



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Co-ordination and Networks at Sub-regional Level: How Programmes Can Meet Rural Needs

Francesco Mantino, Serena Tarangioli e Lucia Tudini

INEA, via Barberini 36, 00187 Rome, Italy

e-mail: mantino@inea.it



*Paper prepared for presentation at the 118th seminar of the EAAE
(European Association of Agricultural Economists),
‘Rural development: governance, policy design and delivery’
Ljubljana, Slovenia, August 25-27, 2010*

Copyright 2010 by [AUTHORS]. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies

**Co-ordination and Networks at Sub-regional Level:
How Programmes Can Meet Rural Needs¹
Francesco Mantino, Serena Tarangioli e Lucia Tudini (INEA)**

1. The theoretical framework

Main objective of this paper is focusing on local institutions and their ability to effectively respond to local needs in designing and implementing rural development policies.

There is a broad spectrum of literature in social science disciplines that seeks to explain how institutions, both formal and informal, structure and constrain the behaviour of economic agents and thus act as “deeper determinants” of long-run growth and local development. In this literature there are at least three main methodological approaches which could represent the theoretical frame of this analysis.

The first approach derives from the literature on networks and social capital. This literature emphasizes the importance of informal and community-level institutions in facilitating economic development, pointing out that economic performance may vary considerably across regions depending on their local institutional environment. In this regard Putnam’s work on Italian social capital (1993) is very important. At the local level, networks can strongly play a significant role because local proximity underpins networks that enable knowledge transmission and co-ordination among actors. For this reason a number of academics stress the importance of delocalised networks, opening up the potential for growth in the absence of agglomeration (Farole, Rodriguez-Pose, Storper, 2009).

The second approach to give insights on relations between institutions and rural development is centred on the concept of “institutional thickness”. This approach argues that the greater the density of complex institutional networks, within any given territory, the greater the potential for higher growth and development (Farole, Rodriguez-Pose, Storper, 2009). This concept is frequently mentioned in the analysis of formation of successful industrial districts in central and northern Italy (Trigilia, 1992). In our case the concept of “institutional thickness” can be referred to the capacity of local institutions to build and consolidate relations with many local actors over time. These relations, on turn, contribute to the improvement of the design and implementation of development strategies, the reduction of transaction costs and rent seeking behaviours, and finally the economic efficiency and returns of any development interventions (Farole, Rodriguez-Pose, Storper, 2009).

The third approach is based on the analysis of the policy delivery systems adopted in local context. According to this approach, policy results strongly depend on these policy variables: first, the performance of the government bureaucracy (Mantino, Bolli, Fagiani, Tarangioli, 2009) and, second, the capacity of local institutions to facilitate co-operation for public goods provision (Regione Emilia-Romagna, 2009). This implies that social and economic conditions improve and create a favourable context for existing and new forms of economic activity and for inhabitants quality of life.

Networks, “institutional thickness” and efficient and effective policy delivery systems are the key approaches to explain the success of the local governance in our case study.

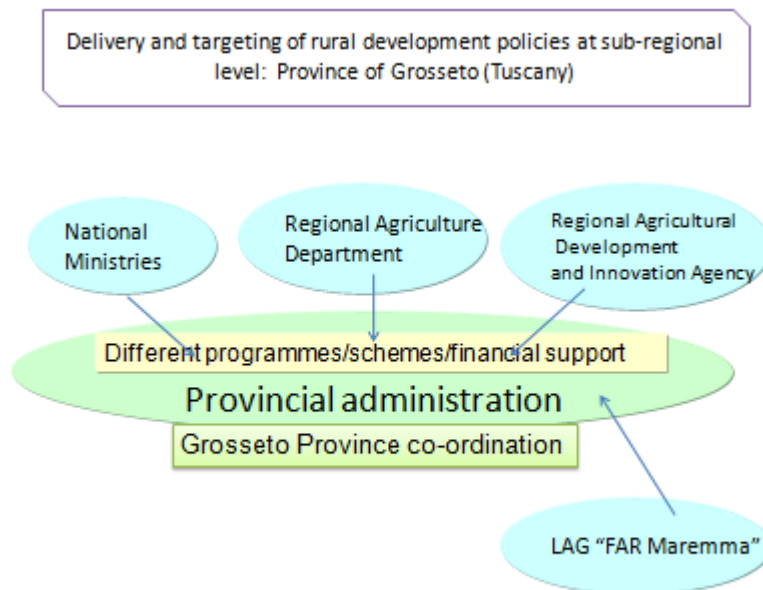
2. Methodological approach

The main unit of analysis is the Province, a sub-regional level of programming. Province is Grosseto, with a dominant rural feature in the Tuscany Region. A great number of public national and regional

¹ This paper is largely based on the case study on the Grosseto Province developed within the research RuDI (Assessing the Impact of the Rural Development Programmes), funded by VII Research Programming Framework, FP 7 Project no. 213034.

programmes provided for development funds during the last decade. The Province tried to co-ordinate these funds according to some strategy, but the real success in doing so is unknown and, more important, the driving forces and the conflicts/alliances which permitted this co-ordination have been explored. RDP is part of this process of co-ordination, probably one of the most relevant policies in the hands of Province. What makes interesting this analysis is the crucial role of the Province as a meso-level between the State/Region and the local level.

Figure 1



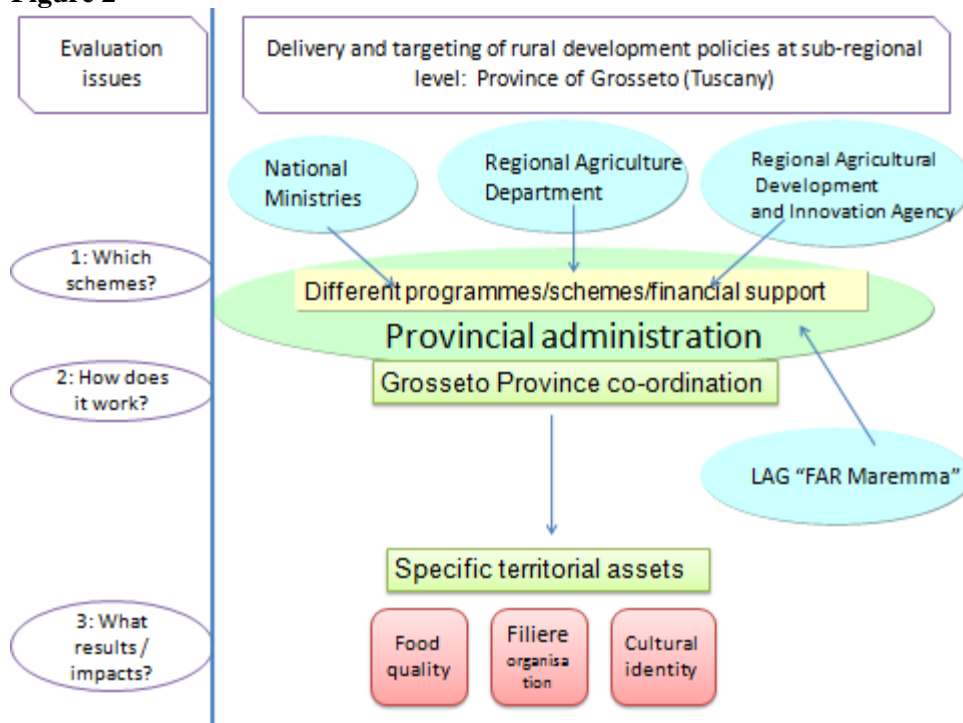
The research questions which were considered in this analysis are the following ones:

- which strategies/mechanisms/rules have been adopted by the Province in order to coordinate all these different funds? ;
- Which political support and what main drivers are behind the coordination? Which role has been played by the different stakeholders in the process of design, delivery and targeting towards specific objectives?;
- What impacts have been generated in provincial areas by the coordination process? And what impacts on specific sectors? How has this impact been perceived by different stakeholders? Which concrete results can be measured?

This analysis involves investigating the relationships between RDP policy design, delivery, targeting of funds at the provincial level and monitoring and evaluation **processes**, and **effects of all policies** (so, not only RDP because it is impossible to isolate the only RDP effects) on the ground.

Main steps of the work are the following (see figure below):

Figure 2



- Reconstruction of the whole frame of programmes and single schemes used by the Province (issue 1: which schemes?).
- Analysis of strategies, mechanisms and rules of co-ordination (issue 2: how does it work?);
- Definition and identification of success and failure cases of co-ordination and relative factors of success and failure (issue 3: what results/impacts?);
- Possibly, qualitative evaluation of main types of impacts (issue 3: what results/impacts?). We would focus mainly on two types of impacts:
 - a) on the government capacity of the Province over the time (institutional learning capacities and specific success and failure factors, in respect of their influence upon policy impacts) and on the governance relations among institutions and private actors in this province;
 - b) on some specific territorial assets of the Grosseto Province, particularly in the fields of the food quality, the filiere organisation and the cultural identity of the territory.

3. Case study findings

3.1 The general institutional and socio-economic context and its recent evolution

The Province of Grosseto differentiates itself from the rest of Tuscany through several elements both in relation to socio-economic characteristics and paths of development taken. Moreover, the Province includes systems that are quite different from each other (Grosseto Area, Costa d'Argento, Colline dell'Albegna, Amiata grossetano, Colline Metallifere). Such distinctive elements, the presence of diverse rural areas and the planning approach at a regional level influence the ways Province designs territorial

policies. Rurality constitutes the ground element in a strategy of endogenous, integrated and sustainable development.

Territory and population

The Province of Grosseto, which includes 28 Townships and three Mountain Communities, has a noteworthy territorial extension (about 4,500 Km²) and a rather limited number of inhabitants (216,121), mostly concentrated on the Tyrrhenian coast. The territory is characterized by over 120 Km of coast and a physical composition made up of the central plains of Maremma nestled among the surrounding hills and Mount Amiata. Low population density and high old-age index (over 65 year old population in comparison to those aged 0-14) characterize this territory.

Economic system

Provincial economy is strongly based on the service sector, particularly in connection with tourism and commerce, which mostly determines the value added generated by the system (about 77% in 2006). The primary sector (mainly agriculture and livestock, but also forestry and fishing) significantly contributes to the formation of value added (5.5%). Such contribution is much greater than in the rest of the region (1.8%) or at national level (2.1%).

Table 1 - Value added to base prices - 2006, Values at current prices

	Million euro				%			
	Agricultur e, forestry and fishing	Industry	Services	Total	Agricultur e, forestry and fishing	Industry	Services	Total
Massa								
Carrara	37	950	2.903	3.890	1,0	24,4	74,6	100,0
Lucca	87	2.573	6.050	8.710	1,0	29,5	69,5	100,0
Pistoia	448	1.556	4.124	6.127	7,3	25,4	67,3	100,0
Firenze	200	6.721	20.259	27.180	0,7	24,7	74,5	100,0
Prato	21	2.049	3.781	5.850	0,4	35,0	64,6	100,0
Livorno	117	1.757	6.017	7.891	1,5	22,3	76,3	100,0
Pisa	184	2.864	6.740	9.788	1,9	29,3	68,9	100,0
Arezzo	145	2.571	5.158	7.875	1,8	32,7	65,5	100,0
Siena	234	1.629	4.577	6.441	3,6	25,3	71,1	100,0
Grosseto	265	867	3.715	4.846	5,5	17,9	76,7	100,0
Toscana	1.739	23.536	63.325	88.600	2,0	26,6	71,5	100,0
Italia	27.902	353.999	937.601	1.319.501	2,1	26,8	71,1	100,0

Source: Istat

In order to understand main economic changes, as well as the most recent type of regional development, it is necessary to keep in mind that Value added produced by Provincial industrial activity constituted 24.6% of the overall amount in 1980, which then dropped to a mere 12.9% in 1991, meaning a loss of over 10% in that given timeframe.

Grosseto is classified as one of the Italian provinces most affected by de-industrialisation crisis. It further distinguishing itself for having one of the lowest specialization indexes of Italy. In particular, mining has long characterized the economical development of the Province. Nonetheless, since the end of the 80s, the

structural crisis has forced all mines into disuse, among which those located around the Amiata basin and Colline Metallifere. The seriousness of the de-industrialization process has characterised the entire Province. Indeed, the crisis concerned the Scarlino chemical industry, the Orbetello chemical establishments (Inter-consortium Tuscan Fertilizer Company, Sitoco), and the iron processing plant of Piombino. All this translated into the abandonment of state-holding companies followed by falling of the network of small and medium firms linked the main processing plant.

From the start of the 90s, the area of Maremma in Grosseto faces ongoing and increasing economic and social decline. Processes of sectoral crisis have overlapped an already difficult situation of lower development in comparison to the rest of Tuscany. The focal point of these degrading processes, which strike an already weakened real economy, dates back to 1993. That date witnessed a definite, takeover of the mining activities in the area of the Colline Metallifere, which triggered a downfall. Such chain of events led to the 1995 official declaration – preceded by the implementation of relative provisions - that identified the entire area as a crisis zone.

Since then, Maremma planned to make a leap in quality, no longer following a development based on models of the industrial areas. Emphasis was placed on typical vocational businesses (quality agrifood sector, environmental industries, horse breeding, selective tourism, high-level crafts and handmade goods). Such involvement stood at the side of historical developments, as well as culture, local knowledge and heritage, striking landscapes, and quality of the inhabitants.

The need to combat the processes of economic crisis, ongoing since the start of the '90s, is most consistent within the local directive groups (institutions, trade unions, entrepreneurs, economic operators, consortiums, labour unions) as among the younger elements of the population. This need, accompanied by a partial generational renewal of public and private boards of administration, initiates a concrete process of reflection and elaboration that focuses on the significant amount of unexpressed resources and on the consequential potential of new development for the Grosseto area of Maremma.

Institutional aspects at regional and local level

Institutional context of Tuscany is particularly dense in terms of actors, rules and networks. Tuscany region is a well-known example of that “institutional thickness” which is a typical feature of the Central Italy, where social capital, civic values, devolution and increasing role of local institutions are main characteristics of the socio-economic context. As we will see, the continuous process of institutional change made the governance issue particularly characterised by the presence of many actors, sometimes with overlapping tasks within the territory.

Within the Region of Tuscany, the local bodies (Provinces and Mountain Communities) have come to take on an important role of greater participation in policy design and delivery. In regards to agriculture, the Regional Law n. 10/1989 covers the matter of authority and powers falling on local bodies, whereas the following Regional Law n. 9/1998 granted administrative functions to the Provinces and the Mountain Communities in the area of agriculture, forestry, hunting, fishing, rural development, agritourism and nutrition.

Of even greater importance is the role played by local bodies in the implementation of EU policies. Starting from the application of objective 5b programmes (regulation 2081/93) for the period of 1994-1999, local bodies were granted active participation during planning and selection of actions in relation to the needs identified within their territories. Involvement of local bodies further increased in the following 2000-2006 planning phase, through the preparation of Local Rural Development Programmes (the RDP at provincial scale), which has been confirmed for the 2007-2013 period.

Still at a regional level, new rules were introduced to improve the multi-level governance. In particular, Regional Law n. 53/1997 and 41/1998 introduced the local development programmes – elaborated on an

inter-community scale (Local Economic System) – marking a turning point in regional policy. They introduce innovative methodological elements such as consolidated territorial practices, partnership and strengthening of local communities.

Successively, Regional Law n. 49/1999 (amended through Regional Law n. 61/2004) draws inspiration from EU regional policies to define the basic principles of regional planning. This is done on the grounds of the following criteria: sustainability, consistency with the specific Regional Development Program (the PRS), subsidiarity, proper spending and efficiency, institutional cohesion, involvement of socio-economic stakeholders, collaboration of public and private parties, suitable management of thematic and financial issues at a territorial level, integration of sector-related policy. The Local Development Pact (PASL - Patto per lo Sviluppo Locale), is an example of such approach. It constitutes a free agreement among the Region, local institutions and civil society with the leading charge of provincial administration, in order to define common priorities and schemes regarding coordinated programs .

Moreover, through Regional Law n. 21/2004 – which implement the 2001 national law – the rural district and the agrifood district officially became new planning instruments, based on the following concepts: vertical and horizontal division of the productive process but integrated territorially, orientation towards innovation, strong local identity but connected to external systems, flexible specialization, social mobility.

Policy strategies to rural areas were conveyed through a relevant number of programmes.

In addition to the classical RDP measures and Leader local plans, a relevant source of funds and instruments comes from the so-called “Negotiated Programming”, introduced by national rules in the middle of 90s’, which allowed the implementation of a Territorial Pact for the development of Maremma of Grosseto (with an overall funding of 100 billion £, about 50 million €), followed by the Territorial Pact for agriculture and fishing in 2000 for the Province of Grosseto, and finally by a successive Program Contract in 2003. The Territorial Pact for the development of Maremma of Grosseto conceive a multi-sectoral strategy.

Another particular feature of the government system lies the in internal organisation of the Province. All the development programmes mentioned above are under the responsibility of the Local Development and Productive Activities Department, grouping under this only office a wide range of policy interventions: rural development, «negotiated programming», financial support to industrial firms, fishery and aquaculture, local development programmes, trans-national cooperation and Objective 3 programmes. This very wide range of policy interventions under only one department was an important factor undoubtedly facilitating the opportunity for co-ordination at the Province level.

The analysis carried out shows that a specific course of actions of the provincial government has been achieved through the interaction between various elements. The economic crisis that involved the entire Province during the ’90s forced the territory into a different development strategy, based on its endogenous pool of resources.

It must be pointed out that the regional institutional context has changed and implied an increasing involvement of local bodies. Even planning instruments employed has provided substantial aid in establishing a higher level of responsibility among all parties.

In short, there are three main groups of contextual factors that characterize the province development model, which have also brought about a good level of integration among Provincial policies.

The first group is related to the territorial characteristics in relation to both the socio-economic and demographic aspects: low population density, high old-age index, low anthropization, significant impact of the primary sector with underdevelopment of industry, the original choice of a development path based on typical vocational sectors.

The second group regards the institutional context created both at a regional and provincial level, which can be identified with a series of elements: decentralization, approach to planning, partnership, resource concentration, contractual approach, co-ordination of administrative functions within the Province.

Finally, the third group of elements deals with the human factor. Experience in different programming cycles (thanks to decentralization), the ability to intercept resources, the need to put together different types of intervention, the formation of new social groupings, the ability to co-ordinate the implementation of various policies, the alliance between the local government and the business system, finally the propensity to activate extra-regional contacts helped to create the appropriate context for the emergence of a development strategy.

3.2. The role of the local stakeholders and their networks

Since the end of the '80s, Tuscany has experimented an administrative decentralisation process leading to the transfer of authority over planning and management of the main rural development policies to the Provinces and Mountain Communities, while the Region has gradually assumed a less incisive role, essentially limited to the control over administrative and financial processes. This process has been more effective for the Provinces than for Mountain Communities.

As emerged from the previous paragraphs, between 1999 and 2006, the Province of Grosseto developed an integrated-approach model through a bottom-up participation (OECD, 2004) to the management of rural development policies, only partially explained by the framework of institutional competences on which the administrative management of the Region of Tuscany is based.

Although the role derives from the devolution model chosen by the Region, the implementation efficiency and the centrality of the provincial body in rural development policies depend on the method adopted by the Province in managing all phases of local planning.

The key element of such method is the involvement process of all institutional, social and economic stakeholders of the territory, which not only embraces policy partnership, but takes a step further to include these stakeholders in the policy planning and management.

Programming process directly involves all parties mentioned in Table 2, which are expected to identify objectives and strategies of territorial action. In this framework, the Province has the task of identifying the financial instruments needed for their implementation. The phase regarding the concrete implementation, where possible, is assigned to local Bodies (Municipalities and Mountain Communities).

The results obtained throughout the years highlight the appropriateness of this multi-level governance system in dealing with the needs of local development. Nonetheless, these achievements also depend on other elements, first the competences and the social capital that have allowed the creation of networks between public and private actors. This has led to the sharing of responsibilities on the strategy definition and implementation, often independently from the institutional framework provided for by the administrative decentralisation scheme of the Region of Tuscany.

Analyses and focus groups prove that relationships between local actors, mediated by the Province, are the main element of the "Grosseto model". The dynamics governing such relations and the roles played in planning the multitude of development instruments are better understood through the approach of the Social Network Analysis (SNA), which is focused on uncovering the patterns of people's interaction².

² Network analysis is based on the intuitive notion that these patterns are important features of the lives of the individuals who display them. Network analysts believe that how an individual lives depends in large part on how that individual is tied into the larger web of social connections. Many believe, moreover, that the success or failure of societies and organizations often depends on the patterning of their internal structure. From the outset, the network approach to the study of behavior has involved two commitments: (1) it is guided by formal theory organized in mathematical terms, and (2) it is grounded in the systematic analysis of empirical data. It was not until the 1970s,

Table 2 – Main actors involved in the local programming process in Province of Grosseto

Institutional actors	National Ministries
	Tuscany Region
	Grosseto Province
	Mountain Communities (Amiata, Colline Metallifere, Colline del Fiora)
	Municipalities
Socio - economic actors	Sector organizations/associations
	Banks
	Chamber of Commerce
Others actors	LAG FarMaremma
	Payment Agency for RD Policy
	Protected areas
	UNCCEM, UPI, ANCI ³

According to the techniques of the SNA, the degree of cooperation among all actors involved in the planning and management of the rural development policies of the Province of Grosseto was quantified and placed into a social network adjacency matrix (Table 2). The quantification of the level of cooperation took into account the type of involvement (ties) each individual actor (node) has in relation to the processes. In other words, focus was placed on determining whether such cooperation depended mainly on institutional relations or on active cooperation in the planning of local development strategies, thereby overlooking the first of these aspects. Moreover, the level of involvement of each subject in territorial projects and activities, as well as the number of actors united by relations, was accounted for.

Keeping the above-stated parameters in mind, the level of cooperation among subjects can be:

= 0 if the subjects have no relations whatsoever

= 1 if there are seldom relations which mostly follow an institutionalised pattern

= 2 for strong relations due to institutional factors, yet little cooperation among subjects.

= 3 if relations are strong and there is good cooperation

= 4 in the case of extreme relations and continuous cooperation.

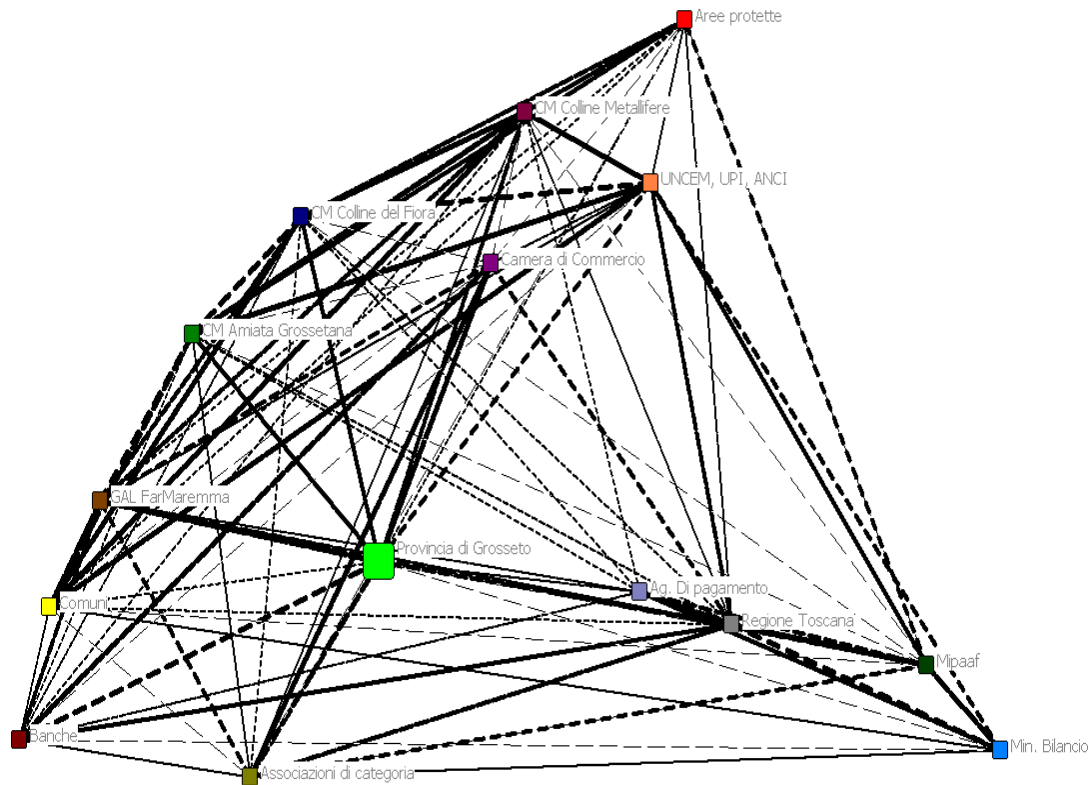
The matrix of relationships among subjects was transformed into a graph (see figure 3) that clearly shows a strong network of relations that are tied to the main node, the Province of Grosseto. On the one hand, the Province entertains relations, of strict institutional nature, with “policy issuing” bodies: Ministry of Agriculture, Ministry of Treasury and Budget, the Region of Tuscany, Regional Paying Agency; while on

therefore--when modern discrete combinatorics (particularly graph theory) experienced rapid development and relatively powerful computers became readily available--that the study of social networks really began to take off as an interdisciplinary specialty. Since then its growth has been rapid. It has found important applications in organizational behavior, inter-organizational relations, the spread of contagious diseases, mental health, social support, the diffusion of information and animal social organization (Lin Freeman).

³ UNCCEM, UPI e ANCI are, respectively, National Association of Municipalities, of Mountain Communities and of Provinces.

the other hand, it demonstrates lively cooperative relations with local subjects. The core of this network is made up of these local actors (Mountain Communities, Municipalities, Chamber of Commerce, Local Action Groups (LAGs), rural and non-rural trade associations, labour unions, banking institutions) that lend active participation in relevance to the development processes. The subjects listed in the institutional organization chart seem rather peripheric and scarcely active within the local context.

Figure 3 - The “Grosseto Network” for rural development



Relations between the Province and Local Bodies seem rather fertile (degree 4), which also contribute to policy management. Nonetheless, the involvement of private actors cannot be overlooked given that they, through specific structures of concertation (Green Table for rural development planning, Blue Table for maritime and fishing policy, Rural District of Maremma for the integration of all local development policies) become an integrated part of the planning processes.

As observed by OECD the success factor of the model analysed is the result of the «*exceptionally strong planning capacity at the regional and local levels. This is the result of a mix of different factors originating both within the private and public spheres. On the one hand, the skills found in regional and provincial officials and their commitment towards advanced strategic planning are exceptional if compared to many other regions in Italy and abroad. The deepness of the debate on governance and its links with local development within the administrations is impressive (...) and reveals the long standing tradition of local planning and participatory governance. On the other hand, high-level of social and human capital, dynamic local economies, well organised producers associations and unions also contribute to an overall context that is particularly fertile for integrated policymaking*».

The Province of Grosseto is the core of the network. Throughout the years, the Province has been able to build and govern the relations in the networks that, in small local contexts, generally exist among the socio-economic actors, thereby reducing conflicts and competition among them by sharing responsibilities. Supporting the participation in the design and delivery of public intervention, has fostered active and responsible roles in regards to the shared strategies and objectives.

The broad ownership of development processes and sense of responsibility accrued by local actors consolidated a strategy that, over the years, was adopted by the different provincial governments, independently from their political orientation. All personal or specific interests have been mediated through the network. Often, they were sacrificed to the interests of the community. The “sense of place” and general widespread economic benefits, however, have compensated the sacrifices of individual actors. The idea of “community” was supported by the work of Province and was due to participation of key local actors, who were capable to find shared solutions instead of imposing their mere political ideas and interests.

3.3. Co-ordination and networks: how they influenced the processes and impacts of policy interventions

The rural territory is interested by different policies and programmes and Province administration could be considered as a sort of “institutional filter” through which most of programmes are delivered: regional interventions and policies devolved to Provinces by the Region. Other interventions in the province territory are devolved to Mountain Communities, the Regional Agricultural Development Agency (ARSIA), LAGs, etc. As it was described above, main programmes implemented in the territory are as follows:

- ✓ RDP 2000-2006 and then RDP 2007-2013;
- ✓ Leader+ (one LAG whose name is FAR Maremma);
- ✓ Social Fund 2000-2006 and then 2007-2013;
- ✓ Regional Development Fund 2000-2006 and then 2007-2013;
- ✓ Territorial Pact (2000-2006);
- ✓ Agricultural Pact (2000-2006);
- ✓ Programme Contract for agro-food industry (funded by Ministry of Agricultural Policies-MAP).

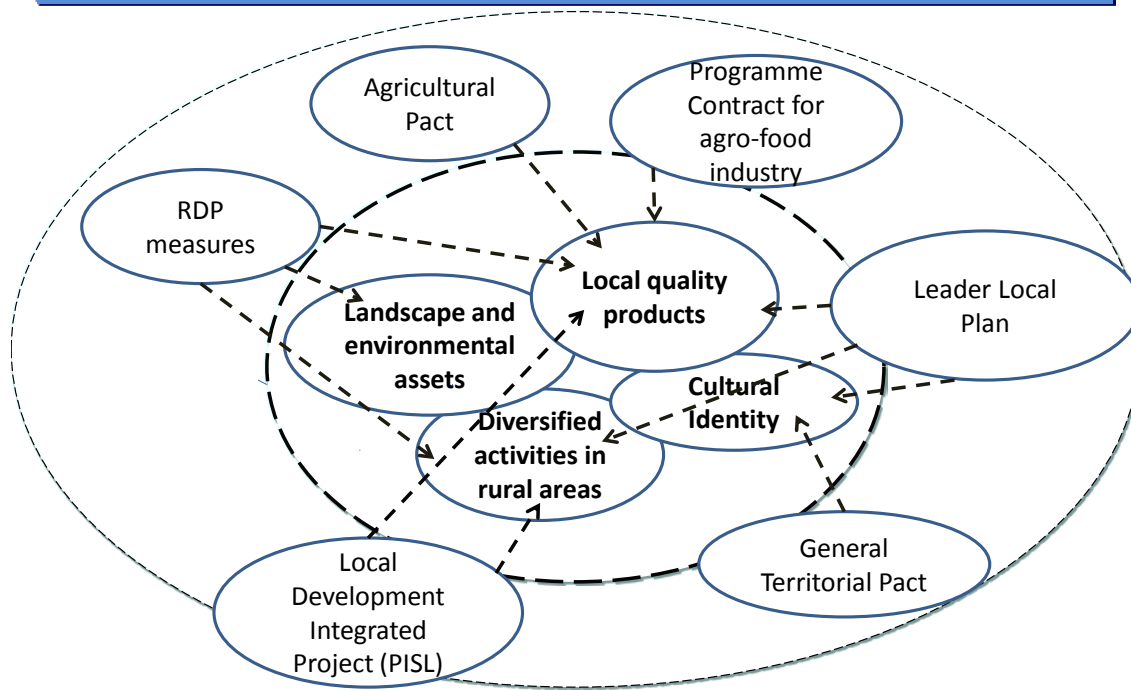
Province is the main centre of responsibility both in design and in delivery of a serie of important programmes addressed to the whole economy, including rural areas.

3.3.1 A wider vision of Province’s processes of design and delivery

Grosseto Province has been adopting an integrated and complex strategy over the last fifteen years. This strategy does not only encompass RDP objectives, but a wider set of policy goals which are strictly linked each other. Interviews with main responsables of development programmes (RDP, Territorial Pacts, etc.) allowed to discuss how this strategy was born, which are the main drivers at the beginning of the Province’s programming experience and finally how this strategy has changed over the years. The construction of a strategy for rural areas at the Province level was a continuous and complex process, in which Province has been defining main policy goals and the possible synergy between them. It was a process of continous «learning by doing» and adjusting policy strategies to the needs of local stakeholders and the evolution of provincial socio-economic context. It was also a process of collective knowledge and creation of relations and networks between institutions and private actors.

Main policy goals which were assumed and pursued by Province over the years are drawn by the local pool of resources. Some goals concern the quality improvement of agricultural products and the growth of agricultural added value within the Province territory. These two goals have been jointly pursued by main instruments for rural and agricultural development used by Province in 2000-2006 period: RDP measures, the agricultural Pact, the Programme Contract for Agro-food industry and the Leader local plan (figure 4). RDP has had a more diffused application to the whole agricultural areas of the province; Agricultural Pact and the Programme Contract for Agro-food industry had a specific focus on the relations between production, processing and marketing of agricultural products (the second one with specific attention to the biggest firms and cooperatives); finally Leader was focused on small initiatives for the valorisation of typical agricultural products and diversification in rural areas.

Figure 4 – Main goals in the Province strategy and policy instruments used in the period 2000-2006



This “division of labour” between policy instruments aimed at the best use of all available funds. It does not only involve the most typical agricultural instruments, but also the more general instruments for local development support. The process of collective knowledge made the Province’s officials aware of strong linkages with other resources of the local pool as the environment and landscape, cultural and historical assets and diversified activities in rural areas (such as agro-tourism, eco-tourism, production of renewable energy, etc.). The joint valorisation of these local resources required wider and more relevant financial resources and policy instruments than those provided by the only RDP, Agricultural Pact, Programme Contract and Leader. So Grosseto’s rural areas benefitted also from measures of the Local Integrated Development Project (PISL) and the general Territorial Pact. These two instruments, alongside the Single Programming Document for Objective 2 regions, have a more general focus on the territory as a whole and on the creation of local collective infrastructures and services. This task was quite clear to the Province administration. While the more sector instruments were used to strengthen production and processing structures, these latter were used to finance initiatives for improving the general conditions of

the rural context. In this way these two types of instrument were used as complementary sources of funding. We will describe two concrete projects and the way they represent an improvement of the context for farms and agro-food firms.

This figure synthetically illustrates that the operational choices were made by Province according to the following rationales:

- a) to maximise the use of funds deriving from external resources (Region, Ministry of Economy, Ministry of Agriculture) in order to compensate for the lack of autonomous financial resources;
- b) to respond to the needs of support demanded by critical sectors/areas;
- c) to exploit synergy between resources of the local pool.

3.3.2 The processes of RDP's design and delivery

Looking at the RDP, the key variables influencing design and delivery at the Province level are as follows:

- a) the number and the nature of the measures which are attributed to the Province responsibility (deriving from the devolution of RDP to the province administration). According to the Tuscany's RDP, under the province responsibility is most of the menu's measure of the Regulation. The present programming phase transferred to Provinces more measures than the previous one. Under the regional responsibility only remains the following measures:
 - measure 111: vocational training for people engaged in agriculture;
 - measure 114: use by farmers of advisory services;
 - measure 123: added value to agricultural products;
 - measure 124: co-operation for development of new products, processes and technologies;
 - measure 133: supporting producer groups for information and promotion activities for products under food quality schemes;
 - measure 214: agro-environmental payments, in particular those actions addressed to genetic resources' conservation;
 - measure 226: restoring forestry potential and introducing prevention actions.

This transfer of responsibility from the regional to the province level has already been implemented in the 2000-2006 period, but it was widened in the present programming phase. This implies that between the two periods the administrative and technical capacity of Province has been growing up so as to justify a more relevant responsibility in the RDP management.

- b) The second key factor influencing the design and delivery at the Province level is the definition of the selection criteria.

Most of the selection criteria are set in the RDP. Some space for movement for further selection criteria are left to Province administration by Tuscany Region, in order to adapt the selection to local needs. But the Province degree of freedom is quite limited, because RDP specifies with great detail the criteria that must be applied at local level (Province and Mountain Communities).

In all interviews Provinces and Mountain Communities' officials outlined the major changes in selection criteria between 2000-2006 period and the present one: greater detail, more emphasis on compliance with environmental, renewable energy innovation in productive technology standards. These changes implied an increase of investment quality, but at the same time they meant more difficulties for farmers to meet selection criteria, more failures in applications, more times in the applications assessment, delays of investment approval. Mountain Communities officials complained

about the high rate of applications' failure (15-20% of total applications). But, however, all officials acknowledged the better quality of the applications were approved with respect to the 2000-2006 period.

The most effective measures are judged as the farm investment support. These measures allowed a renovation of farm techniques as a mean to strengthen quality, reduce costs and increase the agricultural added value. In this last respect, farmers invested in technology to process their products and sell final products in the local markets. This implies that a lot of applications were approved and financed for farm processing technologies in the most typical products of Grosseto rural areas: oil, wine and dairy sectors. Most of these investments concern typical products, well-known and appreciated by local consumers and by tourists, even those share of tourists coming from outside Tuscany. These investments have created the premises for the development of the short food chain's development. But, as we will see, other investments, external to the RDP, fostered a further consolidation and somehow also a certain enlargement of the local market (see below the specific project of the Grosseto Fair).

3.3.3 The processes of design and delivery of collective local infrastructures and services

This analysis has taken account of interventions in the more general rural context, in particular those aiming to the creation of collective infrastructures and services which can be relevant for the success of rural development policies. These interventions are needed to create the more general condition of efficiency for the agricultural sector. Moreover, these interventions focused on some policy goal which is strictly linked to the valorisation of rural resources' pool. Although both projects were funded by non-agricultural instruments, they have gained a strong interest in public and private operators for the implications on rural development perspectives in the province.

We have chosen two different projects. The first supported the creation of facilities for the promotion and marketing of typical products of Grosseto. The second one financed the valorisation of the historical and archaeological patrimony of the province.

Promotion and marketing of typical products: the case of Grosseto Fair Project

This project concerns the creation of facilities and infrastructures for promoting a centre of fairs activities, particularly addressed to typical products of the province. The project started in 1999 and was completed in the first half of 2000s'. It was financed (about 3,8 million €) mainly by Territorial Pact and the Local Integrated Development Project (PISL). Most of resources come from internal finance of GROSSETOFIERE, a company where the provincial Chamber of Commerce owns 46,5% of the assets and Province and Municipality of Grosseto own about 15% each. The project was implemented after an intense debate and preparation which involved Province, Municipality of Grosseto, Chamber of Commerce, Region and representative organisations of the different sectors.

This project meets a strong local need of marketing infrastructures for promoting agro-food products. It takes origins from a very local agricultural fair (Fiera del Madonnino), dated since 30 years ago, and became a greater opportunity to enlarge the space of manoeuvre with the inclusion of other fairs. The original agricultural fair was transformed in a regional fair and other fairs concerning specific products were successfully promoted (wine fair and flowers). A strong emphasis was given to the fair of the short food chain, which has got an increasing interest both from the producers and from the consumers (mainly locally). The facilities and infrastructures are also used for promotion of other activities (tourism and handicraft), strictly linked to the Grosseto territory. People visiting fairs come generally from the region, but increasingly from outside. The strategy of the company GROSSETOFIERE is to respond to a potential market between the north and the south of Italy. This market offers increasing opportunities of expansion,

so as the company does not need any public support and re-invest all profits in new activities and strategies. The impact of this project in valorising and promoting typical products wasn't estimated but it can be potentially high.

Valorisation of the historical and archaeological patrimony: the case of the Etruscan Park

This project was funded by the Territorial Pact and by other funds of Ministry of Economy within the Negotiated Programming framework. Part of global investment (1,3 million €) was also provided by a bank (Monte dei Paschi di Siena) and by the Province own budget.

The project has created two visitor centres in two different towns of the province and nine info-points in other municipalities. Within each visitor centre is possible to access (via internet) to different routes into the so-called Etruscan Park and to get all information about the archaeological sites across the province. This project was born after the restoration of a series of archaeological sites in the second half of 90s'. Linked to this promotion and information infrastructures related to the historical patrimony, a series of information about the most relevant agricultural routes are also provided in order to give visitors a complete package about the touristic opportunities in the province.

3.4. Some changes in the local economy and territorial assets: reflections about the impact of policies.

General trends of population. Grosseto has recently shown interesting population trends, especially since 2000. These trends suggest that this province has been characterized by positive changes: it is one of the few provinces in Tuscany with a positive annual balance of resident population (about 1% per year). This increase was not due to natural population growth, but exclusively to foreign immigration (from Eastern countries as Romania, Albania, Macedonia, Ukraine, Poland, etc.).

General trends of local economy. In the past years Grosseto was one of the poorest provinces of Tuscany. In the last decade (between 1995 and 2007) the disparities between Grosseto and the richest Tuscany provinces (as Florence, Prato and Pisa) has been strongly reduced (i.e. per-capita GDP was about 2/3 of Florence province in 1995, now is more than 80%, according to a recent Province statistical publication). The rate on unemployment (in the period preceding the economic crisis in 2009) was constantly decreasing up to 3,8%, which is lower than the regional average (4,3%). It is worthy of consideration that, according to IRPET (the regional research Institute), local economy's reaction to international crisis was much better than the other more developed Tuscany provinces (IRPET, 2009a). This was particularly due to the good mix of quality agricultural products, tourism-based diversification and territorial/cultural identity.

Agricultural trends. Between 2000 and 2007 Grosseto agriculture's trends are quite positive, especially when compared to the other provinces. Agricultural added value has grown of about 2% per year. A rising share of agricultural production has been exported: since 2000 agricultural exports have grown of about 9% per year, a relevant rate and much higher than the regional growth of agricultural exports (3,4%) (IRPET, 2009a).

Changes in the local tourist sector. Market for tourism in Grosseto province has been developing more than in the whole region (IRPET, 2009a). Looking at the main destinations of tourist flows, total demand (number of total days of visit) grew of about 6,7% between 2005 and 2007 (with an average of 5,3 days of locally staying), while rural destinations grew at higher rates: visits for rural countryside and rural amenities grew of 8,4%, mountain areas 13,9%, artistic assets 31,4%. Rural tourism and agro-tourism are considered as channels of promotion of local agricultural products and natural and historical heritage. The growing valorisation of agricultural products and natural/historical heritage in Grosseto province is strongly linked to tourism development of last decade, and vice versa. Within the tourist arrivals, agro-

tourism plays a very important role. Among Tuscany provinces, Italians attribute a relevant preference to Grosseto agro-tourism (36% of Italian tourists visiting the Tuscany countryside) and Siena (22%) (IRPET, 2009b). Agra-tourism visits doubled in Grosseto province between 2000 and 2007 (IRPET, 2009b). This process was rather constant and was more relevant than in other well-known and more traditional tourist destinations (i.e. Florence and Pisa), where tourism has been showing the slower growth rate (probably because of a certain degree of maturity of tourist development in these provinces). This sharp demand increase was mainly possible thanks to public and private investments over the decade supported by RDP funds. It is worthy of noting that in Grosseto province 22% of Tuscany agro-touristic operators are localized.

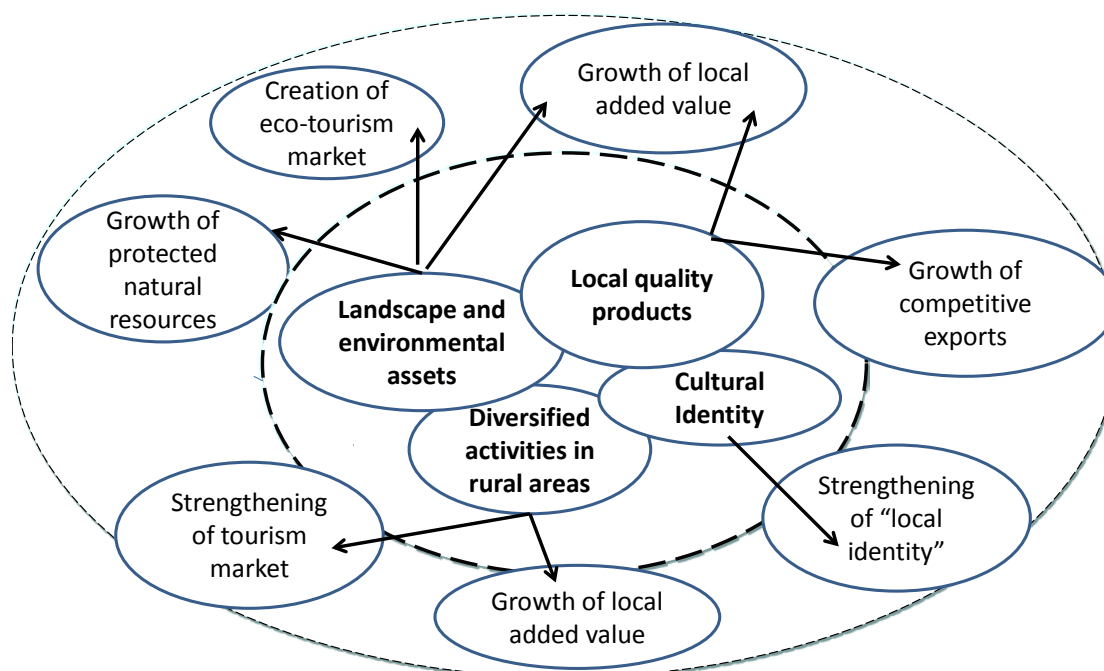
Change of natural and environmental assets. Tourists' preference towards Grosseto in the last decade was also explained by the new consumers' attitude to look for multiple opportunities of leisure activities (sea, life in countryside, enjoying environment in protected areas, typical quality food and cultural/archaeological heritage). The richness of the resource pool in Grosseto province offers great opportunities of enjoying different type of leisure time activities and vacations, especially for the most demanding medium-high segments of tourism. Within the resource pool, the conservation and improvement of natural and environmental assets had a relevant priority during the last fifteen years both for Region and Province administration. Since the second half of 90s' regional protected areas have risen from 56.141 hectares (3 regional parks and 35 national reserves) to 227.458 hectares (about 10% of regional territory). The same positive trend is confirmed by the number of endangered species of flora and fauna (Regional Agency for Environmental Protection Tuscany, ARPAT, 2009).

Figure 5 resumes main impacts described above through the different resources pool of the local economy. Changes described above have been quite influenced by policies implemented over the years in the province territory. These policies have supported the structural change in agriculture, tourism and environmental conservation. These policies have also strengthened the supply structure and promoted the creation of local markets and the linkages of these markets with a demand coming from outside the province and the same region. This is true for agricultural typical production and for tourism.

Two main results emerge from this case study. First, it's quite clear that impact strongly depends from the interactions between the main resources addressed as priorities of the local development policy (including the rural development policy). It is the specific combination of resources available in Grosseto that made possible starting up of the process of local development. In this process agricultural resources are important components, but not the only one. The others are natural and environmental assets, tourist sector and cultural and archaeological heritage.

Second, it is also worthy of noting that the single impact can derive from the combination of policies implemented in the province, as we have described above. The set of policies involved is quite complex and articulated, especially in the decade of 90s'. RDP plays the major role for two main reasons: the amount of resources involves and the continuity throughout the entire period up to now.

Figure 5 – Main impacts of integrated use of common resources' pool



4. Conclusions

Looking at the evolution of the strategy that the Province put in place over the years, one can draw interesting elements about positive factors influencing impacts on rural areas. Among the most positive factors, the following ones can be mentioned:

- A co-ordinated strategy for rural areas was fostered by the need to respond to the economic crisis of 90s' and by funds provided by a series of important national and EU programmes in the same period;
- so the priority was the use of these available funds according to some strategy of local development that wasn't so clear at the beginning but it was gradually designed over the time;
- the presence of an unique department dealing with local development was also a factor that facilitated co-ordination at province level;
- the major factors which fostered co-ordination were the relative political stability of the policy makers of the province (traditionally lead by a left local government), a good interaction between policy makers and technical staff and finally a strong network of actors at local level, whose focal centre, as we saw above, was the Provinces.

The decentralisation of RDP at province level has had a strong impact on the opportunity to learn how to manage local development policy and EU rules (in particular the rural development measures). This allowed a gradual technical and political learning process in province administration. This process started with the territorial pacts of 90s' and then with the 2000-2006 programming period and grew up to the present programming phase. This also proved that the province level and scale, intermediate between the wide scale (region) and the very small one (the municipality), could be more appropriate than the other scales, if adequately conceived and exploited.

There are two main policy recommendations which came out from the previous analysis. The first one deals with the co-ordination issue and the possible ways to foster a combined use of policies and funds. Co-ordination can work more effectively when promoted at the local level or some meso-level (as the province is in Italian case). These levels of co-ordination seem to be much more important than the EU or the national levels. So, for the future an important issue for reflection should be how to ensure co-ordination at the appropriate levels.

The second policy recommendation deals with the role of specific policy interventions to foster learning processes at local/meso-level. The capability of designing and co-ordinating integrated development strategies need specific and high expertise and the creation of networks. All these ingredients can be adequately promoted by public policies through training, technical assistance and constant support provided by highly specialised national networks. This kind of interventions goes beyond the traditional menu of EU measures.

References

- 1) ARPAT (Regional Agency for Environmental protection Tuscany) (2009), *Relazione sullo stato dell'ambiente in Toscana 2009*, Firenze, November.
- 2) Farole T., Rodriguez-Pose A., Storper M. (2009) : *Cohesion Policy in the European Union : Growth, Geography, Institutions*, Report Working paper, January.
- 3) IRPET (2003), *La Provincia di Grosseto: l'altra Toscana? Traiettorie e nodi dello sviluppo*, Conferenza programmatica 28 May
- 4) IRPET (2009a), *Economia Grossetana nel 2008*, Firenze, Ottobre.
- 5) IRPET (2009b), *Le politiche regionali per lo sviluppo e l'agriturismo in Toscana*, Studi per il Consiglio, n.3.
- 6) Mantino F., Bolli M., Fagiani P., Tarangioli S. (2009): *Report on Policy Delivery Systems and their relations with types of governance models, working package 3 – Rural Development policy delivery and governance*, RuDI project, VII Research Programming Framework, FP 7 Project no. 213034 .
- 7) Monte Amiata Grossetana Mountain Community (2001), *Rural Development Local Plain*, August
- 8) OECD (2005), *Place-based policies for rural development provinces of Arezzo and Grosseto, Tuscany, Italy* (Case study), November
- 9) Pacciani A. (2002), *Il Distretto rurale della Maremma: dalla proposta alla realizzazione*, Grosseto, March
- 10) Pacciani A. (2003), *La Maremma distretto rurale*, Editrice Il mio amico, Roccastrada, October
- 11) Patto Territoriale della Maremma grossetana - Provincia di Grosseto/Informa March 1999
- 12) Provincia di Grosseto (2000), *Patto Territoriale per l'agricoltura, la pesca, l'acquacoltura, le foreste, l'agro-alimentar e il turismo rurale, Linee Programmatiche*, Grosseto, March
- 13) Province of Grosseto (2001), *Rural Development Local Plain 2001-2006*, August
- 14) Province of Grosseto (2009a), *Rapporto Statistico Anno 2008*, January
- 15) Province of Grosseto (2009b), *Demografia Report anno 2009*, October.
- 16) Putnam, R. D. (1993): *Making democracy work: civic traditions in modern Italy*, Princeton University Press.
- 17) Regione Emilia-Romagna-NUVAL (2009): *Nati per combinazione. Risorse chiave e meccanismi generativi di beni pubblici locali nella montagna dell'Emilia-Romagna*, Bologna.
- 18) Trigilia C. (1992): *Sviluppo senza autonomia. Effetti perversi delle politiche nel Mezzogiorno*, Bologna, Il Mulino.