

The Effect of LEADER and Community-Led Local Development in Spanish Municipal Unemployment: A Difference-in-Difference Approach

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Abstract : This paper evaluates the impact of LEADER, a remarkable Community-Led Local Development (CLLD) approach of the European Program for Rural Development applied to rural municipalities of Spain in 2018 and 2019. Using a difference-in-difference estimation strategy and a newly-constructed database, results show that aided municipalities have significantly lower unemployment levels than non-aided municipalities. Results are significant for the decrease in unemployment for both women and people younger than 25 years old, two of the target groups of the policy. Nevertheless, they are larger for male and older workers. Therefore, findings suggest that LEADER 2017-2018 was successful in reducing unemployment in rural areas.

Keywords : community-led local development, ex-post evaluation, LEADER, rural development

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