas may be associated with the Baltic Sea thus inevitably became a question of where to draw the line and how to define the Baltic Sea region. Although this exercise in defining a region is debatable, including all German and Polish LAG territories into the analysis would skew the results and not allow a meaningful discussion about the Baltic Sea. This was initially solved by selecting the two German and the

two Polish NUTS-1 level regions that face the Baltic Sea, which allowed a fairly unified view to the macro-region.

The information on the surface and population of the German LAGs is available on single LEADER websites and the DVS (*Deutsche Vernetzungsstelle Ländliche Räume*).²⁵ The two Baltic German NUTS-1 level regions, i.e., the states of Mecklenburg-Vorpommern and Schleswig-Holstein, containing a total of 36 LAGs, were considered.²⁶ For Poland, the data is available by the governmental organisation National Rural Network²⁷ and the Ministry of Agriculture and Rural Development. For the 2021–2027 Programming Period, changes to LAG designation in Poland came as a result of the establishment of distinct FLAGs. As mentioned, the two NUTS-1 level regions along the Baltic Sea coast, *Północno-Zachodni* and *Północny* and the six voivodeships they contain were initially used. However, this results into a total of 104 LAGs. The inclusion of such a large number of LAGs would still skew the cross-country analysis in favour of Poland. It was thus decided to only proceed with the three coastal voivodeships: the West Pomeranian (*zachodniopomorskie*), Warmia-Masurian (*warmińsko-mazurskie*) and Pomeranian (*pomorskie*). The 38 LAGs in these three voivodeships were included in the analysis. Data on the 26 Danish LAGs was provided by the Agency for Planning and Rural Development.²⁸ A specificity here is the formation of a single island-LAG area, which does not correspond to a continuous surface but to the sum of the area of all Danish islands. Data on the 37 Latvian LAGs was provided by the Latvian Rural Forum²⁹ and on the 26 Estonian LAGs by the Ministry of Regional Affairs and the Estonian Leader Union.³⁰ It was, however, not possible to obtain official data on the 49 Lithuanian LAGs. The Lithuanian LAG Network³¹ works with the municipal unit since, with the exception of

25 DVS: LEADER-Regionen, www.dvs-gap-netzwerk.de/dorf-region/leader/neue-leader-regionen-ab-2023/ (05.11.2024).

26 Mecklenburg-Vorpommern/Ministerium für Klimaschutz, Landwirtschaft, ländliche Räume und Umwelt: LEADER in Mecklenburg-Vorpommern, www.regierung-mv.de/Landesregierung/lm/Laendliche-Raume/Leader/ (23–02.2026).

27 Krajowa Sieć Obszarów Wiejskich: Mapa Lokalnych Grup Działania, ksow.pl/baza-danych/lgd-2014-2020/mapa (23.02.2026).

28 Plan- og Landdistriktsstyrelsen: Mission og vision, www.plst.dk/om-styrelsen/mission-og-vision- (23.02.2026). The Agency uses data from the Danish Statistical Bureau (cf. www.statistikbanken.dk/ARE207, www.statistikbanken.dk/BY2).

29 Latvijas Lauku forums, laukuforums.lv/lv/ (05.11.2024).

30 Eesti Leader Liit, leaderliit.eu/ (23.02.2026).

31 LR valstybė: Vietos veiklos grupių tinklas/VVG tinklas, [www.lrvalstybe.lt/savivaldybes](http://lrvalstybe.lt/savivaldybes) for size of municipalities (05.11.2024).

seven large municipal units³², each municipal unit in Lithuania is designated as a LAG area. The LAG is thus constituted by the municipal unit minus any city with more than 6000 inhabitants within it.³³ With regard to the two larger Scandinavian countries, data on the 40 Swedish LAGs was provided by the Swedish Board of Agriculture³⁴ at the Ministry of Agriculture. Finally, information on the 42 Finnish LAGs was obtained through communication with a government official who represents the Finnish LEADER network in EU level. The information was compiled to provide an overview of how the LEADER regions are spatially structured in the countries of the macro-region.

Germany

The LEADER regions in the northern states of Mecklenburg-Vorpommern and Schleswig-Holstein have, on average, similar populations and different sizes (area): The area of the average LEADER region in Mecklenburg-Vorpommern is 1620 sq.km, while the average area in Schleswig-Holstein is 694 sq.km. This results in a sharp difference in population density. Schleswig-Holstein has an average population density of 161 inhabitants per square kilometre, while Mecklenburg-Vorpommern has only 50. These differences, however, reflect not just differences among federal states. Indeed, the five most densely populated LEADER regions in the entire Baltic Sea region are all located in Schleswig-Holstein. As such, Schleswig-Holstein can be described as hosting the main outliers in terms of population density in the Baltic Sea macro-region.

Poland

The LEADER regions of the three selected voivodeships (Warmia-Masuria, Pomerania and West Pomerania) are, in contrast, fairly homogeneous. The average population of the region is approximately 78,350 people in Warmia-Masuria, 71,350 in Pomerania and 65,100 in West Pomerania. The size of regions in these voivodeships is also fairly mixed but without significant deviations:

32 The term *savivaldybes* stands for the municipality, while any large city is called *miasto savivaldybes*.

33 Calculations were made based on the website www.paramakaimui.lt/, and the Local Development Strategy of each LAG.

34 Jordbruksverket, jordbruksverket.se/ (23.02.2026).

None is smaller than 500 sq.km or larger than 3530 sq.km. A balanced distribution is reflected in density: With the exception of a few densely populated cases in Pomerania, LEADER regions in the three voivodeships have a density ranging from 20 to 60 inhabitants per sq.km, with a total average being almost identical to Mecklenburg-Vorpommern in northern Germany.

Denmark

The arrangement of the 26 Danish LAGs stands between the small, densely inhabited cases of Schleswig-Holstein on the one hand and the larger, sparsely inhabited ones in Mecklenburg-Vorpommern or Poland on the other: With the exception of the very thinly populated archipelago (Småøerne) and two regions with almost 200,000 inhabitants, the population of the remaining 23 Danish regions ranges between 50,000 and 150,000. The average size is 1282 sq.km, right between Schleswig-Holstein (694) and Mecklenburg-Vorpommern (1620). In terms of density, Danish LEADER regions are quite diverse and range from 23 to 182 inhabitants per sq.km.

Sweden

Sweden is a distinct case, as it hosts some of the largest and most populous LEADER regions: With a size of almost 60,000 sq.km, Lapland LEADER has the size of a Baltic country or a large German federal state. Several others exceed 30,000 sq.km and, in any case, most Swedish regions are larger than the largest of any other country in the macro-region, with the exception of Finland. On the flipside, it is worth noting that Sweden demonstrates some of the lowest population densities in the Baltic Sea region: Seven regions have a population density below 5 persons/sq.km. Moving southwards however, Swedish LEADER regions are comparatively populous: Indeed, Sweden's three most populous regions (Sydost, Nordvästra Skåne/ Mittskåne and Östra Skåne) are the most populous in the entire Baltic Sea region.

Latvia

With an average size of 1946 sq.km, the size of the 33 regions in Latvia is very similar to that of Poland, Denmark and Germany. Almost identical to what happens in the Polish voivodeships, no region in Latvia is smaller

than 440 sq.km or larger than 3600 sq.km. This, however, is the only shared feature: with the exception of four cases with populations similar to designated regions in the above-mentioned countries, all other Latvian regions are significantly underpopulated. As a result, their average population density (22.1 persons/sq.km) is very close to that of Sweden (20.0 persons/sq.km). However, Sweden features a few extremely sparsely populated cases which distort the country's average, while in Latvia almost all regions are sparsely populated, with few exceptions located close to the Riga agglomeration.

Estonia

The features in Estonia are very similar to those of Latvia. With an average size of 1649 sq.km, regions in Estonia are similar to those of other countries. The population here is, however, significantly smaller, with only four LEADER regions having a total population matching those of other countries. As in Latvia, the combination of a comparatively average size and small population results in sparsely populated regions, with an average density of 15.6 persons per sq.km at the national level.

Lithuania

The case of Lithuania is similar to the two other Baltic states. Lithuania has slightly smaller designated regions, averaging 1292 sq.km. In relation to the entire Baltic Sea region, this size is very close to the average found in Schleswig-Holstein. But the number of inhabitants in the average region in Schleswig-Holstein is over 80,000 while in Lithuania it is less than 20,000. Thus, and again similar to Estonia and Latvia, Lithuanian regions have a low population density (15.3 persons/sq.km).

Finland

The case of Finland is very similar to Sweden, in both absolute terms and in the logic of designation: A single vast LEADER space is designated in the North (Lapland, 53,261 sq.km). Of the remaining 52 regions, many are still much larger than those in the Southern Baltic Sea region or the three Baltic states. Similar to Sweden, half of Finnish regions are as populous as those in the Southern Baltic Sea region, while the rest are equally populous

to the regions found in the three Baltic states. Overall, Finland has an average density of 10.5 persons/sq.km, the smallest among all states in the Baltic Sea. This is not surprising, considering that 13 Finnish regions have a population density of less than five inhabitants per square kilometre.

Applying a Spatial Lens

The description of the basic characteristics of LEADER regions at country level is followed by an initial attempt to apply a spatial perspective. This first grouping of countries within the Baltic Sea macro-region uses its main three features: Area, Population and Density.

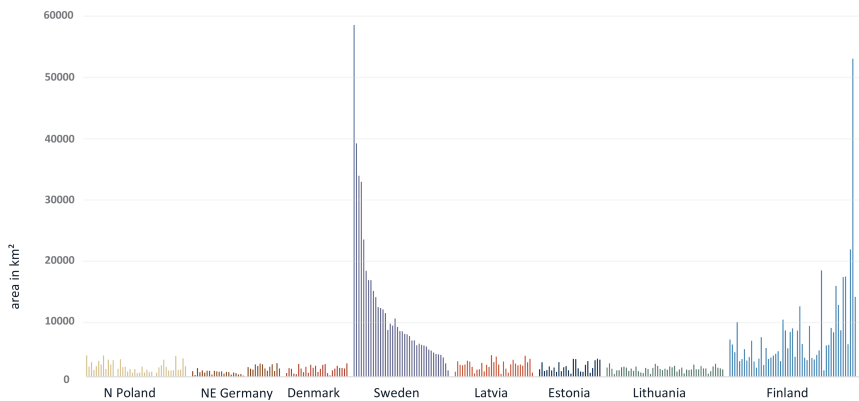


Figure 2: Area size of LEADER regions

Area size: Distinct logic in Sweden and Finland, opposed to all others (Fig.2)

LEADER regions in the three Baltic countries, Denmark and the studied parts of Germany and Poland have a size of 100 to 3500 sq.km, with the vast majority being in the 500 to 2000 sq.km. size-range. An outlier is the state of Schleswig-Holstein with slightly smaller regions.

Sweden and Finland have adopted a completely different approach. The average size of a Swedish LEADER region is over 10,000 sq.km, with only three out of 40 being smaller than 3500 sq.km. Similar features are observed in Finland.

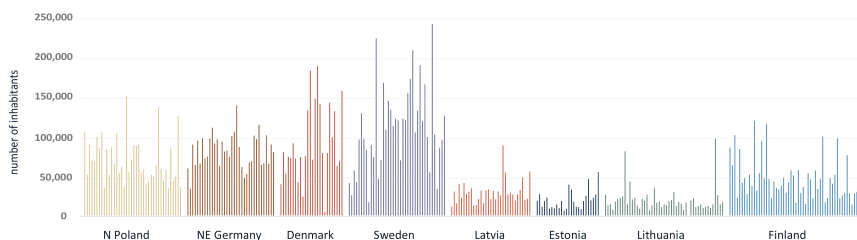


Figure 3: Population size in LEADER regions

Population size: A small but observable division along an East-West line (Fig.3)

The three Baltic states have, by far, the least populated regions in the entire Baltic Sea macro-region.

Among the other five countries, the Swedish regions are comparably uneven, with several outliers in both lows and highs. Here one can clearly see the effect of geography and climate with very low population densities in northern Sweden, and densities in southern Sweden comparable to the ones found along the Southern Baltic Sea coast.

With respect to the population pattern, the picture is mixed in Finland, with an average close to the selected Polish voivodeships. However, with the exception of ten highly populated regions that match those in Schleswig-Holstein, the population of all other Finnish cases is low and very close to those in Latvia.

This corresponds to the population pattern across the Baltic Sea region: A few highly populated LEADER regions tend to raise the country average. Most of them, however, correspond to peri-urban and suburban areas, e.g., in Lithuania (two highly populated, four medium populated), Estonia (three/three) and Latvia (one/three).

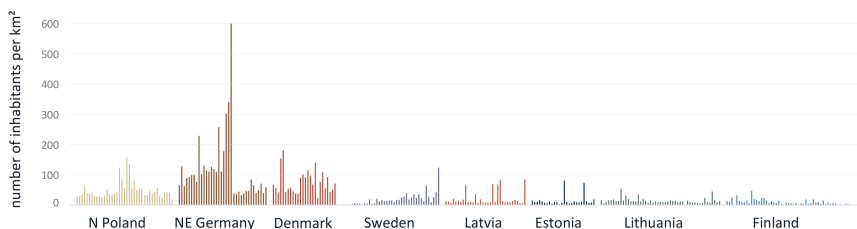


Figure 4: Population density in LEADER regions

Density: Three different groups (Fig.4)

The federal state of Schleswig-Holstein stands on its own. Here, even the least densely populated LEADER region has a higher density than the Baltic Sea average and, likewise, Schleswig-Holstein's average region has substantially higher density than any single case in the Baltic Sea macro-region.

Mecklenburg-Vorpommern, Northern Poland and Denmark: Here densities range from 20 to 180 persons per sq.km, but the distribution is rather even in the middles, and there are not many extremes in either highs or lows. Within this group Denmark has slightly higher densities, while regions in Northern Poland and Mecklenburg-Vorpommern are very similar to each other.

Sweden, Finland and the Baltic states have very low densities. Few exceptions that match group 2 can be found only in peri-urban areas in these countries. The proximity to an urban centre explains why these are exceptions. The average region has a population density of 20.0 (Sweden), 22.1 (Latvia), 18.3 (Estonia) 15.3 (Lithuania) and 10.5 (Finland).

Conclusions

The LEADER/CLLD approach has become an established policy instrument in different EU funds and different types of areas. It has clearly demonstrated contextual flexibility and adaptability. The CAP's multiple funds (EAFRD, ESIF, ERDF, ESF) also seem to complement each other well. However, EU-wide studies on LEADER/CLLD uptake make it hard to draw general conclusions about its impact, as there is great variability in how each state makes use of the multiple funds.³⁵ Moreover, the form the LEADER/CLLD approach will take after the 2021–2027 funding period is unclear.

Against this background, this chapter assessed the transformation of approaches to rural development as evidenced in the construction of policy-specific entities. To do so, the EU-wide lens was removed from the discussion about LEADER/CLLD, in order to see how its spatial expression has been constituted across the Baltic Sea macro-region, assuming the discovery of shared features that would allow a more coherent view to LEADER/CLLD from a regional perspective. The spatial features of the *ad hoc* policy space of

35 European Commission: Study on funding for EU rural areas—Final report, 2024, DOI: 10.2762/901111. (19.01.2025).

the LAG, and its basic features in the eight countries in the macro-region have been discussed. It was shown that LEADER regions have been constructed as policy spaces in varying ways in the different countries.

It has been demonstrated that no unitary Baltic Sea approach can be detected. Similarities exist though and allow suggesting a proto-grouping (such as Scandinavian, Baltic, Central European). Variance can be observed in relation to size (area), population and density. This overview facilitates the comparison in a regional level, allowing to extract conclusions on the extent of transformation against the background of the current EU policies towards harmonisation and cohesion. The chapter shows that while LEADER/CLLD is a unitary methodology, the spatial units to which it is applied diverge widely and not only *among* but also *within* countries. This sets the basis for further research on the continuities and fragmentation of fund allocation and distribution in the current and the post-2027 Programming Periods under a macro-regional lens.

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