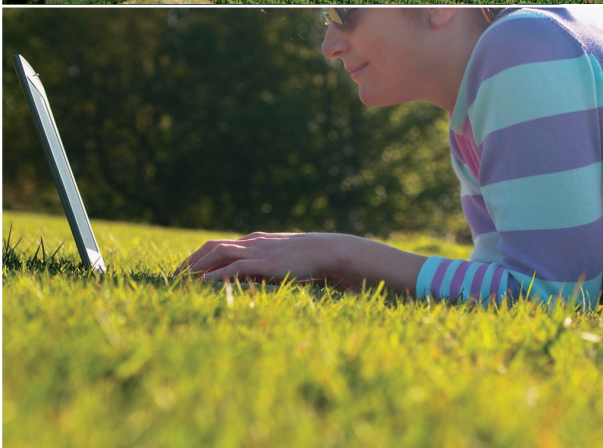


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Foreword

With gains in agricultural productivity leading to a dramatic reduction in farm employment, rural regions across the OECD now depend on a wide range of economic engines for growth. Increasing globalisation, improved communications and reduced transportation costs are additional drivers of economic change in rural areas. Traditional policies to subsidise farming have not been able to harness the potential of these economic engines. In 2006 the OECD published a thematic report *The New Rural Paradigm: Policies and Governance*, which seeks to explain the shift in RDPs to account for these important economic changes and the new approach to governance that these policy approaches require.

Policies to develop rural places are beginning to take into account the diversity of economic engines as well as the diversity of rural region types. In general, rural regions face problems of decline from out-migration, ageing, a lower skill base and lower average labour productivity that reduce the critical mass needed for effective public services, infrastructure and business development, thereby creating a vicious circle. However, there are many other rural regions that have seized opportunities and built on their existing assets, such as location, natural and cultural amenities, and social capital. The success of such dynamic rural regions is evident in regional statistics.

Promoting rural development poses numerous policies and governance challenges because it requires co-ordination across sectors, across levels of government, and between public and private actors. OECD countries have therefore been undergoing a paradigm shift in their approaches to accommodate such important challenges. The most defining characteristics of this shift are a focus on places rather than sectors and an emphasis on investments rather than subsidies.

The multi-disciplinary nature of rural development has contributed to the lack of comprehensive analytic frameworks to analyse and evaluate multi-sectoral, place-based approaches. The OECD will continue to work with other stakeholders worldwide to fill this knowledge gap. The OECD's work on rural development through the Group of the Council on Rural Development, created in 1990, was intensified with the creation in 1999 of the Territorial Development Policy Committee (TDPC) and its Working Party on Territorial Policy in Rural Areas. These bodies provide governments with a forum for discussing regional and rural development. In early 2006, under TDPC's guidance the Directorate of Public Governance and Territorial Development (GOV) launched a series of national rural policy reviews, such as this one, to deepen international knowledge in this field.

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List of Acronyms

AGEA	Co-ordinating body responsible to implement the CAP reform in Italy
AGREA	Emilia-Romagna Regional Paying Agency for Agriculture
AVEPA	Veneto Regional Paying Agency
CAP	Common Agricultural Policy
CSF	Community Support Framework
EAFRD	European Agricultural Fund for Rural Development
EAGGF	European Agricultural Guidance and Guarantee Fund
EPO	European Patent Office
ERDF	European Regional Development Fund
ESF	European Social Fund
FIP	Filière Integrated Project
GDP	Gross National Product
IPRA	Integrated Plans for Rural Areas
IRR	Intermediate Rural Regions
ITPs	Integrated Territorial Programmes
LAGs	Local Action Groups
LLM	Local labour market
LLMA	Local labour market area
LPA	Local Development Plans
MIPAAF	Ministry of Agricultural, Food and Forestry Policies
MoA	Ministry of Agriculture
MoE	Ministry of Economy
NSP	National Strategy Plan
NSRP	National Strategic Framework
PCIP	Product Chain Integrated Plans
PIA	Patti Territorial
PRIP	Provincial Rural Integrated Programme
PUD	Programming Unitary Document
RAIP	Rural Areas Integrated Projects
RD	Rural Development
RDP	Rural Development Policy
ROP	Regional Operational Programme
RR DP	Rural Regions with Comprehensive Development Problems

RR SIA	Rural Regions with Specialised and Intense Agriculture
SME	Small and Medium Enterprises
TDP	Thematic Development Plans
TFP	Total Factor Productivity
UUA	Utilised Agricultural Area

Assessment and Recommendations

NOTE

Please note that this publication contains an Italian and French version of the Assessment and Recommendations of the review at the end of the book.

Veillez noter que cette publication contient une version française de l'évaluation et des recommandations de la revue à la fin du livre.

Una versione italiana del sommario esecutivo si trova alla fine di questa pubblicazione.

Rural Italy produces a higher GDP per capita than the average OECD rural region, because of its proximity to urban areas...

On average, Italy's predominantly rural regions (PRs) have some of the highest GDP per capita among the OECD rural regions. For instance, Aosta and Belluno, the richest PRs in Italy, rank respectively third and seventh within the OECD PRs in terms of GDP per capita. Rural Italy's good performance could be linked to the country's dense population and the fact that many rural regions are well connected to urban poles and networks of small and medium-sized cities. Italy is, in fact, one of the least rural countries in the OECD. Based on the data, there is a positive and robust correlation between the number of workers in manufacturing and tertiary activities, used as a proxy of economic diversification, and the level of GDP per capita in 2003. Economic diversification multiplies employment opportunities in rural regions. PRs have, on average, low unemployment rates, in some cases lower than urban areas. Belluno and Aosta are both below 5%, while in Siena the unemployment rate is below 3%.

... and a diversified economic base

PRs and intermediate rural regions (IRs) include some areas where development has strong links with local culture, traditions and natural assets. Agriculture continues to provide a number of services, in the field of environment (land management, biodiversity, etc.) and amenities (landscape, countryside for leisure, etc.), even though the volume of commodity output has been in decline since 1990 along with the surface of land used by primary activities. Agriculture also provides inputs that support a number of successful economic activities, such as the food industry. Traditional foods in Italy encompass more than 170 products (Ministry of Agriculture of Italy, 2008) listed in the two EU categories, or regimes, *Protected Geographical Indication (PGI)*, and *Denomination of Protected Origin (DPO)*. Firms involved in the production of PGI and DPO foods were more than 80 000 in 2007, 20% more than in 2006 when their export was worth EUR 3.5 billion (ISMEA, 2006). Another flourishing industry based on local assets is tourism. The rich endowment of coast, plain and mountains provides rural regions with numerous tourism opportunities. In fact, rural Italy was home to some 17 000 farm guesthouses in 2006, 9.3% more than in 2005. Finally,

manufacturing represents an important part of the rural economy in Italy. In 2003, 12% of Italian manufacturing firms (541 000) were in PRs. In cases where the rural region was connected to a dense network of small and medium sized cities, the concentration of firms took the form of *Marshallian Industrial Districts*; a diffused small-scale industrialisation with a productive framework strongly interlinked with the local community and an intense division of labour among firms.

Despite the good overall average performance, reality is complicated by a spatial divide

Across Italy, performance in rural regions varies. Those regions located in the mountainous areas, and in some southern areas, have consistent development problems. This report utilises the OECD classification of rural regions and one from the Ministry of Agriculture (MoA) of Italy. Although the MoA's definition could be technically improved (*e.g.* it does not consider regional accessibility/remoteness), it has two positive aspects. First, it was derived based on consensus, between the central government and all the regions. Second, it provides a territorial foundation for policy making. The report also considers the distinction between northern “competitive” regions and the southern “convergence” regions, which encompass five administrative regions: Campania, Puglia, Calabria, Sicily, and Basilicata (with the latter being phased out). In general (with some exceptions), the north of Italy out performs the south in key socioeconomic indicators. To illustrate, the average GDP per capita in the southern regions was USD (in PPP) 17 436 in 2005, *i.e.* 61.7% of the value of the centre-north (USD PPP 28 246). In 2001, the average unemployment rate in southern RR DP (Rural Regions with Comprehensive Development Problems) was 21.7%, 13% more than in northern RR DP. The north-south divide appears to be a structural phenomenon. This divide could be worsened by the current credit crisis whose effects on small firms located in southern rural areas could be severe due to their dependence on bank credit and low credit rating.

Many rural regions are experiencing structural challenges, particularly ageing and depopulation which could undermine the provision of key public services

The concentration of inhabitants aged over 65 years is very high in rural regions, and increasing over time. Population ageing is a national trend. In 2006, the ratio between population over 65 and under 15 was 141/100, the third highest in the OECD after Japan and Germany. The percentage of retired

people increased from 15.5% in 1992 to about 20% in 2006. Concentration of senior citizens goes hand in hand with poverty. According to ISTAT, in 2001, 45% of families living below the poverty line had a member aged over 65. Population ageing is even more intense in RR DPs, where people aged more than 65 years made up 22% of the population in 2006, and this concentration has increased by 21% since 1992. In “convergence” RR DPs, ageing has gone hand in hand with depopulation. In this part of the country, RR DPs lost 6% of their population between 1992 and 2006.

i) the decreasing number of young people in rural regions challenges the sustainability of education services

Ageing and depopulation also challenge the sustainability of the current education system. In RR DPs, despite a stable number of schools, the number of students enrolled in primary and secondary schools decreased by 1.7% and 7.1% respectively, between 2003 and 2006. In particular, in the RR DPs in the “convergence” regions, the enrolled population of students in primary and secondary schools decreased by 3.7% and 10.4% respectively. If this trend continues, the likely result is increased school closures within the near future, challenging the sustainability of rural communities. Furthermore, especially for secondary schools, students have to commute a long distance. This may impact drop-out rates, which are particularly high in Italy.

ii) the concentration of elderly citizens puts pressure on public health care

Another service affected by demographic trends in rural regions is public health care. The concentration of the elderly has increased the demand for *health care services*. Yet, the bulk of hospitals and health care facilities are located in urban areas (57% of the total – more than 60% of hospital beds – using the definition of rural provided by the MoA). The introduction of *health districts* to rationalise the supply of health care, has not evolved homogeneously across the country. In some regions, health facilities are not organised according to a “territorial” logic and in many southern regions there is a high density of hospitals that are not equipped to provide high-quality assistance. As a result, the elderly tend to migrate to urban poles to access good quality health services.

Depopulation and ageing are partially offset by the arrival of foreign workers, but their integration poses challenges

While immigration is generally considered an urban phenomenon, over the last decade, the share of foreign workers residing in rural regions has been increasing. On average, there were 23.5 immigrants per 1 000 inhabitants in predominantly rural regions in 2003 (when the national average was 34.4). The highest concentrations, ranging from 55 to 50, were registered in the provinces of Perugia, Arezzo, and Siena. Over the same period, the average concentration of immigrants in intermediate rural regions was 30 per 1 000 inhabitants, and some regions such as Mantua, Macerata, and Piacenza were above or close to 60. Foreign workers concentrate in rural regions for different reasons. First, immigrants working in urban poles may decide to live in intermediate rural regions because they cannot afford to live in the city. Second, foreign workers are absorbed by labour-intensive activities in the primary and secondary sectors, within rural regions. Last, due to ageing and depopulation, rural areas attract immigrant care-workers (*badanti* in Italian) who supply personal services to senior citizens. Immigrants represent an opportunity to repopulate rural regions and to enrich them with different cultures. However, a concentration of non-native population, if not well managed, could also create tensions within traditional and usually very homogenous rural communities. Cases of this “integration challenge” are already visible in some intermediate regions across the country.

In adjacent rural regions, urban sprawl and lack of public transit facilities generate congestion and pollution

Intense urban sprawl is giving rise to negative externalities in parts of the rural milieu. Italy’s metropolitan regions have been expanding with limited control over the last thirty years. In particular, housing development and location of new entrepreneurial areas exceeded the pace of transport infrastructure. In this context, traffic congestion, pollution, cost of living, and social problems related to a concentration of foreign workers (for instance, some “enclaves” of immigrants are located outside the urban poles to which foreign workers supply labour) have been increasing. These developments also increase problems related to waste management. Increased commuting is also one of the factors contributing to green house gas (GHG) emissions, which are on a steady trend upwards in Italy. Commuting in private cars generates around 20% of overall GHG emissions. Because of urban sprawl and a lack of public transport (used by 16% of population)

in rural regions, the country is overly dependent upon road transport. In 2005 Italy was home to some 35 million cars. There are 60 cars for every 100 inhabitants, a proportion that makes Italy the European country with the highest concentration of private cars.

Water and soil pollution harms rural natural amenities

Natural amenities represent a key asset for local development but in many rural regions the environment is undervalued, misused, and under threat. After a long lasting increasing trend, irrigated areas for agriculture started decreasing in 2003, when Italy ranked 6th out of 30 OECD countries in terms of cubic metres of water used in primary activities (OECD, 2008). Farming also heavily pollutes surface water in Italy. Agriculture is the source of more than 60% of nitrates and more than 30% of phosphorous contained in surface water. Soil degradation is a major and widespread environmental problem, but there are no data to assess trends. About 70% of all land is subject to risk of accelerated soil erosion. The total forest area is steadily increasing, yet a large proportion of Italy's mountain areas remain vulnerable to landslip. Italy had relatively few protected areas before 1970. Since then, the protected area has grown steadily and now covers nearly 10% of the territory. In spite of this expansion, many internationally important wetland areas are still threatened and compete with farming as well as urbanisation.

Organised crime impacts policy effectiveness, particularly, in the most insulated southern rural regions

Due to the presence of organised crime, some insulated rural regions in the south display crime rates that are comparable to that of urban nodes. In OECD countries, rural is typically considered much safer *vis-à-vis* urban thus; the high crime rates evidenced in some Italian rural regions represent an exception. Nonetheless, the situation in Italy is improving. Indeed, actions by the government (police and intelligence) along with the involvement of NGOs, religious institutions, and the private sector in the design and implementation of interventions to reduce or eradicate crime activities in rural regions have achieved important results. But, organised crime is still a focus for policy interventions and there is a need to enhance those local experiences that have successfully reduced crime. For example, there are some interventions that have converted assets formerly owned by criminals either to "collective goods" servicing the local community or in competitive businesses. These

interventions have also provided young citizens with employment opportunities with a high symbolic value. Multiplying these experiences would both increase entrepreneurship at the local level and improve place and community attachment, which are significantly undermined by the presence of crime.

Italy's rural development strategy is largely driven by the EU's Regional and Agricultural policy...

In Italy, explicit policies to support rural development and sustainability depend on both EU Regional and Agricultural policies. This policy framework draws from three different conceptual components: 1) the EU-agricultural framework; 2) the EU-Structural Funds framework for regional and social development; and 3) the national framework, which complements the others and offers targeted support to lagging areas. This structure takes its focus from the current EU framework (2007-13) – i.e. the Rural Development Policy (RDP), part of the Common Agricultural Policy (CAP), supported by the European Agricultural Fund for Rural Development (EAFRD), and the Regional Policy supported by ERDF (European Regional Development Fund) and ESF (European Social Fund). Two documents (mandated by the new EU legislative frameworks) guide rural policy development, the *National Strategy Plan (NSP)*, produced by the Ministry of Agriculture (MoA), which covers the operation of new RDPs under the second pillar of CAP, and the *National Strategic Framework (NSF)*, produced by the Ministry of Economic Development (MoED), which governs the operational programmes of EU Structural Funds (ERDF and ESF) and Fund for Underutilised Areas (FAS) programmes throughout Italy. The NSP and the NSF are mutually informed (yet institutionally separate) and co-ordinate and guide the RDPs and the Regional Operational Programmes (ROPs), respectively. The NSP and the NSF represent a first attempt to achieve an integrated institutional dynamic with strong horizontal relationships at the central level, as evidenced by the co-ordinated planning and multi-stakeholder engagement processes undertaken to compile these two strategic documents.

The NSP constitutes the *de facto* rural policy document as it defines the national strategy for the agro-industrial sector and rural areas as a whole. It mirrors the three main targets of EU policy: i) to improve the competitiveness of the agriculture and forestry sector; ii) to valorise the environment and countryside through the management of the territory; and iii) to improve the quality of life in rural areas and the diversification of economic activities. The NSF, in turn, reflecting the EU regional policy, sets out two main objectives to be achieved through maximum co-ordination between regional policy and RDP: i) to improve context conditions to facilitate the development of agri-business activities and other economic activities able to guarantee alternative

incomes; and ii) to improve the attractiveness of rural areas through the diversification of the economy and improvement of quality of life.

*... and it is mostly designed and implemented
by regional governments*

Italy has a decentralised institutional structure and the regional governments are in charge of designing and implementing the interventions in rural regions within the NSP and NSF frameworks. Regional governments gained legislative and administrative powers, particularly in the fields of agriculture, commerce, public health, tourism, and public works under a series of laws enacted in the mid-1990s and, above all, by the constitutional reform of 2001. Accompanying fiscal reforms also accorded the regions greater control over resources and a greater role in expenditure decisions. This translated into a progressive reduction of dependency on central public financing and more on finance corresponding to the fiscal capabilities of each region (Bank of Italy, 2006). Accordingly, each regional government designs its own interventions in rural areas through a RDP for the EAFRD, and two ROPs for the structural funds linked to regional development policy. The interaction between the 19 Regions and 2 autonomous provinces of Trento and Bolzano, and the MoA is so important that, as discussed above, even the current classification of Italy's rural regions stems from a long process of co-ordination between the two tiers of government.

*Despite overarching challenges, Italy's general
approach to rural development in the case of the
Ministry of Agriculture continues to be narrowly
focused on primary production...*

The Italian approach to rural development seems to overlook pressing social challenges in rural regions in favour of a narrow focus on agriculture. For example, the central RDP instrument, the NSP, identifies among its main priorities: promoting competitiveness in the agro industrial and forestry sector; and improving the professional quality and production of agriculture. The budgeting framework mirrors this position. In fact, of the EUR 8 292 billion in resources earmarked for rural development in Italy, less than 30% is dedicated to measures that target the broader rural economy and society beyond farming and forestry (Axis III and IV). All these programmes are obliged under the EAFRD framework to devote a minimum of 10% of allocated EU funds towards Axis III – to support the diversification of the rural economy and enhancement of quality of life in rural areas. Yet in practice there seems

to be relatively little recognition of wider economic or social policies, nor very clear objectives for meeting social needs, in many of these programmes. There is a strong focus on using EAFRD Axis I and II to improve the competitiveness of agriculture and forestry, and to reduce their impact on the environment; even within the wealthiest regions of Italy where the agricultural sector already performs well. For instance, measured as the “intensity of spend” per capita employed in the primary sector, Emilia-Romagna (among the richest regions in Italy) will receive EUR 1 738 per year from the EU RDP budget, while Calabria (the poorest region of the country) will receive EUR 1 821 per year, over the period 2007-13. The range of spending intensity per capita in the primary sector is between EUR 1 800 to 3 900 per year for the southern regions of Italy and EUR 1 400 to 10 000 per year for northern and central regions. However, the RDPs are designed at the regional level so the strong agricultural slant and the financial balance seen in the national figures largely reflect the Regions’ choices.

By contrast, the LEADER initiative, which allows for a more holistic approach to rural development through local initiatives, such as the Local Action Groups (LAGs) and Integrated Territorial Projects, are generally weakly supported, even though they have the potential to promote development and diversification in rural communities. Despite evidence of success as a RDP tool, especially when the LAG’s territory is properly defined and represented by an integrated community, the financial allocations to LAG’s in rural areas continues to be low (ISFOL, 2005). The Integrated Territorial Projects (ITPs) which reinforce the importance of the integrated bottom-up approach by increasing public and private agreements and decreasing the role of central government also suffer from limited resources.

*... while in the case of Regional Policy,
the programmes impact on rural specific issues
is constrained by a wider regional development
mandate*

Regional policy in Italy adopts a cohesion principle approach but the programmes impact on rural specific issues is constrained by the wider regional development portfolio that includes urban and cross cutting horizontal interventions. The main objective of Italian Regional Policy supported now by ERDF and ESF funding as well as by Italian national and regional funds, is to reduce existing disparities between the Regions and improve the country’s competitiveness and productivity. Thus, within the sphere of regional development policy, the rural component is highly varied, both between regions and also within them. The MoED made an analysis of the measures and resources within regional programmes for the period 2007-13, including the programmes co-funded by the

European Regional Development Fund and European Social Fund, as well as inter-regional. The analysis found that overall, 6% of expenditure was explicitly targeted to rural interventions, while 51.6% was for non-place-based measures, 38.8% for interventions potentially located in either urban or rural areas and 3.7% for explicitly urban interventions.

The narrow rural policy focus seems to undermine sustainable rural development especially in lagging behind areas and fails to valorise rural regions' competitive advantages...

Long range rural strategic planning should consider providing more support to those areas demonstrating the greatest need. Rather than following the EU "cohesion principle", Italy's RDP (managed by the MoA) is more focused upon areas and circumstances of greatest opportunity, particularly where agriculture is concerned. This could be the outcome of political and sectoral "pressure" on the allocation of RD resources. Whilst it might, at first sight, seem an attractive prospect for maintaining economic growth and the viability of rural areas, there is a risk that a strategy for rural development which is focused upon short-term economic competitiveness in only one sector could prove unsustainable, in the longer term. For example, targeting policy support towards achieving economies of scale, lower costs and more competitive pricing in the farm sector, to out-compete other parts of Europe or the world, could lead to a depletion of the rural workforce, a loss of rural environmental and cultural assets and traditions and thus an impoverishment of the basic resources for rural development, within the territory. Such trends would not constitute rural development, but could actually work against it.

... also given the uncertainty of EU funding it is vulnerable to external shocks

The dependency of Italy's national RDP frameworks (RD-agricultural, and regional) upon the wider EU frameworks and funding renders them vulnerable to external changes, such as the forthcoming EU budget review of 2009-10 and the CAP "health check". There is no guarantee that beyond 2013, Italy will continue to receive a significant level of rural development support from the EU, particularly in the context of the pressing needs of the newest EU member states and further candidate countries. More importantly, the form of EU policy beyond 2013 remains uncertain, and will only be decided after the EU budget review is completed. At present, Italy's regions have secured a similar level of RD funding from Europe for the 2007-13 period as they collectively

received in 2000-06. Whilst this funding will increase in the period between 2009 and 2013 as a result of the “health check” proposals for the CAP, it is probable that the overall amount of CAP funding to EU15 countries will decline beyond 2013.

In the present rural governance framework, the role of the central government is unclear and there seems to be limited opportunities for “rural proofing” which impact evaluation

Although the new region-based model of governance has improved the average quality and accountability of local policies, it also seems to limit the ability of the central government to co-ordinate and facilitate the actions of regional governments on rural policy. The lack of linkages among the different national policies implemented at the regional level is but one example. The ability of the centre to “rural proof” is also lacking. In fact, the reform of the public health care system, based on the creation of health districts, is not integrated with other local policies, and has no particular focus on rural communities, where these have particular delivery problems. Furthermore, the different rural governance models at regional level represent an interesting innovation and a complexity for the evaluation of interventions in rural areas. The highly heterogeneous nature of sub-national governance in RD policy makes it very difficult to be sure whether the policies are delivering real impacts, and offering additionality.

Thus, in Italy, there is a need to develop a distinct, integrated RDP that is adapted to the national characteristics and needs

Italy would benefit from a more “comprehensive” (or “broad”) rural development strategy. The current rural policy approach is heavily focused around the EU frameworks of CAP rural development and Structural Fund/cohesion policies. A new framework could draw insights from the OECD New Rural Paradigm and from experience in other OECD member countries. EU policies and funding instruments should sit within this broader framework, but should not define the scope of rural policy thinking in Italy. In particular, when compared to the current situation, this broader framework should reflect changing demands upon rural resources. In particular, it should emphasise the great diversity of rural potential in Italy though a territorial and multi-sectoral perspective, which is applied in all Italy’s regions, and not only in the south. Conversely, adopting a holistic policy would create opportunities to rural-proof policies. Italy’s rural policy should

involve a greater mix of rural actors from different economic, social and environmental sectors, and should be designed and delivered through stronger, active partnerships between all relevant sectoral Ministries. This is important at the national and also the regional levels of governance. The vision embodied in this policy should embrace both “additional” policy and the “ordinary” policies of public services, including health, education, welfare and environmental protection, because all of these have a critical influence upon rural economic and social development, and quality of life.

A new strategic framework for rural policy will need to be supported by appropriate policy institutions and governance. At the local (sub-regional) level, it will be important to ensure the presence and effective operation of “linking” bodies which can identify local needs and opportunities and draw upon a mix of EU, national and regional funds and programmes to help to address these, in an integrated way. Many such organisations already exist, but the importance of their role is not always recognised or supported in regional or national policy. At the regional and national levels, more broad-based capture and analysis of a range of rural social, economic and environmental data and indicators – representing a more explicit territorial analysis of rural Italy – could help to increase common understanding of contemporary rural challenges, trends and opportunities. Moreover, a broad approach would also simplify the current complex framework which defines rural interventions in Italy. The current mix of regional, rural-agricultural and targeted national development policies, each operating alongside a range of other “basic” policies affecting rural areas (healthcare, transport, energy, education, housing, communications), presents a very complex picture from which to attempt to analyse the needs and opportunities of Italy’s rural territory.

A rural strategy allows for targeted programming to improve regional “framework conditions” and enhance the diversification of regional economies

In Italy, rather than setting specific sectoral policies, it will be important to improve the quality of local collective and public goods, in order to enhance competitiveness of all actors within a given area. To do that there is the need to identify the full range of framework conditions that enable opportunities across the spatial and social landscape. These conditions represent those public or collective goods that apply throughout rural territories, such as a high quality environment, high levels of human and social capital, and ready access to resources for investment. The challenge then lies in identifying the specific interventions necessary to strengthen a range of key economic drivers, and the particular framework conditions that underpin these drivers in

each territorial context. To develop this analysis, it will be important to broaden the characteristics used in the definition of Italy's typology of rural areas, to embrace more non-agricultural indicators and to consider future challenges arising from demography, climate change and other major trends. In other words, there is a need for a better (and independent) use of territorial analysis in policy design.

In particular, an integrated rural policy should:
 i) *foster social cohesion across Italy...*

Italy could benefit from a stronger focus upon fostering social cohesion through effective service delivery, in all areas of its territory. This is important because of the nature and extent of socioeconomic change in rural areas across the country, which will increase local demand for effective services; and because as the global economy faces a downward turn, quality of life issues and social exclusion are likely to become more of a central concern of policymakers in Italy, as elsewhere. The need here is primarily for greater awareness of the importance of social characteristics for supporting sustainable, integrated rural development. This should be pursued both by more inter-ministerial communication, as well as more research, on issues of rural social services and quality of life and their relationship to rural economic viability (including agricultural competitiveness) and successful environmental protection. Other ministries could play an important role in helping agricultural ministries, in particular, to understand and embrace these issues. For instance, rural interventions could capitalise on the experience of the Ministry of Economic Development, which has been developing experience in the field of territorial analysis with a multi-sector approach (i.e. health care services, education, tourism and local development).

... ii) promote planning at functional levels to cope with congestion and other negative externalities...

Where possible, specific services should be provided to improve the functional linkage between urban and rural regions. Some rural regions are integrated within broader regions including urban nodes. In these regions, the development of housing is often not co-ordinated with transportation planning, and available housing stocks are misused. This generates an intense commuting from rural to urban areas that puts pressure on the transport infrastructure as well as on the environment (transportation in Italy represents some 20% of total GHG emissions). A possible solution is to implement planning at a broader territorial level, which takes into account functional regions. Transport infrastructure, for instance, could be designed to

optimise the flows of commuting workers. Municipal public transport could be extended to some peri-urban regions. Spatial planning could also allow national and regional authorities to properly assess immigration patterns in rural regions.

*... iii) develop targeted social policies
for immigrants...*

The presence of foreign workers has been constantly increasing in rural regions, yet Italy still lacks a comprehensive strategy that capitalises on immigration to balance current ageing and depopulation trends. Immigrants represent an abundant and relatively inexpensive workforce that, if properly integrated within the local economy, could become a factor of economic growth. To trigger this process, it is important to facilitate their integration in local communities. For instance, immigrant families could be provided with social housing (utilising the large stock of abandoned houses) and other key services to enhance their place and community attachment. It should also be noted that absorbing part of the flow of foreign workers within rural regions could reduce the pressure on urban nodes, where immigrants are highly concentrated, thus promoting a more sustainable fashion of immigration in the country as a whole.

*... iv) support the diversification of the rural
economy encouraging industrial and touristic
potentials...*

Public investment to improve the integration of local SMEs with part-time farming or environmental or cultural management activities might represent better value for money than investing in undifferentiated primary sector “competitiveness”. Interventions should mirror the productive specialisation of rural regions. They might support the further specialisation of agro-food in high value added products, as well as clusters and networks of SMEs. RD policy might also support tourism activities in an integrated fashion. In particular, it could be very important to increase the visibility on the international market of locations and services in a more co-ordinated way, and to recognise and valorise local heritage, making links between the visitor and the character and culture of locality. There is clearly a critical role for local municipalities within this process, as they are public bodies with the best appreciation of local needs and culture. However, they need help from intermediary institutions acting at a larger scale and having an ability to draw down other (public and private) funds, to improve visibility and support the necessary valorisation process. At

present, the combination of relative wealth/opportunity and fiscal issues can lead to the paradox that rich rural areas spend lots of public money effectively developing this form of rural economic activity, while other areas with equal natural assets but diminished financial resources cannot do so.

... and v) protect and valorise natural amenities

Italy's varied and beautiful landscape is undoubtedly one of its greatest rural assets, with much potential for further sensitive investments in pursuit of rural development goals. The appreciation and valuing of natural ecosystem services within Italy's rural areas is not yet developed. Nature is a valuable resource, and this is linked with a level of cultural awareness in some areas. Italy has a tremendous potential to develop more rural economic activity based upon the sustainable use and development of its natural and cultural resources, in the form of biodiversity, landscapes and water protection and management. The value of well-maintained landscapes and nature for tourism and the increasing leisure and health economies of industrialised society should be recognised, and built into future development strategies. At the same time, it will be important to rise to the challenge of more sustainable energy generation using natural and renewable resources, many of which are found in rural areas. Sensitive and imaginative use of water, wind, solar and geothermal energy sources, as well as the production of energy from agricultural and forestry waste should all be important aspects of future rural development in many of Italy's regions. Taken together, these developments could make a vital contribution to enabling Italy to withstand the challenges of climate change and increasing global competition for food and fuel resources, in the future.

To sum up

On average, Italy's rural regions have some of the highest GDP per capita among the OECD rural regions. This is due to their highly differentiated economic base. Manufacturing and services activities have the lion's share within the rural economy while farming activities have declined both in terms of (volume) output and utilised land between 1990 and 2004. However, in spite of this, the lack of a broad approach towards rural development exposes rural regions to a number of negative trends that may compromise their sustainability near term. Thus, Italy needs to devote continued effort to developing a more comprehensive and integrated rural policy vision which brings together different sectoral Ministries at both national and regional levels. Stronger horizontal co-ordination on rural policy issues will facilitate

more effective vertical co-ordination and more cost-effective use of resources in rural and regional development programmes. Regional governments need to ensure that sub-regional delivery of policies is tailored to local needs via the fostering and support of effective “linking agents” at this level: organisations within which public and private interests can work together to plan and implement a shared development programme for the locality. Strong partnerships will be essential to overcome some of the remaining significant barriers to successful rural development at the local level, which include threats to environmental resources, demographic challenges, and, in some insulated areas, the influence of organized crime.

A new approach to rural policy in Italy could improve the effectiveness of public investment, thus reducing the overall need for public funds in the future. Key priorities for future rural policy should include a focus upon stronger territorial analysis, and more emphasis upon rural quality of life and enhanced access to services, particularly for women, young people and the elderly. More investment in the environment and the “new environmental economy”, particularly to exploit sustainable forest management and to promote renewable energy generation in rural areas, is warranted. In respect of economic development, multi-sectoral and territorially-embedded strategies appear to offer more scope for the future than single-sector models. Therefore, new efforts to provide underpinning, cross-sectoral support frameworks would seem worthwhile, including: the effective involvement of financial institutions, the fostering of collective action by municipalities (*e.g.* for tourism and service planning), and the provision of advice and training in entrepreneurship and innovation for all areas of rural business activity.

In short, Italy’s strategy for rural development should: 1) promote both economic drivers and “framework conditions” across Italy; 2) ensure environmental sustainability, including the use of natural resources for new purposes including energy generation and the leisure economy; 3) promote planning at functional rather than administrative levels to improve urban-rural linkages; and, 4) facilitate a more collaborative evaluation process, among different government tiers, which focuses on territorial needs and adopts resource allocation decisions accordingly.

Chapter 1

Profile of Rural Italy

This chapter focuses on the socioeconomic forces at work in rural Italy. It is divided in three sections. In the first section rural Italy is compared to other rural regions in the OECD to highlight national trends. The second section integrates the OECD classification with the one proposed by national authorities to obtain a more detailed definition of rural which mirrors the complex topology of the country. The third, and last, section presents in a systematic way the main challenges that burden the sustainability of rural regions in Italy.

Key points

- Italy is among the least rural countries within the OECD. It is strongly urbanised and is home to dense networks of small and medium-size cities. In this context, only 27% of its territory is predominantly rural (PR). This area has 10% of the national population and produces 8% of Italy's GDP. Intermediate rural regions (IR) cover a larger portion of the country, are home to 37% of national population, and produce 34% of national GDP.
- Due to its diversified economic base, Rural Italy displays a GDP per capita higher than the OECD average. Farming activities are generally declining while manufacturing is playing an increasing role in rural regions. In fact, in the competitive agro-food industry, agriculture is linked more to manufacturing and service activities. PRs have 12% of Italy's manufacturing firms. Finally, natural and cultural amenities drive the competitive tourism industry.
- This report uses the OECD classification of rural regions and the one from the Ministry of Agriculture of Italy (MoA) as the basis of analysis. Although the MoA's definition is overbroad, it represents a key policy instrument because it was derived based on consensus, between the central government and all the regions. The MoA's classification also takes into account the north-south economic divide that characterises Italy.
- Some challenges that could undermine rural Italy's sustainability in the short-term include:
 - ❖ The high concentration of senior citizens, which is interchangeable with depopulation in some cases threatens the sustainability of education services, and could overwhelm the public health care system.
 - ❖ The decreased attention to promoting immigrant integration in rural regions overlooks an opportunity to help reverse the demographic trends and reduce the pressure on urban poles. In rural Italy, ageing and depopulation are partially offset by the in-migration of foreign workers. Some sectors, most noticeably the primary and secondary activities in rural regions, have been able to absorb immigrants. Moreover, the high concentration of elderly residents represents increased employment prospects for care-giver workers (*badanti*).
 - ❖ The urban sprawl which transfers negative externalities such as traffic congestion and pollution to rural regions. This could continue if territorial scale planning is not improved.

- ❖ The environment remains undervalued and misused. Intensive agriculture contributes to soil pollution and also puts pressure on water resources. At the same time, the abandonment of traditional agriculture endangers the landscape and biodiversity.
- ❖ Finally, organised crime continues to undermine the development of the most insulated RR DPs in the south of the country; these are areas already challenged by low investment and tourism and intense outmigration.

1.1. Rural Italy within the OECD

Italy is among the least rural countries within the OECD

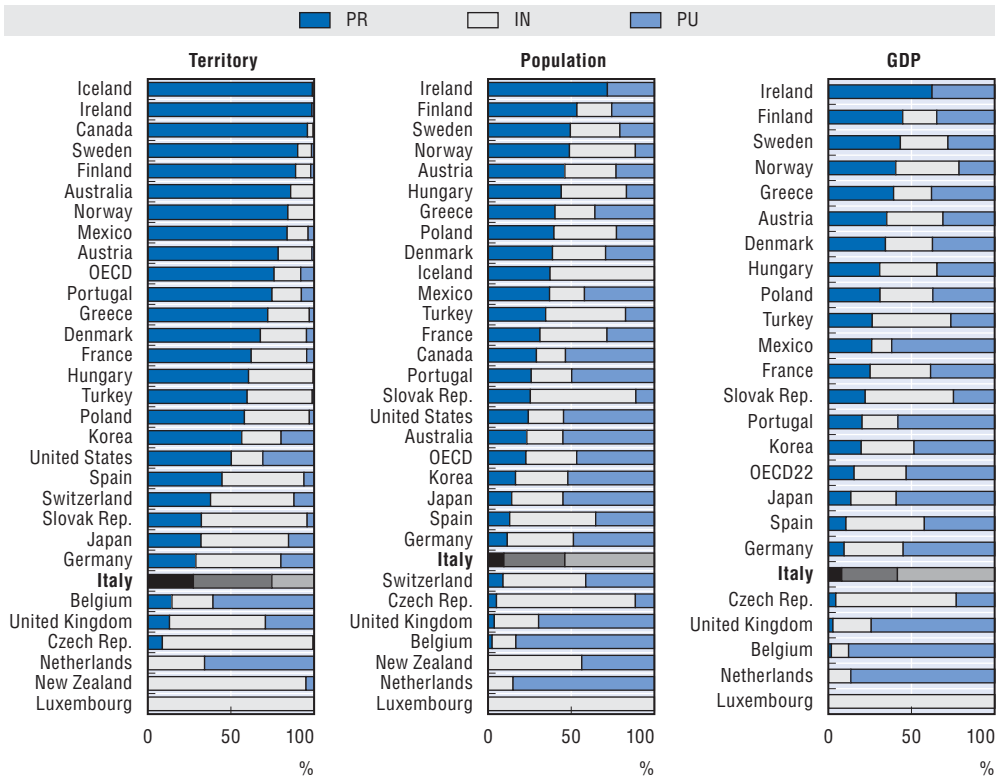
According to the OECD classification only 27% of the national territory is predominantly rural (PR). These regions are home to 10% of the national population and produce 8% of the national GDP (Figure 1.1) (Box 1.1). A large part of the territory is classified as intermediate rural (IR) which host 37% of the national population, and produce 34% of the national GDP. Based on the data, which is below OECD average, Italy can be considered a strongly urbanised country. To illustrate, over the years the *Pianura Padana*, the largest and most fertile plain in the country, has developed into an urbanised continuum defined as the “endless city” (Bonomi, Abruzzese, 2004) or, concerning Veneto, the “diffused city” (Bialasiewicz, 2004). PRs are geographically concentrated in the centre of the country, along the Apennines mountain range but some exceptions to this can be found in the two islands (Sicily and Sardinia), and in the southernmost part of continental Italy (Figure 1.2).

Agriculture represents a marginal part of the economy and is less productive than the EU average

In this context, farming activities contribute just over 2% of national GDP and 5% of employment. In the south the primary sector contributes over 4% of GDP and nearly 10% of employment, but agriculture is not as intensive and specialised as in the north. The volume of agriculture production and the surface of land used by primary activities decreased between 1990 and 2004 (Figure 1.3).¹ The average total factor productivity (TFP) of the primary sector is lower than other OECD countries such as Spain, United States, as well as than the EU15 average (Figure 1.4). TFP is low despite the large support of the Common Agricultural Policy (CAP),² and the national expenditure within the CAP framework. Support to agriculture has declined from 39% of farm receipts in the mid-1980s to 34% in 2002-04 (OECD, 2008a). This compares to the OECD average of 30%.

Figure 1.1. **Territory, population and GDP in predominantly rural regions in OECD countries**

TL3, 2007



Source: OECD Regional Database.

Rural regions produce a higher GDP than the average of Rural OECD

Italy's predominantly rural regions (PRs) have, on average, one of the highest GDP per capita within the OECD regions. For instance, Aosta and Belluno, the richest PRs in Italy, rank respectively third and seventh within the OECD PRs in terms of GDP per capita. Rural Italy's good performance may be linked to the country's dense population and the fact that many rural regions are well connected to urban poles and dense urban networks of small and medium cities. According to a recent study Italy is among the European countries with fewer remote rural regions (Dijkstra *et al.*, 2008). In this sense, Italy has the same characteristics as France and Germany, and is quite different from others such as Spain, or the Scandinavian countries (Figure 1.5) As a result, even those regions that are considered as "remote" (municipalities where more than 50% of the population is at less than 45 minutes from cities with over 50 000 habitants, according to the EU classification of remoteness) often display economic performance close to the national average (Figure 1.6). However,

Box 1.1. OECD regional typology and rural classification

The OECD has classified regions within each member country. The classifications are based on two territorial levels (TLs). The higher level (Territorial Level 2) consists of about 300 macroregions while the lower level (Territorial Level 3) is composed of more than 2 300 microregions. This classification – which for European countries is largely consistent with the Eurostat classification – facilitates greater comparability of regions at the same territorial level. Indeed, the two levels, which are officially established and relatively stable in all member countries, are used by many as a framework for implementing regional policies.

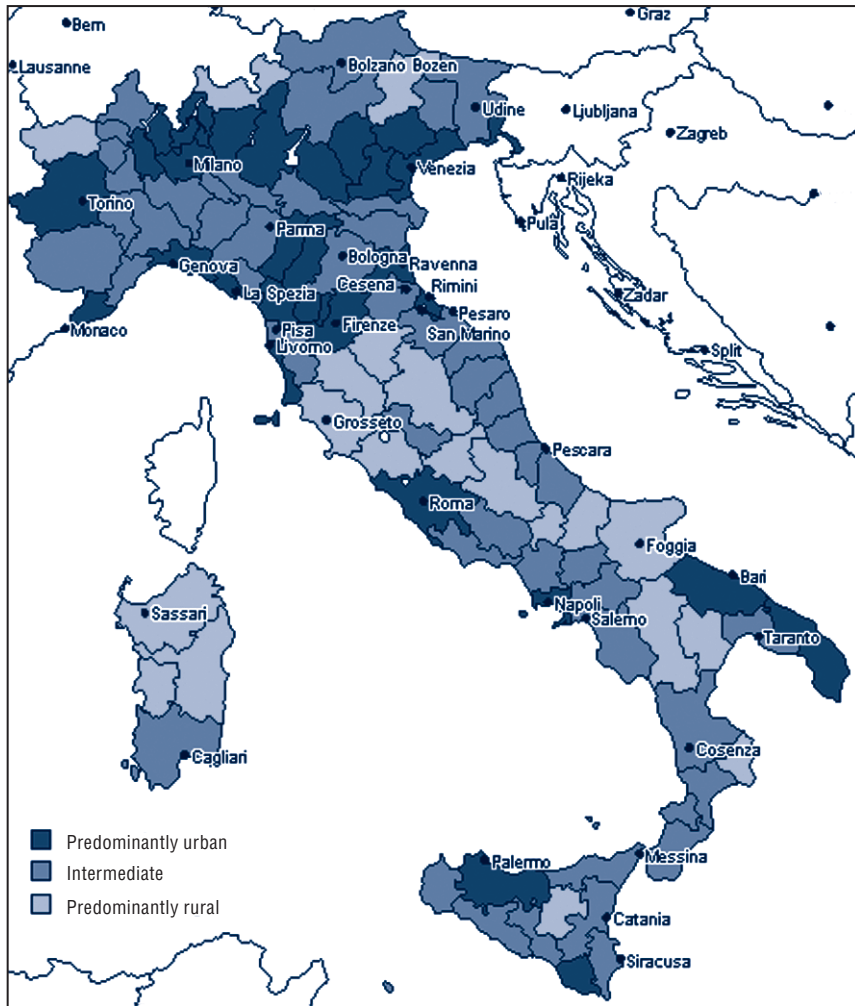
A second important issue for the analysis of regional economies concerns the different “geography” of each region. To take account of these differences and establish meaningful comparisons between regions belonging to the same type and level, the OECD has established a regional typology according to which regions have been classified as predominantly urban, predominantly rural and intermediate using three criteria:

1. Population density. A community is defined as rural if its population density is below 150 inhabitants per km² (500 inhabitants for Japan to account for the fact that its national population density exceeds 300 inhabitants per km²).
2. Regions by % population in rural communities. A region is classified as predominantly rural if more than 50% of its population lives in rural communities, predominantly urban if less than 15% of the population lives in rural communities and intermediate if the share of the population living in rural communities is between 15% and 50%.
3. Urban centres. A region that would be classified as rural on the basis of the general rule is classified as intermediate if it has an urban centre of more than 200 000 inhabitants (500 000 for Japan) representing no less than 25% of the regional population. A region that would be classified as intermediate on the basis of the general rule is classified as predominantly urban if it has an urban centre of more than 500 000 inhabitants (1 million for Japan) representing no less than 25% of the regional population.

This regional typology results in the above figure on population distribution by region type in OECD countries.

Source: OECD (2005), *OECD Regions at a Glance*, OECD Publications, Paris.

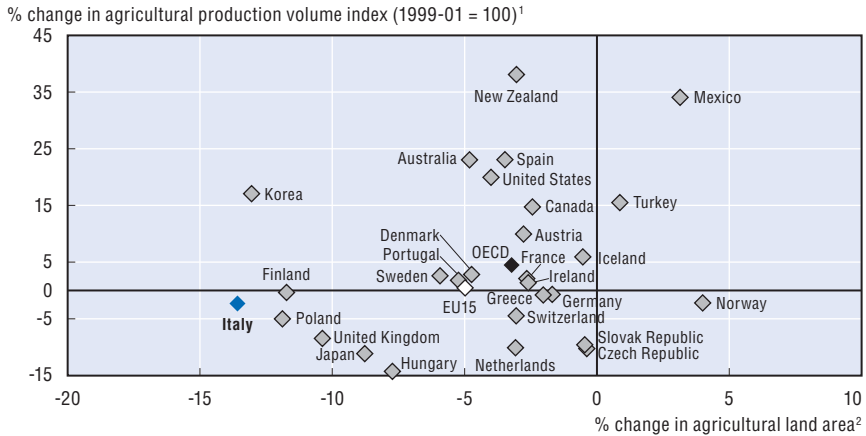
Figure 1.2. **Italy's regions according to the OECD regional classification**
TL3, 2007



Source: OECD Regional Database.

Accessibility, explains only part of the regional performance. There is a positive and robust correlation between the number of workers in manufacturing and tertiary activities, used as a proxy for economic diversification, and the level of GDP per capita in 2003 (Figure 1.7). Moreover, PRs' performance is remarkable also at the national level. Economic diversification multiplies job opportunities in rural regions. In 2003, in northern PRs, like Aosta and Belluno, the unemployment rate was below 5%, while in Siena it was 3%, vis-à-vis the national average of 8.7%.

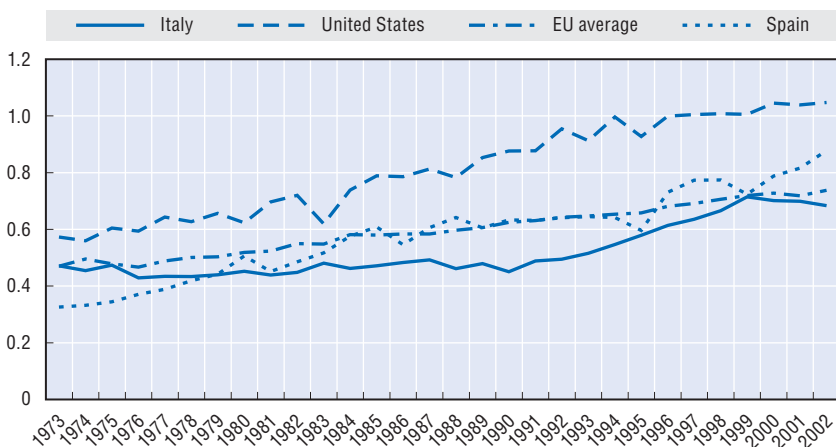
Figure 1.3. **Agriculture production volume index and agriculture land area**
1990-2004



1. The agricultural production index is a volume index of total crop and livestock production. The data included in the figure are averages for 2002-04, with 1999-01 as the base period = 100. Czech Republic and Slovak Republic: Average 1990-92 = average 1993-95. Belgium and Luxembourg are excluded as data are available only from 2000 to 2004.
2. % change in the total national agricultural land area expressed in thousand hectares, 1990-92 to 2002-04.

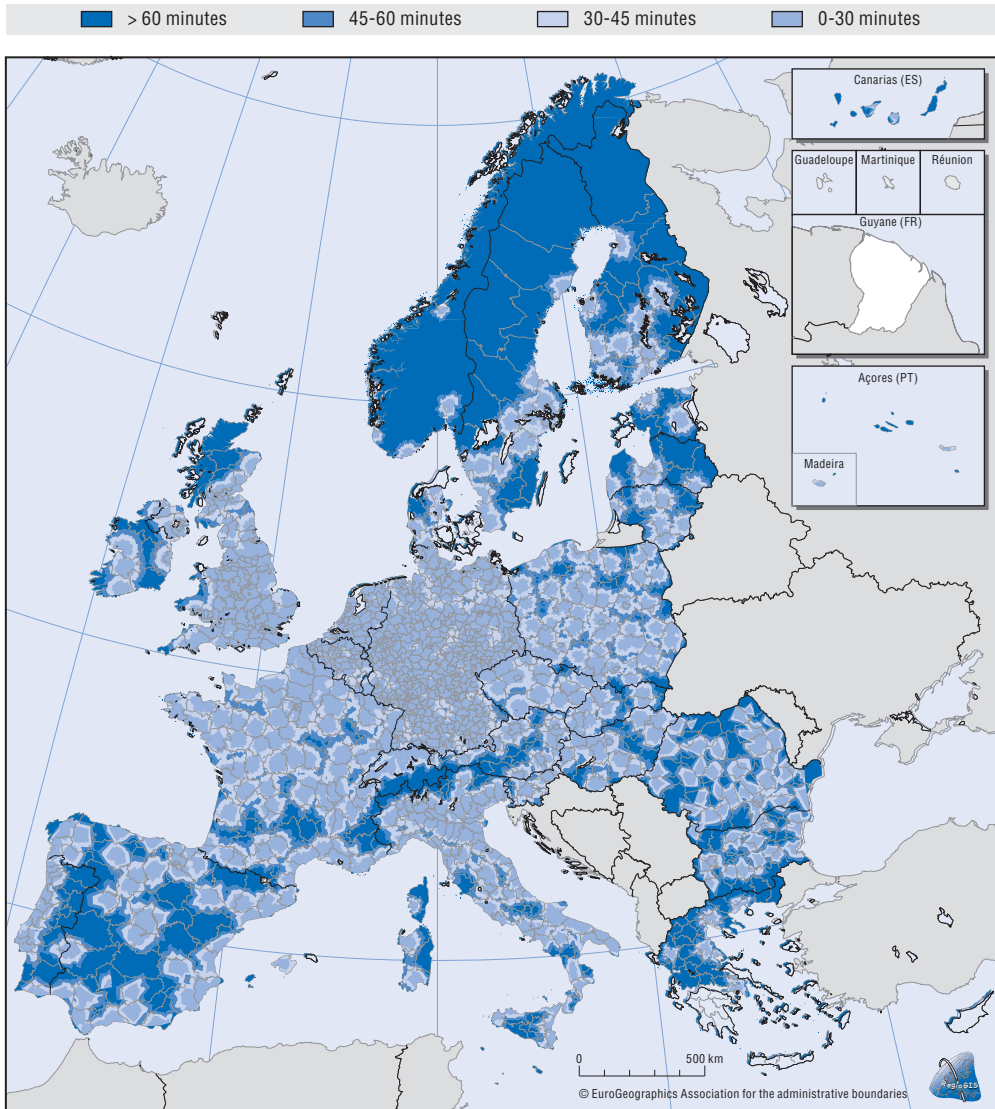
Source: OECD (2008), *Environmental Performance of Agriculture in OECD Countries since 1990*, OECD, Paris.

Figure 1.4. **Total factor productivity trends of agriculture in Italy, Spain, EU and USA**
1973-2002

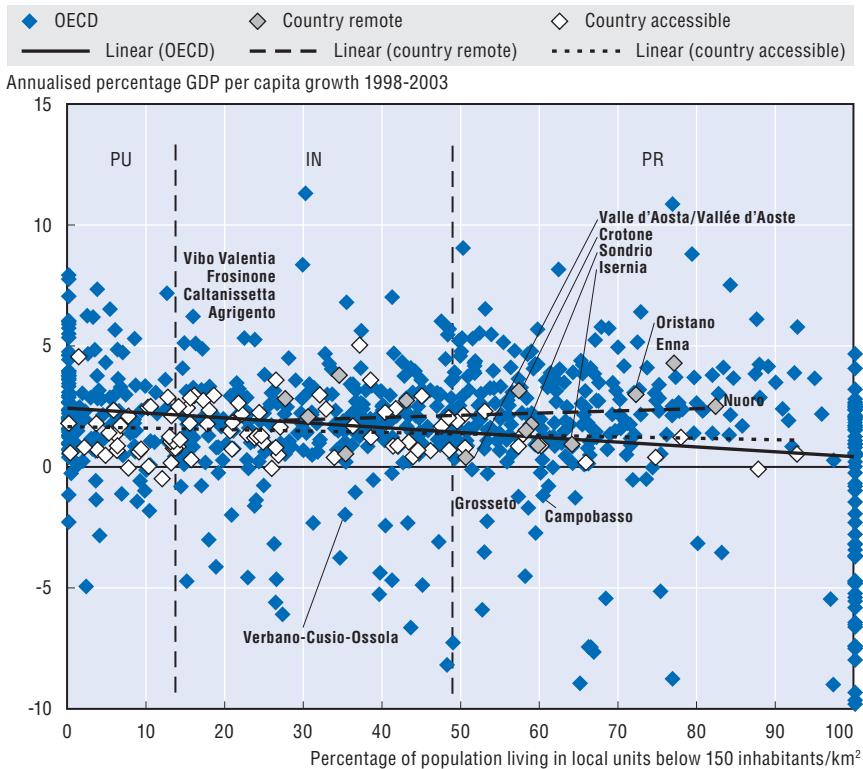


Source: OECD (2008), *Environmental Performance of Agriculture in OECD Countries since 1990*, OECD, Paris.

Figure 1.5. **Accessibility in European countries by road to cities with at least 50 000 inhabitants**



Source: Dijkstra, Lewis et al. (2008), *Remote Rural Regions: How the proximity to a city influences the performance of rural regions*, Directorate General for Regional Policy, European Commission, Regional Focus No. 1/2008. Eurostat, EuroGeograph cs. EEA, JFC, Statistics Finland, Statistics Sweden, Regio-GIS.

Figure 1.6. **Economic performance of remote regions in Italy in 2003**

Note: According to the EU's classification, those regions (TL3) in which 50% of the population lives at less than 45 minutes travel by road to a city are considered as "close to a city". Regions that do not satisfy this condition are considered as remote.

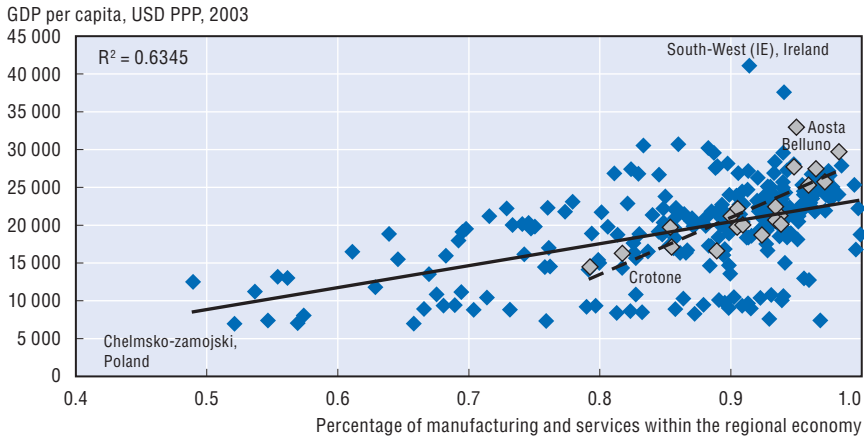
Source: OECD Regional Database, based on the EU's classification of remoteness.

Regional performance depends on a diversified economic base

Rural regions are endowed with remarkable natural and cultural amenities...

Natural and cultural assets drive the competitiveness of Italy's PRs and intermediate rural regions (IRs). For instance, a part of the national agro-food industry, a sector that exported EUR 27 billion (i.e. 9% of national export) in 2007, is dependant on natural amenities and on local cultural assets. In fact, an important niche within the national agro-food industry, related to rural regions, is traditional foods. This sector includes more than 170 products (OECD, 2008c³) listed in the two EU's categories *Protected Geographical Indication* (PGI), and *Denomination of Protected Origin* (DPO).⁴ More than 80 000 firms in 2007 were involved in the production of PGI and DPO foods; 20% more than in 2006 when

Figure 1.7. **Performance of rural Italy within OECD rural regions**
GDP per capita, 2003 USD PPP and employment in manufacturing and services



Source: OECD Regional Database.

the export value was EUR 3.5 billion (ISMEA, 2006). Thus, agriculture and manufacturing are connected and agriculture has been enhancing its “multi-functional” role by providing services to improve the quality of the landscape and protecting local cultures. Traditional foods are often produced by local *filières* of small integrated farms, in which the value chain include a large number of integrated producers.

Rural regions are also endowed with an artistic patrimony and a flourishing agro-tourism industry. The National Institute of Statistics (ISTAT) identifies 352 cities of historical and artistic interest in rural regions, 41 of which are listed by UNESCO as World Heritage Sites. Agri-tourism plays a strategic role in highly advanced tourist regions, and couple competitiveness with sustainability (OECD, 2002) (Box 1.2). Almost every Italian region has a rich mixture of coast, plain and mountains. This complexity provides regions with diversified tourism opportunities. For instance, rural Italy was home to some 17 000 farms with a guesthouse in 2005, 9.3% more than in 2005. In fact, Tuscany hosted more than 1.2 million foreign tourists in its *agriturismo* in 2003 (*Regione Toscana*, 2004). Despite the lack of comprehensive data for the southern regions, the number of farms with a guesthouse is increasing, signalling a promising business activity. Another important example of rural tourism is *Albergo Diffuso*; an extended hotel with guestrooms around the village. The concept for *Albergo Diffuso* developed in Italy in the early 1980s. It is based on refurbishing abandoned houses in rural areas and transforming them into large hotels that are linked to the local cultural amenities to triggering renewal and development in rural regions.

Box 1.2. **Agro-tourism in Italy**

Agri-tourism represents an important source of income in rural Italy and offers rural regions the opportunity to develop a sustainable form of tourism. It attracts tourists that want to learn more about local culture and economic activities, thus providing a stimulus for forestry and environmentally friendly activities. It also plays a revitalising role in the most deprived areas, generating additional income for farm household and local communities with few other substantial economic activities. Based on a series of qualitative trends in tourism more sustainable types of tourism are looked for. Agri-tourism has developed over the last decade as a particular highly demanded type of tourism with constantly high increase rates. Bolzano, Siena, Perugia, Florence and Grosseto are, in decreasing order, those with the highest concentration of farms with a guesthouse, together accounting for 41% of the national total (ISTAT, 1998). In Siena the increase has led to a situation where agri-tourism offered already 32% of the areas tourist beds (in 1998).

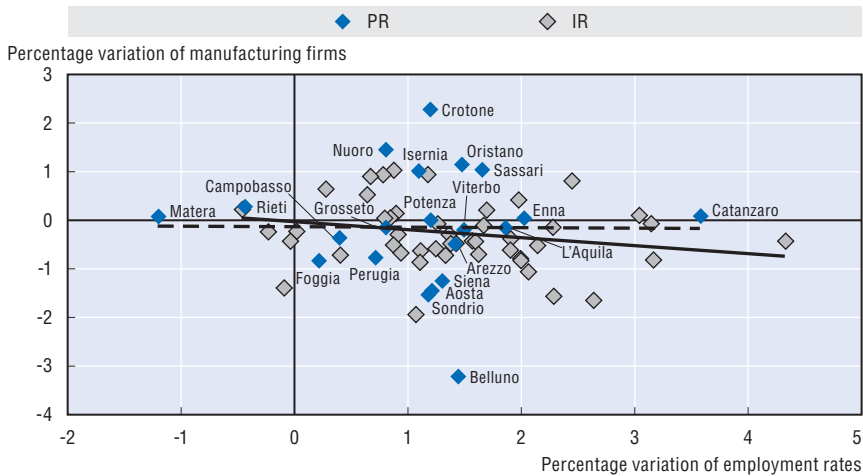
Agro-tourism provides an additional income, both through room and board sales and through direct-to-consumer sales of agro-food products (cheese, wine, olive oil, fruit products, vegetables, meat and poultry). Increasingly organic farms are involved in agri-tourism activities. All over Italy, 63% of agri-tourist units offer some kind of gastronomic service which explains the particular attraction of this type of tourism. On the demand side, the growing popularity of countryside tourism has inspired the farm operators to engage in these activities. For instance, a part of Italy's landscape in regions such as Tuscany, Umbria, Sicily, Puglia and Marche is agricultural, highly aesthetic, with a variety of hills, plains and woods, and many ancient farms with a guesthouse.

Source: ESPON (2004).

... and are home to manufacturing and service activities...

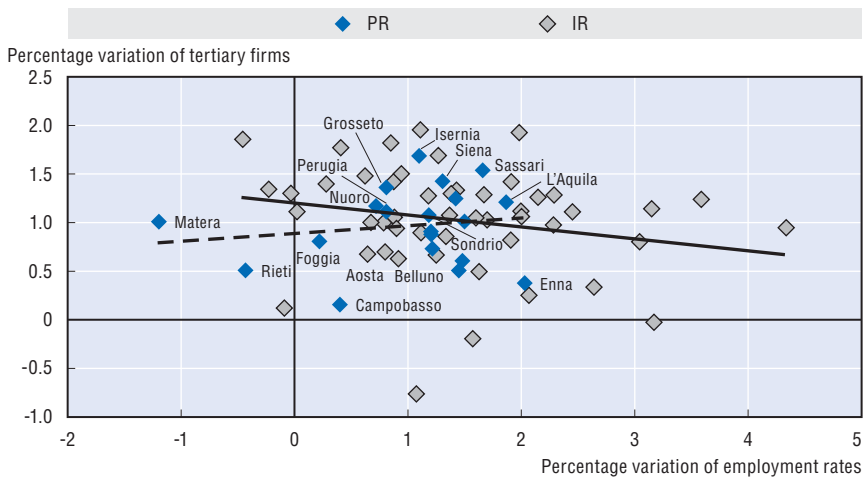
Italy, more than other OECD countries, is the place of SMEs, and rural regions mirror this national trend. In 2003, the number of firms in Italy totalled 4.2 million (ISTAT, territorial indicators). More than 90% of these firms were "micro" firms (between 1 and 9 employees). Taking manufacturing alone, PRs were home to 12% of Italian manufacturing firms (541 000), while some 40% were located in IRs in 2003. A similar concentration can be observed for the tertiary sector. Thus, while manufacturing firms have been decreasing, tertiary activities followed an opposite trend increasing almost everywhere in rural Italy, during 1993 and 2003 (Figures 1.8-1.9). In this context, wage moderation has been facilitating the creation of a large number of new jobs. Between 1999 and 2003, for instance, rural regions displayed a consistent increase in employment (Figures 1.8-1.9). This is a national trend. Between 2001 and 2006, Italy is the country that created the most new jobs in the European Union, after Spain (OECD, 2007a). Total

Figure 1.8. **Percentage variations of manufacturing firms and employment rates, 1999-2003**



Source: Italian National Statistical Institute (INSTAT), territorial indicators.

Figure 1.9. **Percentage variations of tertiary firms and employment rates, 1999-2003**

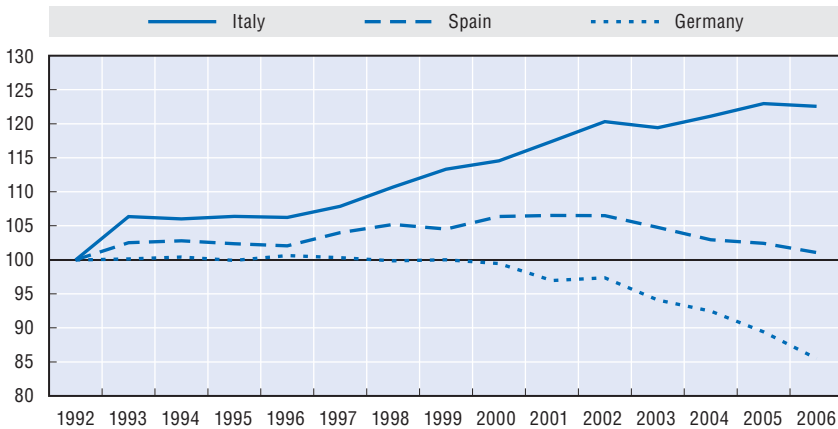


Source: Italian National Statistical Institute (ISTAT), Territorial Indicators.

employment growth has been the strong point of the economy since 1995. The increase of both participation and employment depends almost entirely on the introduction of flexibility.⁵ On the one hand, flexibility facilitated the entrance into the labour market of young people and women. On the other hand, flexibility allowed the regularisation of a large number of shadow workers (Meldolesi, 2004).

However, these figures, do not indicate the tertiarisation of rural regions, and could be masking the manufacturing restructuring underway since the end of the 1990s. To compete with late-comers (such as China and India) traditional/mature manufacturing in Italy turned to specialising its output and its industrial organisation (Micelli, 2007). Analysis of export trends reveal that the performance of Italy in terms of value is positive, export prices are on the rise relative to general product prices, more so than in Spain or Germany, allowing it to maintain market shares much better in value than in volume terms (OECD, 2007a) (Figure 1.10). These figures also demonstrate that the specialisation of Italy in mature/traditional sectors (but with a high value-added), usually considered a structural problem for the country, could in fact be a competitive advantage. The late-comers, after starting their industrialisation in mature sectors, are now shifting into high-tech areas and investing in human capital. New OECD areas of comparative advantage may before long become contested and overcrowded and export prices of such goods reflect this as they are declining. Couple this with the impact of technology, and the terms of trade for countries specialising in such goods result in income loss. Accordingly, Italy may be better placed for the long run due to its solid export base with high grade consumer items and the manufacturing machinery (OECD, 2007a).

Figure 1.10. **Trend of export prices in Italy, Spain and Germany**
1992-2006



Note: Export unit prices of goods and services deflated by producer prices index.

Source: OECD (2007), *Economic Review of Italy*.

... which in some regions spur “Marshallian Industrial Districts”

In some rural regions, the concentration of SMEs takes the form of Marshallian Industrial Districts. Following the methodology elaborated by the

Italian Statistical Institute (ISTAT, 2006), PRs are home to 22 industrial districts, i.e. 14% of overall industrial districts in Italy (see Annex 1.A2). Industrial districts are based on small-scale and diffused industrialisation which resulted from a socioeconomic environment with a specific mix of codified and tacit knowledge (Box 1.3). The local community creates a stratified supply-chain, based on an intense process of division of labour, and specialises in the production of a given good, often linked to the local crafting tradition (Becattini, 1979; Brusco, 1989). The largest part of predominantly rural regions home to an industrial district are localised in the so-called *Third Italy*.⁶ Rural regions in this area are home to 16 industrial districts: Arezzo (5), Perugia (5) Siena (3) (in Tuscany and Umbria), and Belluno (3) (Veneto) (Figure 1.11).

Rural industrial districts are generally specialised in mature/traditional manufacturing, i.e. housing goods, jewellery and musical instruments, and textile and clothing. Fourteen out of the 22 rural industrial districts specialise in this type

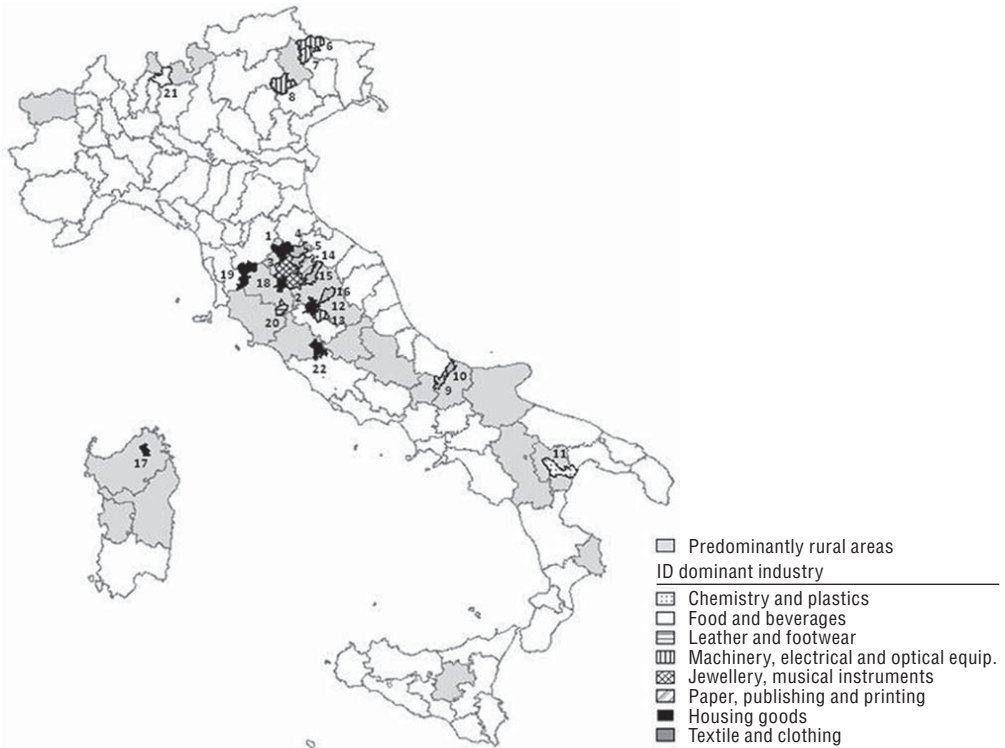
Box 1.3. Marshallian industrial districts

An **industrial district (ID)** is “a socio-territorial entity which is characterised by the active presence of both a community of people and a group of firms in a naturally and historically bounded area” (Becattini, 1992), *Industrial districts and inter-firm co-operation in Italy*, IILS, Geneva, p. 38). This community shares a system of values and common practices which spread into the district through the customs and the institutional structure (markets, firms, professional schools, trade unions, employer’s organisations, etc.).

In 1890, the economist Alfred Marshall (1890) documented the existence of a form of organisation of production based on the concentration, in some districts of English industrial cities, of people and small and medium-sized firms specialised in different parts of a production process. In these “industrial districts”, internal large scale economies were substituted by external economies related to the existence of skilled workers, specialised suppliers, and an informal system of knowledge diffusion.

The notion of the Marshallian industrial district (MID) was reprised by Giacomo Becattini (Becattini, 1975) to explain why the specialised local production systems of small and medium enterprises (SME) in the Italian region of Tuscany were so successful at the same time that the large firm production model of Turin and Milan was experiencing serious crisis. Nowadays industrial districts are a widespread mode of production in many countries, and in Spain and Italy have become an instrument of analysis of economics and a tool for the policy strategies.

Figure 1.11. Industrial districts in rural regions in Italy



Source: Elaboration on OECD *Regional Database* and Italian National Statistical Institute (ISTAT).

of traditional production. Overall, they employ 187 000 workers. Other important specialisations in rural areas are “machinery tools”, “electrical and optical equipment” (4 industrial districts with 39 000 employees), “paper, publishing and printing” (1 industrial district and 20 000 employees), “food and beverages” (1 industrial district and 19 000 employees), “chemistry and plastics” (1 industrial district and 10 000 employees), and “leather and footwear” (1 industrial district and 4 000 employees). It is worth noting, that sometimes local specialisation appear articulated and some rural regions have industrial districts with different specialisations. Furthermore, taking into account local labour markets (LLMs) instead of administrative borders, there are also some industrial districts with rural characteristics in regions classified as urban by the OECD (for more on this see Annex 1.A2).

Rural regions that are home to industrial districts have higher employment rates and employment growth rates than the rural Italy’s average. Industrial districts generated 18% of the employment in rural areas (around 279 000 employees) in 2001. The largest industrial districts in terms of

employment are Arezzo (60 000 employees), Poggibonsi (27 000 employees), Assisi (21 000 employees), Feltre (20 000 employees), and Città di Castello (20 000 employees). These five areas represent 53% of the total employment in rural industrial districts. Between 1991 and 2001, the growth rate of employment of industrial districts in rural areas was 7.1% (18 600 employees) whereas the average of rural Italy was 5.6%.

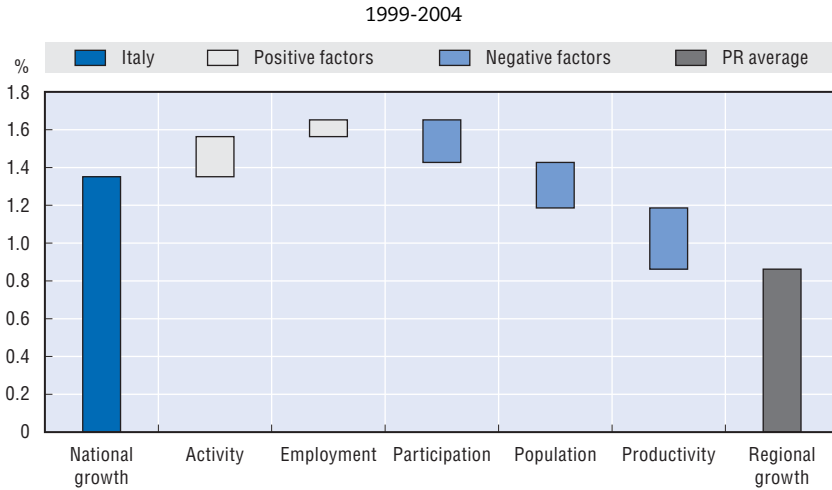
Thus far, rural Italy has been marginally affected by the financial crisis. Indeed the effects of the short-term reduction of aggregate demand on industrial districts are limited largely because of the intense division of labour and the fact that firms and the local community are so closely linked. However should the current crisis extend beyond the medium-long term, it could undermine the sustainability of some industrial districts. In particular, decreased credit availability would affect SMEs located in rural regions more than other firms because of their dependence on bank credit, weaker financial structure, and lower credit rating. As a result, unavailability of bank credit in any form could structurally impair rural regions by reducing the number of SMEs located in these areas.

1.2. Rural regions perform lower than the national average

Rural Italy displayed lower economic growth than the national average

Despite the potential in rural regions, they under perform. They produced a lower GDP than the national average between 1999 and 2004, mirroring a common situation across OECD countries. GDP per capita is lower in overall rural regions *vis-à-vis* urban nodes. Tax payers' data, the only available at the municipal level, show that the average disposable income in rural areas was 45% of the urban one in 2004. Taking into account components of economic growth (*i.e.* GDP per capita growth), rural regions performed lower than the national average due to: i) lower labour productivity; ii) inferior participation rates; and iii) lower population growth (Figure 1.12).⁷ In particular, the activity and participation rates of women are very low in Italy especially in PRs (Figure 1.13). This gender gap persists despite the greater flexibility in labour market restrictions. Nonetheless the overall negative performance, data at the provincial level reveals a group of rural regions that outperformed the national average (Figure 1.14). In this case, positive employment rates represent the strongest source of GDP growth, both in IRs and PRs. However, the provincial breakdown confirms that participation rate is an issue that is linked a low capacity in rural regions to attract population.

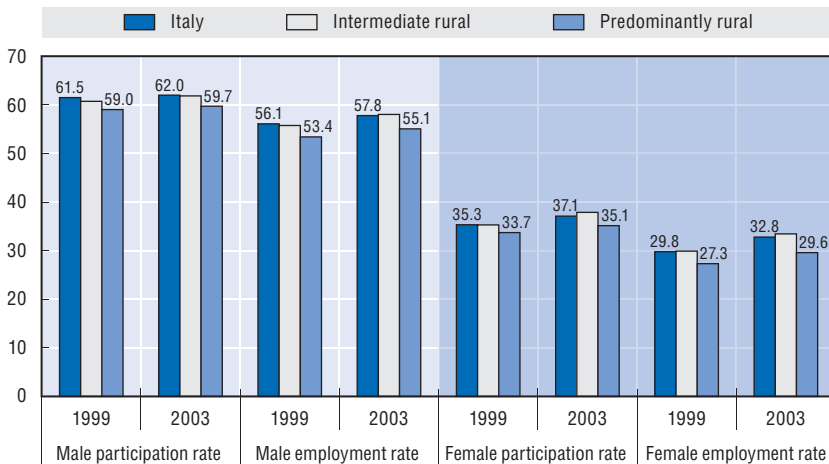
Figure 1.12. **Components of the difference in growth of the average PR region with national average**



Source: OECD Regional Database.

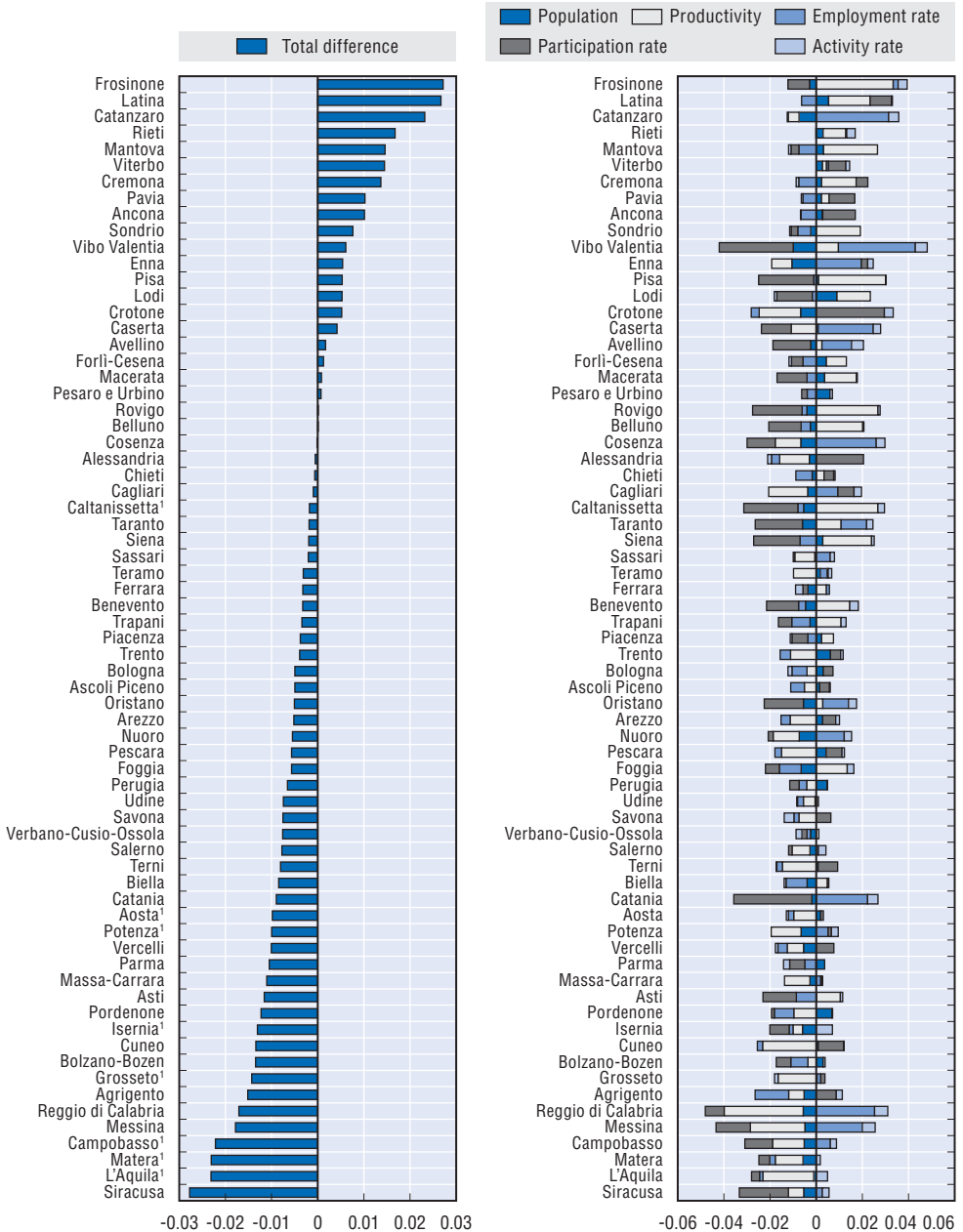
Figure 1.13. **Male and female labour market, 1999-2003**

Average activity and employment rates in Italy, IRs, PRs



Source: Italian National Statistical Institute (ISTAT), Territorial Indicators.

Figure 1.14. Rural regions GDP growth as compared to Italy's average
1999-2004



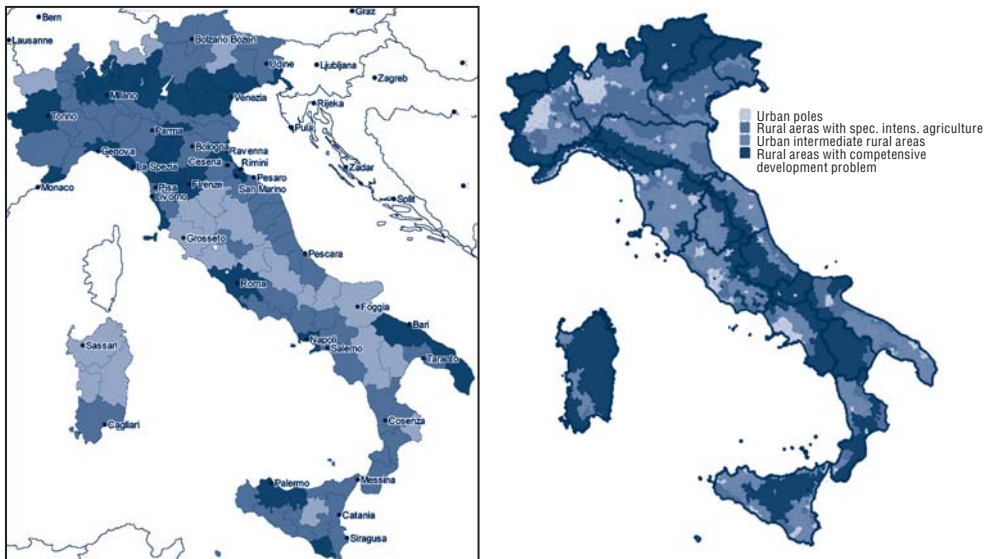
Source: OECD Regional Database.

1.3. Rural Italy faces social, economic, and environmental challenges

A more detailed definition of rural is needed to assess regional challenges

Given the complexity of rural Italy, the OECD definition, which takes a macroperspective of rural, may prove to be too restrictive to assess regional characteristics and trends. As discussed above (Box 1.1), the OECD classifies rural regions according to population densities, and the localisation of urban nodes, at Territorial Level 3 (i.e. provinces, in the case of Italy). This approach does not fit rural Italy, where altitude and proximity to the coastline generate dramatic differences in climate conditions, water availability, and soil fertility. A partial solution is the rural classification implemented by the MoA, which will be utilised along with the OECD definition throughout this study (Figure 1.15). Although this classification does not take into account regional accessibility/remoteness (see Annex 1.A3), and is over broad in that it includes some urban areas in the rural definition, it has two positive characteristics. First, it was derived by consensus between the central and regional governments. Second, it represents the first systematic tool to set a rural policy in Italy. The MoA's classification of rural is based on a *four-step algorithm* which considers population densities (i.e. the OECD definition), altitude, and

Figure 1.15. **A comparison between the rural classifications of the OECD and the Ministry of Agriculture of Italy**



Source: OECD and Ministry of Agriculture of Italy.

Box 1.4. The classification of rural regions implemented by the Ministry of Agriculture of Italy

The MoA classification of rural Italy aims at refining the OECD classification taking into account the intra-provincial differences, which in a complex territory such as Italy can be significant. In particular, the MoA classification of rural regions acts at the municipal level (TL4) and follows a four-step algorithm.

First step: The municipalities/provincial capitals with over 150 inhabitants/sq. km are selected, considered representative of the major urban centres, where a good share of urbanisation phenomena and the major non-agricultural activities are concentrated. At the national level this group of municipalities can represent the “urban areas in a strict sense” and is excluded from subsequent elaboration.

Second step: The OECD methodology is applied to the remaining municipalities, identifying the predominantly urban areas (rural municipalities population < 15% total population), significantly rural (rural municipalities population > 15% and < 50% total population) and predominantly rural (rural municipalities population > 50% total population) not at the provincial level (OECD methodology), but rather by distinguishing the municipalities within each Province in terms of altitude (plain, hill, and mountain areas) and the incidence of the population of the municipalities classified as rural in terms of total population.

Third step: The category of predominantly urban areas is further disaggregated, since it includes pronounced differentiation between a set of municipalities more similar to provincial capitals (e.g. the municipalities in proximity to Italy’s major cities and/or certain coastal municipalities with considerable urban development) and a set of densely populated municipalities where rich and intensive agriculture is present (e.g. the plains of Northern Italy). A reclassification within these two predominantly urban areas is performed to distinguish them on the basis of population density (150 inhabitants/sq. km) and the weight of total farmland compared to territorial area. This leads to identify those areas that are “urbanised rural”, which are characterised by both high population density and the presence of agriculture activities (over 24% of the National UUA). Finally, applying the altitude principle, a “heavily urbanised rural” category is obtained. In this category rural municipalities have a significant weight (over 15% of the total population), while urbanised rural municipalities have a predominant weight (over 50% of the rural population).

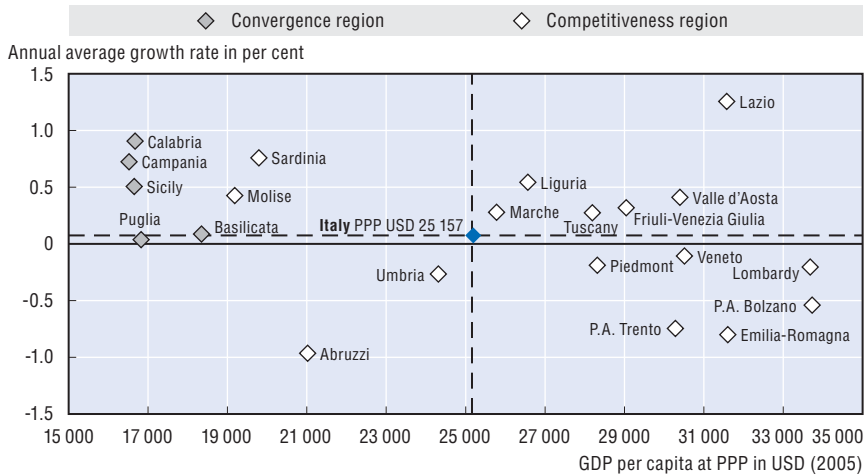
Fourth step: The algorithm spurs 36 categories (plus one for the provincial capitals) which are aggregated on the basis of their common characteristics. This process provides the following four homogeneous areas: *Urban Poles*, which consists of provincial capitals with over 150 inhabitants/sq. km and all heavily urbanised areas; *Rural Areas with Specialised Intensive Agriculture*, which include Urbanised Rural Plain Areas, Urbanised Rural Hill Areas, Predominantly Rural Plain Areas and Significantly Rural Plain Areas; *Intermediate Rural Areas*, which include Predominantly Rural Hill Areas (North and Centre), Significantly Rural Hill Areas and Significantly Rural Mountain Areas (North and Centre); and *Rural Areas with Comprehensive Development Problems*, which include Predominantly Rural Mountain Areas, Predominantly Rural Hill Areas (South) and Significantly Rural Mountain Areas (South).

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

the degree of local specialisation in farming activities (Box 1.4). In particular, the MoA divides rural regions into three categories:

- i) *Rural regions with specialised intensive agriculture (RR SIA)*. These regions encompass 1 632 municipalities, are home to 22% of the national population, and are mostly located in the plains of northern and central Italy, close to large urban poles. Population densities are generally fairly high (253 inhabitants/sq. km). Farming activities are highly specialised and capital intensive. These regions produce 38% of agriculture’s value added.
- ii) *Intermediate rural regions (IRR)*. Overall, 2 676 municipalities fall in this category, mainly located on hill and mountain territories. They represent 24% of Italy’s population and about 32% of the national territory. These regions are home to a highly diversified economic base, while agriculture is generally declining. Farming has registered strong signs of crisis in the last decade, losing a considerable amount of area (–12% utilised agricultural area – UAA) and employment (–27%).
- iii) *Rural regions with development problems (RR DP)*. This group includes 2 759 municipalities, i.e. 12% of Italy’s population. The bulk of these regions are located in mountain or hill territories, while a smaller number is in the plains of the south and the islands (Sardinia and Sicily). Population densities are the lowest of the country (54 inhabitants/sq. km). On average, these rural regions suffer from a gap in the endowment of public/private services as compared to other areas of the country.

The distinction between northern “competitiveness” regions and the southern “convergence” regions should also be considered when assessing rural Italy.⁸ A sort of “developmental border” situated somewhere south of Latium. The less developed south includes four administrative regions: Campania, Puglia, Calabria, Sicily, and Basilicata (with the latter being a phased out). These “convergence” regions display the lowest performance within Italy. In general, the north of Italy outperforms the south in respect of socioeconomic indicators. To illustrate, the average GDP per capita in the southern regions was USD (in PPP) 17 436 in 2005, i.e. 61.7% of the value of the centre-north (USD PPP 28 246) (Figure 1.16). In 2001, the average unemployment rate in southern RR DP was 21.7%, 13% more than in northern RR DP. The north-south divide appears to be a structural phenomenon, and short term performance (economic growth between 2000 and 2005) is not related to the location of the rural region (Figure 1.16).

Figure 1.16. **Income and growth in Italian regions (2000-05)**

Source: OECD Regional Database.

Rural regions are confronted with social, economic, and environmental issues

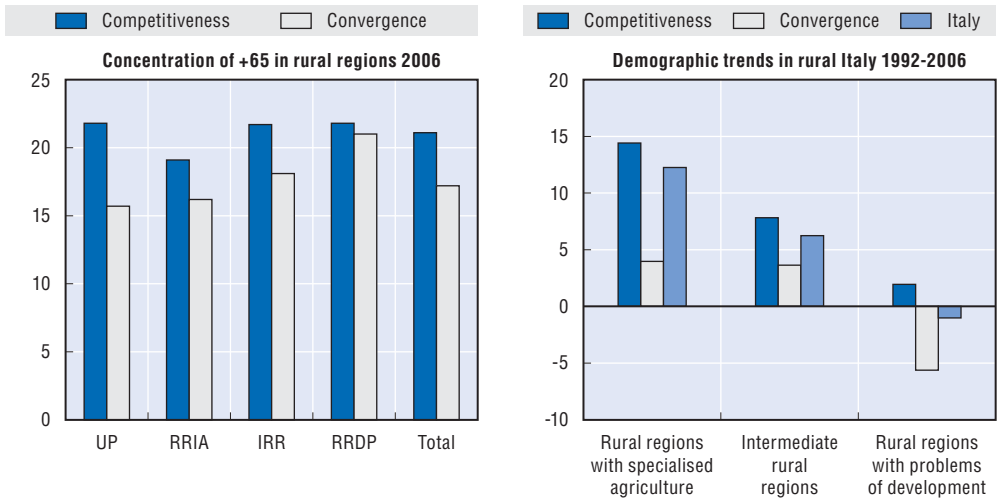
The concentration of the elderly is very high and in some regions is interlinked with depopulation

Population ageing is a national trend. The concentration of inhabitants aged over 65 years is very high in rural regions, and increasing over time. In 2006, the ratio between the number of people over 65 and the number under 15 was 141/100, the highest in the OECD after only Japan and Germany. The percentage of retirees increased from 15.5% in 1992 to about 20% in 2006. Concentration of senior citizens goes hand in hand with poverty. According to ISTAT, in 2001, 45% of families living below the poverty line had a member aged over 65 years. In particular, population ageing is intense in RR DPs, where people aged 65 years and over made up 22% of the population in 2006, and this concentration increased by 21% since 1992 (Figures 1.17-1.18). In “convergence” RR DPs ageing is linked to depopulation. In this part of the country, RR DPs lost 6% of their population (7.1% in Calabria) between 1992 and 2006.

The demographic imbalance challenges the quality and accessibility of some basic services...

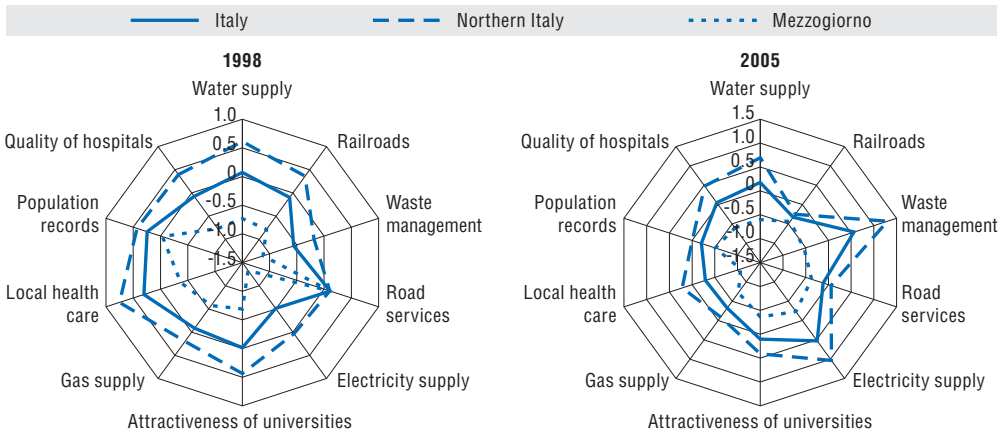
The quality of public services is a national concern. According the Bank of Italy (2006), the overall quality (which, in some cases is the perceived quality) of public services has generally declined across the country, between 1998 and 2005 (Figure 1.18). The data also reveals a large north-south gap with

Figure 1.17. Ageing trends in rural Italy



Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Figure 1.18. Quality of public services in Italy



Note: The north of Italy encompasses all the competitiveness regions with the exception of Sardinia, Abruzzi, and Molise, which are considered to be part of South of Italy.

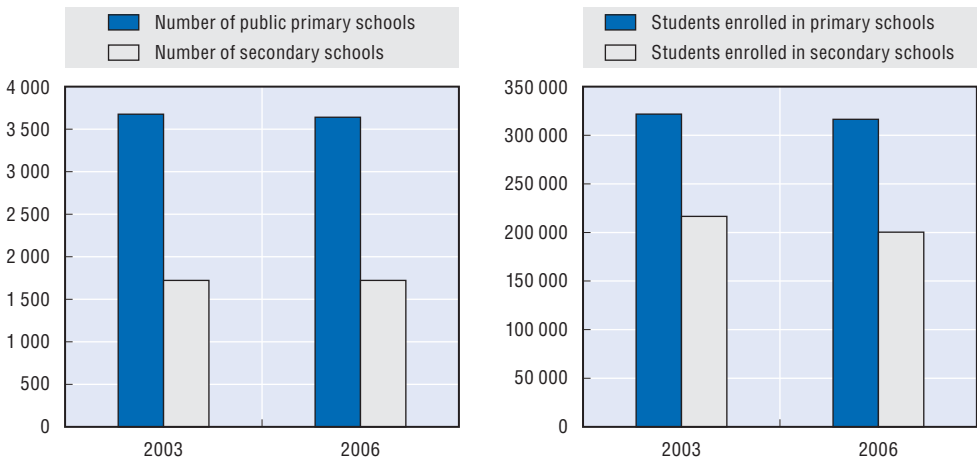
Source: Banca d'Italia (2007), "Economic Developments in the Italian Regions in 2006", Economic and Financial Issues (Occasional Papers).

respect to the quality of public services. The north of Italy outperforms the south in all the basic public sectors (water, electricity, health care) and also has a more attractive university framework.

Within this context, rural regions' availability and accessibility to public services is even more complex. In particular, ageing and depopulation are challenging the sustainability of some basic public services such as: i) education services; and ii) health care services.

i) Accessibility and quality of education services. Due to ageing and depopulation, the number of students enrolled in primary and secondary schools in RR DPs has decreased by 1.7% and 7.1% respectively, between 2003 and 2006 (Figure 1.19). In particular, in the RR DPs of Calabria, Sicily, Puglia, and Campania (the "convergence" regions), students enrolled in primary and secondary schools have decreased by 3.7% and 10.4% respectively, over the same period. Another aspect is the accessibility to education services. According to the data secondary schools are concentrated in urban areas and students living in rural regions have to face a long commuting (Table 1.1).⁹ Commuting is more intense in the "competitiveness" part of the country (where the indicator used to measure commuting reaches 200% in some urban areas, meaning that student commuting to these areas are as numerous as students living there) and might be related to students drop-out, which is particularly intense all over Italy; about 200 000 students (33%) of first-year enrollees drop out of school each year.¹⁰ Drop out is particularly high (49%) for vocational education. In terms of geographical areas, the least favourable situation is found on the islands (39%) and in the Northwest (35%), while the Northeast (27%) and Central Italy (28%) display the lowest dropout rate.

Figure 1.19. **Number of primary and secondary schools and enrolled students in RR DPs in 2003**



Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

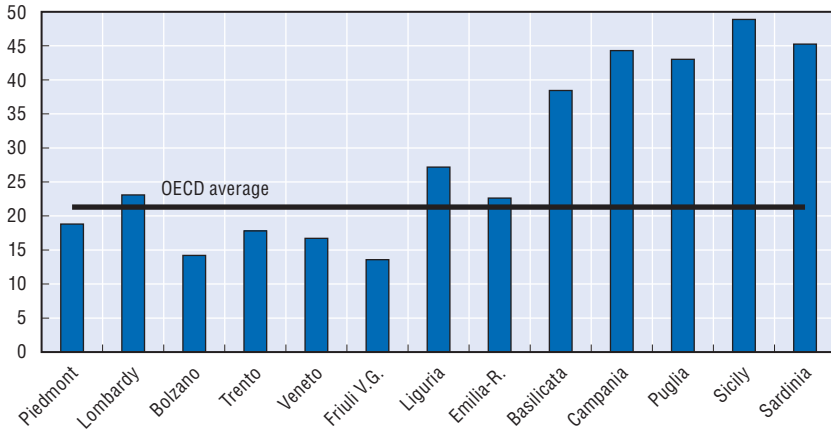
Table 1.1. **Student's commuting from rural to urban regions**
Percentage in Administrative Regions – 2006-07

	Urban poles	RR SIA	IRR	RR DP
Piedmont	110.6	64.1	49.9	51.9
Valle d'Aosta				89.6
Lombardy	106.4	47.5	49.4	58
Bolzano	169.4			46.4
Trento	154.6			61.3
Veneto	211.2	63.6	57.5	76.8
Friuli-V.G.	212.6	35.6	47.6	58.2
Liguria	105.1		32.4	34.9
Emilia-Romagna	164	98	64.3	66
Tuscany	140.7	76.4	58.7	55.6
Umbria			92.9	112.4
Marche	195.3		78.2	65.8
Lazio	108.6	93.5	76.5	9.7
Abruzzi	220.5	79.6	30.5	72.2
Molise	236.9			57.3
Sardinia	291.6	54.6	101.8	77.4
Basilicata		90.2		105.4
<i>Competitiveness</i>	<i>125.2</i>	<i>68.5</i>	<i>67.8</i>	<i>63.6</i>
Campania	91.5	81.1	86.5	88.2
Puglia	156.3	78.1	76.5	71.1
Calabria	161.3	90.5	80	95.8
Sicily	117.3	80.3	76	80.8
<i>Convergence</i>	<i>107.3</i>	<i>81.9</i>	<i>78</i>	<i>90.1</i>
Italy	118.4	71.8	72.3	75.1

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Besides accessibility, in Italy there are also some concerns about the quality of education. For instance, the OECD Programme for International Student Assessment (PISA) assesses the level of education of 15 year students and places Italy 26th out of 30 OECD countries (OECD, 2007c). Such a low educational attainment is considered as one of the factors affecting Italy's competitiveness (OECD, 2007a). However, in a complex country like Italy, the aggregate national performance may mask different results at the regional level, as well as a different performance between rural and urban areas. At the TL2 level, which in Italy corresponds to administrative regions, there is a clear north-south divide. In particular, some northern regions perform within the OECD average (Figure 1.20). Interestingly enough, these territories boast a large number of predominantly and intermediate rural regions. Unfortunately, OECD PISA cannot be used to assess performances at a lower territorial level (e.g. TL3, which in Italy corresponds to provinces) since under TL2 samples of students are too small and not statistically robust, or even absent, as in the case of some Italian southern

Figure 1.20. **Students with low mathematical literacy in some Italian Regions, as assessed by OECD PISA 2006**



Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

areas. To solve this problem the Ministry of Education of Italy and the Ministry of Economic Development of Italy are financing a study focussed in the OECD PISA on regions (TL2 and TL3) all over the country to obtain a complete and deep database. Some studies, however, have already tried to integrate OECD PISA data with other databases to obtain a preliminary picture of local trends (Box 1.5).

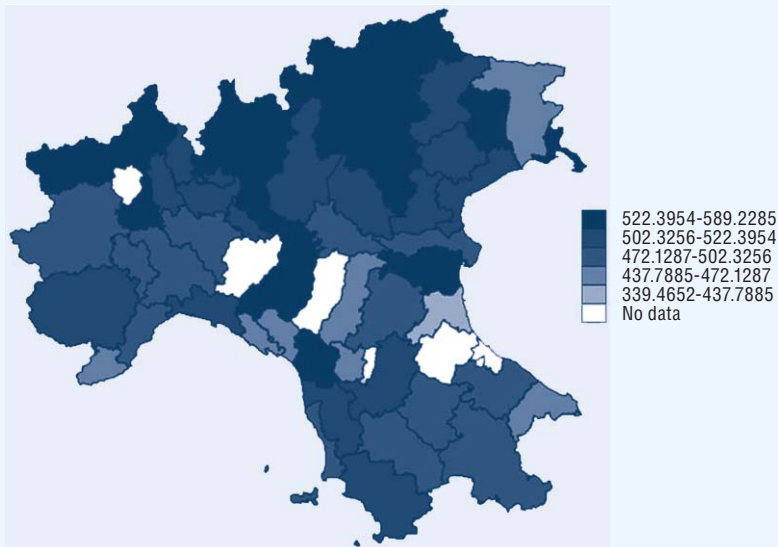
The geography of tertiary education is more complex and in southern regions show a higher increase of students enrolled in universities than the rest of the country. Italy boasts a polycentric system of universities which facilitates the access to tertiary education. Although specific data assessing the performances of rural regions are not available, the share of people enrolled in tertiary education has been increasing almost everywhere and especially in the “convergence” area. Nonetheless, the increase of the student population may also depend on the conditions of the regional labour market. Some of the southern regions with high youth unemployment are, in fact, those in which the percentage of people enrolled in higher education increased the most (Figure 1.21). Although such an increase can be considered a positive feature, it may also be linked to the fact that, given the lack of job opportunities, young people in the “convergence” area prefer to delay their entrance into the labour market.

ii) Accessibility and quality of health care service. Negative demographic trends in rural regions also affect public health care. The concentration of elderly people has increased the demand for health care services. A shortage of nurses, financial difficulties, and the progressive ageing of the population are strain and the ability of nursing care facilities to meet the needs of the

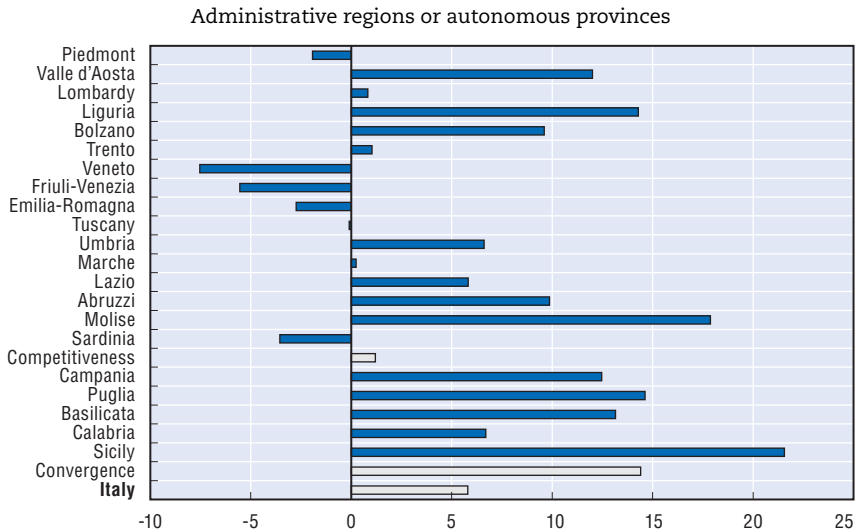
Box 1.5. Measuring the quality of education at the regional level (TL3)

Bratti *et al.* (2007) developed a model through which measuring the mathematical competencies (as defined by the OECD PISA) of students in some provinces in the north-centre Italy. The model integrates OECD PISA data with data from the Ministry of Public Education, the Italian agency for the assessment of the educational system (INVALSI), administrative data at the provincial level, the national Labour Force Survey, and other surveys run by the Italian National Statistical Institute (ISTAT). According to this assessment, in spite of a less favourable endowment of secondary schools, some northern provinces score above the national average as well as the OECD average (Bratti *et al.*, 2007). Such a good performance may depend on well equipped schools, and low unemployment rates. The employment probability, in particular, is highly correlated with student performances. For instance, an increase by one percentage point in the employment probability would be associated with a more than one-point increase in the PISA scores (Bratti *et al.*, 2007). The rural regions in the north of the country have, on average, a low unemployment rate and this would justify their higher score in the PISA, while, conversely rural regions in the south perform lower than the national average due to their high unemployment rates, irregular work, and crime, which lower young citizens' incentive to invest in their human capital (Bratti *et al.*, 2007). As illustrated by the figure below, which displays a map of the provinces assessed by Bratti *et al.*, some of these well performing territories are actually rural regions (PR and IR) according to the OECD classification. Therefore it could be important to investigate the factors that generate such a good result where the density of education facilities is lower, yet the linkage between the local community and the school "facilities" may be more intense.

Level of mathematical competencies in some Italian provinces, 2003



Source: Bratti, M. *et al.* (2007), "Territorial Differences in Italian Students' Mathematical Competencies: Evidence from PISA 2003", Institute for the Study of Labor (IZA), Discussion Paper No. 2603.

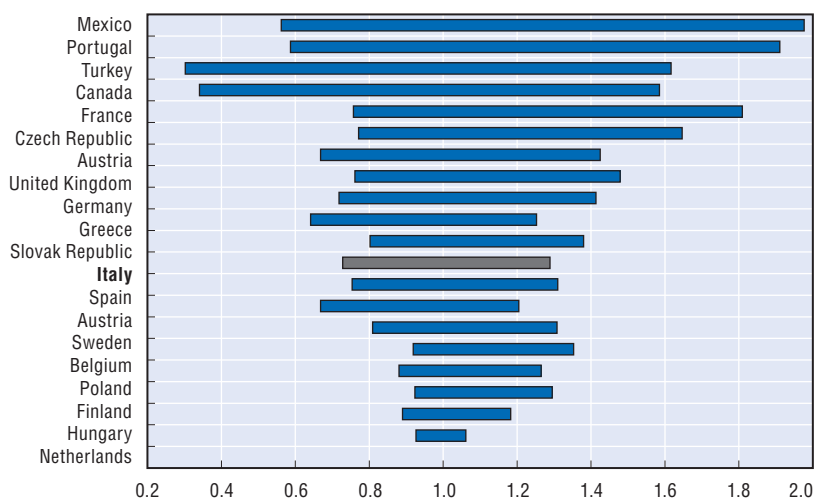
Figure 1.21. **Percentage variations of students enrolled in tertiary education, 2000-07**

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

elderly (Eurostat, 1999; ISTAT, 2000). As discussed above, approximately 22% of the population of Italy is aged over 60 years. This means that some 13 million people, of whom an estimated 7 million are female and 5 million are male, are likely to require care at some stage because of chronic illness or the effects of ageing – a situation that is likely to increase. It is anticipated that by 2020, the elderly population will increase by as much as 30% and that the percentage of those aged over 80 years will increase from 4% to 7%. A large percentage of these senior citizens are located in rural regions, and have a relatively low capacity to commute. Nonetheless, the bulk of hospitals and health care facilities are located in urban areas (57% of the total – more than 60% of hospital beds – considering the definition of rural provided by the MoED), where, on average, there is a hospital every 32 square kilometres (the density is ten times lower in rural areas).¹¹

The low density of hospitals in rural regions, does not represent a negative indicator *per se*. The variation of the number of hospitals in Italian macroregions (TL2) is not that high and mirrors the OECD average (Figure 1.22). The problem with health care facilities is related to the quality of the service rather than its quantity, since the presence of health facilities alone does not necessarily guarantee the supply of a good service. In fact, the current territorialisation of hospitals, i.e. the creation of health districts, that followed the reform of the national health system, is much more advanced in the north-centre Italy rather than in southern areas.¹² So while the former has

Figure 1.22. **Variation in the number of hospital beds per 1 000 people at TL2 level**



Note: The horizontal axis indicates the number of hospital beds in the different TL2-regions per country, where 100 represents the national average.

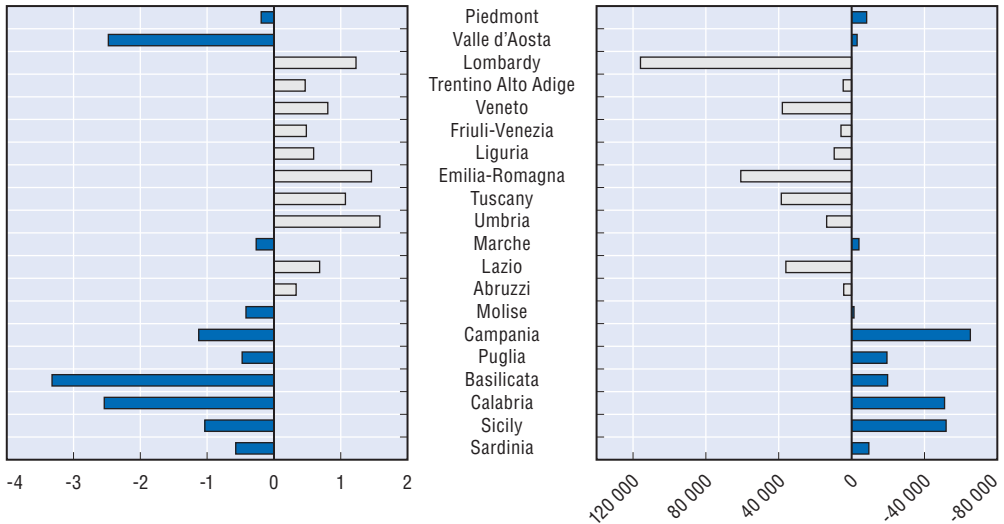
Source: OECD (2007b), *OECD Regions at a Glance*, OECD, Paris.

seen a reduction of the number of facilities, the latter still displays a relatively high quantity of small hospitals also in rural regions. Nonetheless, a large number of individuals continue to migrate from south to north to access high-quality health care services (Figure 1.23).

The situation in rural regions remains unclear, due to the lack of analysis and evaluation of current trends. First the role private institutions play in health care delivery is undetermined in Italy. Second, there is a problem with the increasing territorialisation of health service. A case study performed by the evaluation unit of the Ministry of Economic Development in Umbria (Lucatelli *et al.*, 2006) demonstrated that the presence of general hospitals, located at the core of the health district, would fall short, and that the services actually provided would need to be carefully monitored. At the same time, the rationalisation of the hospitals and the guarantee of quality services (and of centres with a high technological level) would require thinking out specific and effective solutions for remote rural areas. Thus, policy makers could capitalise on some experiences implemented through the co-operation between the central and local governments to improve accessibility to health care in remote regions (Box 1.6).

Figure 1.23. **Population fluxes related to health care services (2000-02)**

As a percentage of regional population (left hand) and the absolute number of individual (right hand)



Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

... and reduces rural regions' attractiveness for some specific services such as broadband Internet

Broadband access to the Internet (ADSL 2 and 2+)¹³ is another service where negative demographic trends and density differentials create a gap between urban and rural areas. While broadband is available in 89% of urban poles, only 17% of RR DPs has access to such a service, and the situation is worse in the “convergence” part of the country (Figure 1.24). To date, Italian Telecoms companies provide broadband only to those municipalities where they can have 1 000 customers at least. Such a commercial policy affects some 5 600 municipalities with less than 5 000 inhabitants, whose population level renders them unable to reach the 1 000-customer quota. The limited access to broadband Internet may also affect the use of ICT in rural regions, where the use of such a technology is quite limited.

Ageing and depopulation are partially offset by foreign immigrants, but their integration poses challenges

While immigration is generally considered an urban phenomenon, the number of foreign workers living in rural regions has been increasing over the last decade. For instance, taking into account demographic data between 1992 (when Italy was attracting a relatively low number of immigrants) and 2006 (when the influx of immigrants is larger), and considering that fertility rate has been decreasing along this period, the increase of population can be

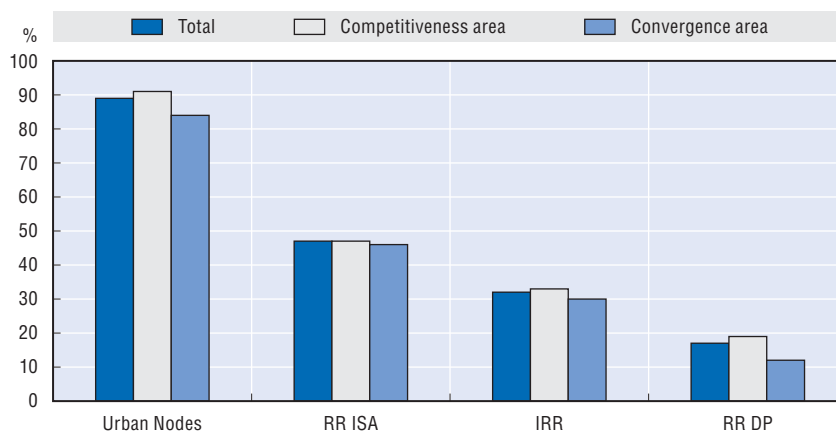
Box 1.6. Examples of remote medicine projects in Italy

The Italian government is implementing projects to guarantee health care assistance in mountainous areas and small islands (i.e. remote regions). These projects are co-ordinated by the Ministry of Health of Italy and Local Sanitary Enterprises (ASLs) and use information technology (ICT) to ensure high quality health services in remote rural regions.

- **EolieNet.** Implemented in the Aeolian Archipelago, it provides citizens of the islands with health care services putting in connection local general practitioners with specialists who provide telemetric support in case of emergency and first aid. This project stems from an agreement between the regional government of Sicily, the ASL of Messina (the closest city to the Aeolian Archipelago), and the National Association of Small Islands.
- **Telesal project.** It stems from collaboration between the Ministry of Health, local authorities, and research institutes. Its purpose is to develop a system based on satellite technologies that provides citizens with certain basic services directly in their home. Citizens are connected with health care facilities, thus favouring the supply of emergency services, remote screening and prevention, remote assistance, remote consultation, and remote training. This project started in 2006 and is still in the experimental phase.
- **Farma-click.** It is an automatic drug dispenser to be localised in remote rural regions. This machine connects through a camera the patient with the pharmacist, who listens to the description of the patient's symptoms. Through the terminal machine, the pharmacist can scan the prescription to the patient, and authorises the machine to dispense the drugs.
- Finally, some caravans, specially equipped, travel to certain rural areas to offer specialised exams such as screening, X-rays, and electrocardiograms. These campers are also used as ambulances.

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

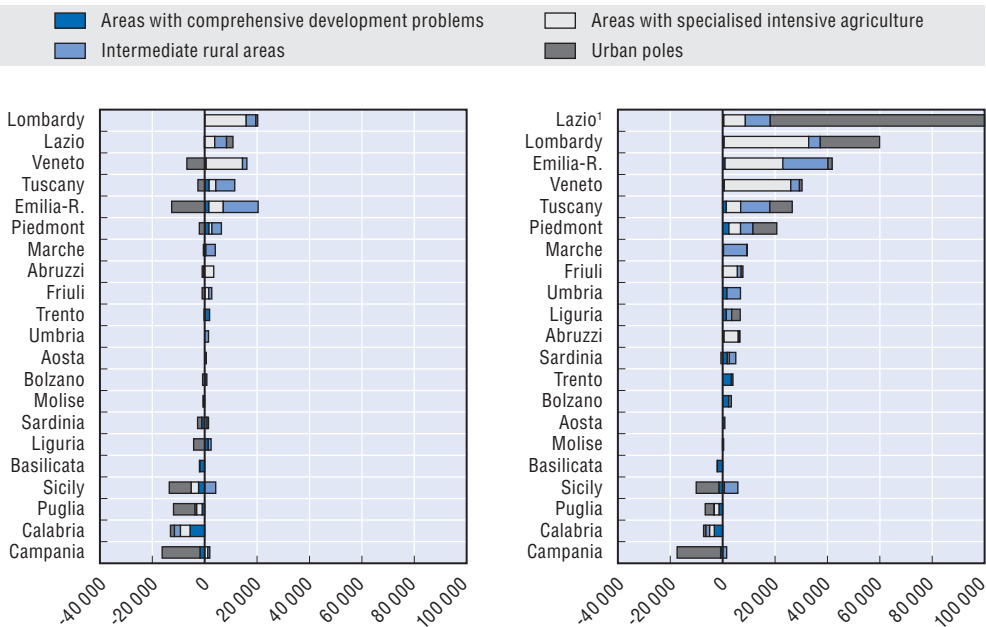
Figure 1.24. **Broadband Internet (ADSL 2+) coverage in Italy in 2007**
As a percentage of the territory



Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

ascribed to the influx of foreign workers (Figure 1.25). Although the bulk of them were absorbed by urban nodes, IRRs also increased their population, as well as, RR DPs, even if at a lower intensity. The average concentration of immigrants in IRRs in 2003 was 30 per 1 000 inhabitants, and some regions such as Mantua, Macerata, and Piacenza were above or close to 60 per 1 000 inhabitants. Over the same period, in RR DPs there was an average of 23.5 immigrants per 1 000 inhabitants. The highest concentrations, ranging from 55 to 50, were registered in the provinces of Perugia, Arezzo, and Siena.

Figure 1.25. **Data on demographic trends in urban and rural regions**



1. The migratory balance in Lazio was 166 376 people more in 2006.

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Foreign workers concentrate in rural regions for different reasons. Immigrants working in urban poles may decide to live in intermediate rural regions because they cannot afford to live in the city. Second, foreign workers are absorbed by labour-intensive activities in the primary and secondary sectors within rural regions or are attracted to the area to work as care givers to the elderly (*badanti*). Immigrants represent an opportunity to repopulate rural regions and to enrich them with different cultures. However, concentration of non-native population, if not well managed, could also create tensions within traditional and usually very homogenous rural communities. This “integration challenge” is visible in some intermediate regions, where

immigrants have not developed a sense of place/community attachment because they live physically and socially isolated in their enclaves.

So far, foreign care-workers (*badanti*) are the most effective response to the need of the elders, also in rural regions. As in many other countries, also in Italy care of the elderly has traditionally been associated with gender, but, as more women now work outside the home, they have far less time for care-giving. At the end of the 1990s, women from the eastern European countries such as Romania, Poland, Hungary and Slovenia came to Italy, illegally, to provide care for older people. It is thought that there were between 500 000 and 1 million *badanti* in Italy at the end of the 1990s, and that only 250 000 had regular authorisation to stay in the country (Lamura *et al.*, 2002). Nowadays, a large number of *badanti* are working in Italy illegally and, although the number are unclear, it is increasing steadily because the national health care system is unable to meet demands for care. Their invisibility means that this sector is largely under studies; no one knows what they do, who they provide care for, the nature of their workloads, or how they are coping with the emotional demands of providing care (Lamura *et al.*, 2002).

Urban sprawl transfers congestion to rural regions and increase GHG emissions

Due to unco-ordinated planning, intense urban sprawl is giving rise to negative externalities in the rural *milieu*. Italy's metropolitan regions have been expanding without proper control over the last thirty years. Mass motorisation has facilitated longer community patterns. Peri-urban (mostly RR SIA, using the classification of the MoA) and intermediate rural regions are those in which working the age population has been increasing the most over the last decade. Intense commuting is visible even in the RR DPs, especially in the northern part of the country (Figure 1.26-Table 1.2). These are the rural regions that attracted the manufacturing activities and services, reducing the land available for primary sector as well as the overall quality of the landscape and biodiversity. The increasing concentration of commuters and the localisation of businesses gives rise to negative externalities, such as traffic congestion, pollution, increasing cost of living, and social problems related to a concentration of foreign workers (for instance, some "enclaves" of immigrants are localised outside the urban poles to which foreign workers supply labour). These developments also increase problems related to waste management. In particular the south and the centre of Italy are falling far short of targets for waste recycling, and the country remains heavily dependent upon landfill, which should be phased out, under the terms of EU legislation, within the near future.

Figure 1.26. **Commuting rates in northern Italy at the municipal level**
RR DPs' borders are highlighted in blue



Source: Italian National Statistical Institute (ISTAT), Census data 2001.

Increasing commuting also impacts GHG emissions, which in Italy are on the rise (Figure 1.27). Commuting in private cars makes a negative contribution to GHG emissions (i.e. transportation generates around 20% of overall GHG emissions) and also increases dependence upon fossil fuels. Because of urban sprawl and a lack of public transport (used by 16% of population) in rural regions, the country is overly dependent upon road transport. In 2005 Italy was home to some 35 million cars. This is 60 cars for every 100 inhabitants, a proportion that makes Italy the European country with the highest concentration of private cars. Furthermore, 8 million commercial vehicles handled 188 billion tons of goods in 2005, which accounts for 75% of overall commercial deliveries (*Ambiente Italia*, 2007; *Rapporto ISSI*, 2007). This compares to 15% of shipping, and 10% of commercial rail traffic. Again, these statistics indicate a significant issue for future sustainability.

Quality of water and soil decreases overtime

In rural regions the environment is largely undervalued, misused, and under threat. Intensive agriculture dominates the landscape in place of traditional farming, thus reducing the sustainability of primary activities. Italy has seen a decreasing its area of permanent meadows and pasture land since 1990 by 15%. and irrigated area for agriculture are putting pressure on the water resource; after a long lasting negative trend, irrigated areas for agriculture

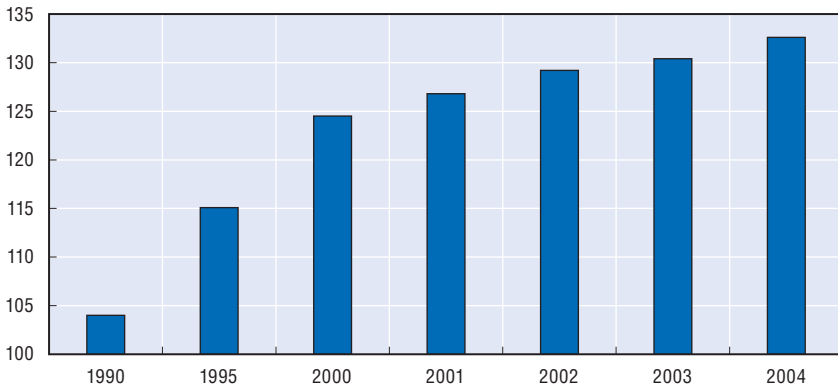
Table 1.2. Workers' commuting between rural and urban areas
Employees at their place of work/regional labour force

	Urban poles		Rural areas with specialised agriculture		Intermediate rural areas		Rural areas with development problems	
	1991	2001	1991	2001	1991	2001	1991	2001
Piedmont	100	103	84	87	78	82	79	76
Valle d'Aosta	..	..	..	..	..	..	97	96
Lombardy	105	108	82	83	81	79	77	77
Bolzano	124	147	..	..	..	..	87	84
Trento	121	131	..	..	..	..	88	86
Veneto	117	128	88	91	83	82	89	86
Friuli-Venezia Giulia	112	112	89	92	83	79	80	75
Liguria	97	100	..	..	61	61	76	72
Emilia-Romagna	117	125	94	99	87	90	76	76
Tuscany	108	112	94	93	83	83	81	76
Umbria	..	..	..	..	91	93	85	89
Marche	113	118	..	..	87	89	95	101
Lazio	98	106	72	71	72	68	57	46
Abruzzi	114	118	88	90	75	76	86	81
Molise	113	117	..	..	..	..	68	71
Sardinia	124	150	89	67	79	78	78	73
Basilicata	..	..	76	69	..	..	82	84
Competitiveness	112	120	87	86	80	80	81	79
Campania	94	91	71	70	76	74	67	65
Puglia	114	128	79	69	65	67	63	63
Calabria	103	112	71	73	65	59	64	60
Sicily	106	100	84	80	72	66	71	67
Convergence	104	108	76	72	70	67	69	68
Italy	110	117	83	81	77	77	78	76

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

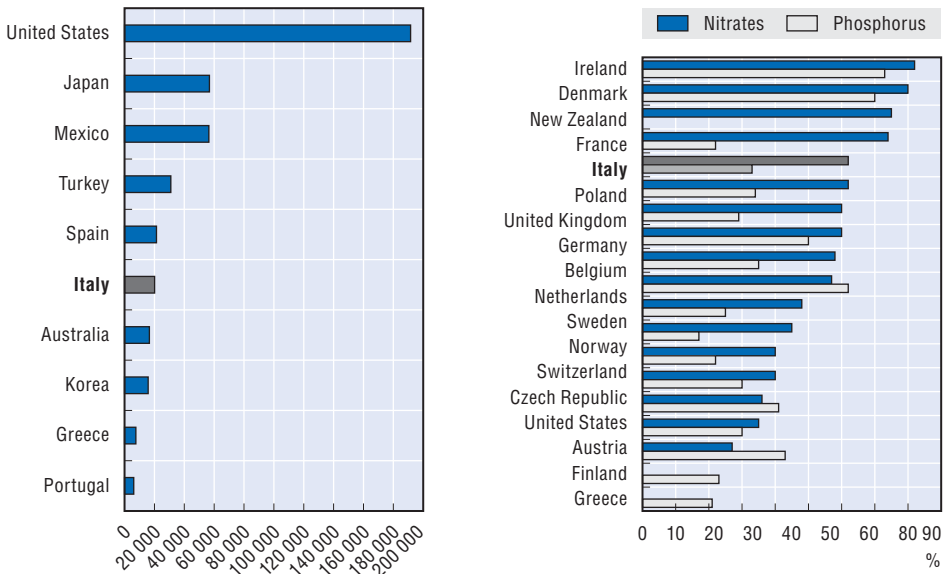
started decreasing in 2003, when Italy ranked 6th out of 30 OECD countries in terms of cubic metres of water used in primary activities (OECD, 2008a) (Figure 1.28). Farming also heavily pollutes surface water in Italy. For instance, primary sector is the source of more than 60% nitrates and more than 30% phosphorous contained in surface water (Figure 1.28).¹⁴ In this context, the use of chemical fertilisers and PPPs in farming has increased by around 11 and 5% between 2001 and 2006. High risks of soil loss in highly mechanised cultivated areas are noted. Soil degradation is a major and widespread environmental problem, but the assess trends is limited. About 70% of all land is subject to risk of accelerated soil erosion (over 5 t/ha/year) and about 12% is prone to high risk (over 10 t/ha/year) (Figure 1.29).¹⁵ The total forest area is steadily increasing, yet a large proportion of Italy's mountain areas are vulnerable to landslip. Italy had relatively few protected areas before 1970. Since then, the protected area has

Figure 1.27. **Emission of tons of greenhouse gases (GHGs) in Italy between 1990 and 2004**



Source: OECD (2008), *Background Report: Italy*, unpublished.

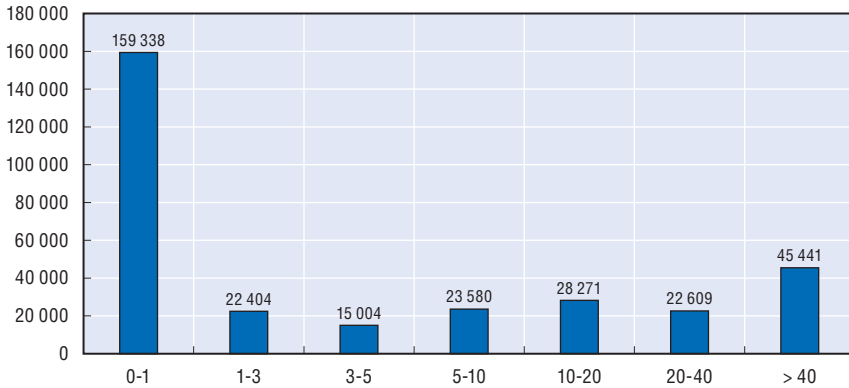
Figure 1.28. **Impact of agriculture on the environment**



Source: OECD (2008), "Environmental Performance of Agriculture in OECD Countries Since 1990", OECD, Paris.

grown steadily and now covers nearly 10% of the territory. Despite this expansion, many internationally important wetland areas are still threatened and competing with farming encroachment as well as urbanisation. The pressure on rural areas also threatens Italy's biodiversity; i.e. around half of its vertebrate species, nearly 90% of fish species, and a significant share of plant species are currently under threat.

Figure 1.29. **Actual soil water erosion risk**
Km² of the Italian land by soil erosion classes, 1999

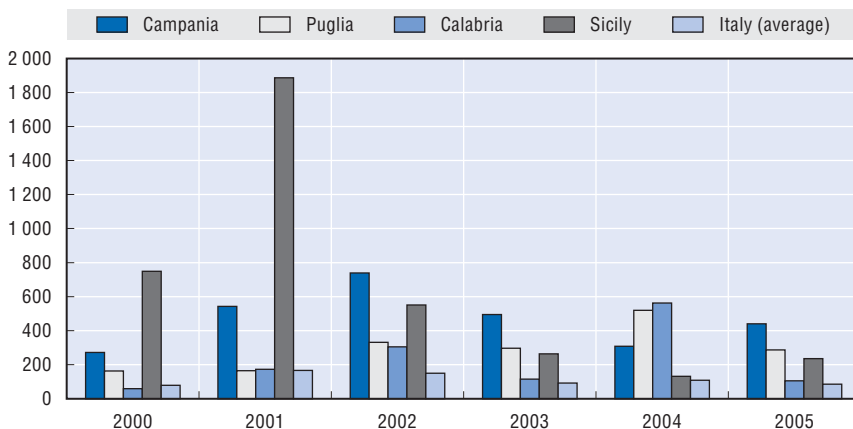


Source: OECD (2008), "Environmental Performance of Agriculture in OECD Countries Since 1990", OECD, Paris.

Organised crime undermines development in the most insulated rural regions in the south

Some insulated rural regions in the south display crime rates that are comparable to that of urban nodes. Although data is available only at TL2, some regions in the south, home to extended rural areas, feature a high number of homicides due to the presence of organised crime (Figure 1.30). Although an analysis of the historical reasons for this condition goes beyond the scope of the present report, high crime in rural areas is typical, since rural

Figure 1.30. **Number of homicides in convergence regions compared with the national average, 2000-05**



Source: Italian National Statistical Institute (ISTAT), Territorial Indicators.

areas are generally considered much safer *vis-à-vis* urban. The situation in rural Italy is steadily improving. The (police and intelligence) action of the government and the involvement of NGOs, religious institutions, and the private sector in the design and implementation of interventions to reduce or eradicate crime activities in rural regions have achieved important results. Organised crime, however, still impairs policy interventions and there is a need to encourage those local experiences that have successfully reduced these distortions. For instance, there are some interventions that have reconverted assets formerly owned by criminals in “collective goods” servicing the local community or in competitive businesses (Box 1.7). These interventions have also provided young citizens with profitable job opportunities with a high symbolic value. Multiplying these experiences would both enhance entrepreneurship at the local level and improve place and community attachment, which are fiercely reduced by the presence of organised crime.

To sum up

In Italy, the competitiveness of rural regions is derived from their diversified economic base. Rural regions occupy a relatively small portion of the national territory and are usually well connected with urban areas. In this context, manufacturing and service firms produce the largest part of local GDP and absorb the bulk of the regional workforce. Some rural regions are home to a diffused small-scale industrialisation, based on an intense and localised division of labour, which spurred Marshallian Industrial Districts. In other regions, the presence of natural and cultural amenities supports a flourishing tourism industry. Despite the large financial support coming from the CAP (Pillar I), farming activities have been constantly reducing their output volume, the UAA (Utilised Agricultural Area), and total factor productivity. Agriculture is multi-functional and produces inputs and services for the landscape, the agro-food industry, and tourist activities.

Nonetheless, a series of structural challenges may compromise the sustainability of the rural *milieu* across Italy. First, there are the demographic concerns. Rural regions have a large concentration of elderly people. Setting aside the potential impact on labour productivity; this situation could undermine the sustainability of education services (*i.e.* the reduced number of students), as well as health care services, whose consumption is proportionally increased. Second, although ageing and depopulation could be balanced by the increasing in-migration of foreign workers, their integration presents a challenge because rural regions are not presently equipped to facilitate this process. Immigrants are considered as an abundant and inexpensive workforce for agriculture and other sectors, rather than the opportunity to repopulate and culturally differentiate rural regions. Third, although proximity to urban regions

Box 1.7. NGOs contrasting organised crime: the case of Libera

Libera was founded in 1995, in a moment where organised crime activity was peaking, with the purpose of involving and supporting all those who are interested in the fight against mafias and organised crime. Libera is presently a network of more than 1 200 associations, groups and schools, committed to build up organisational synergies between the political and cultural local realities capable of promoting a culture of lawfulness. Libera runs a large number of programmes with at the territorial level. The most important are those dealing with formative educational projects (“Libera School”) and with the use of properties and other kinds of goods confiscated to organised crime (“Libera Confiscated Real Estate” and “Libera Land”).

- Libera School. Libera’s formative/educational project engages thousands of students and teachers every year in activities that simulate the various practical experiences of social life, helping students to develop the awareness that living in a environment in which legality pervades every aspect of their lives is worthwhile and by far the best choice. Through this programme Libera also run a series of researches and surveys to assess organised crime.
- Libera Confiscated Real Estate. It deals with the social use of the real estate confiscated from organised crime as established by Law 109/96, of which Libera was the promoter. The law provides for the allocation of illegal properties to social workers, volunteers, co-operatives, municipal governments, and anyone capable to return them to the community through their own work, turning the properties in tangible symbols of the restoration of lawfulness. In nine years the law has allowed more than 2 200 real estate (worth EUR 250 million) to be assigned to social activities.
- Libera Land. Land confiscated from organised crime has been used for the production of cereals (pasta) olive oil, wine, and other organic products by co-operatives in Sicily, Calabria and Puglia. These initiative has been involving a large number of young people, putting them in direct relationship with local assets, amenities and savoir faire. Commodities and products are commercialised with the brand “Libera Terra”, which has become a symbol of quality and lawfulness. The Libera Land national office is in charge of designing and planning the re-use of the lands confiscated from organised crime.

Source: Libera – Associazioni, nomi e numeri contro le mafie (www.libera.it).

represents an advantage for some rural regions, it also means that these regions have to face issues typical to urban areas such as congestion, pollution, waste management, etc. Fourth, the environment is undervalued and misused. Agriculture has become intensive and specialised and put pressure on land

(erosion and pollution) and water (large use for irrigation and pollution). Finally, the development of insulated rural regions in the south of Italy is undermined by the presence of organised crime, impacting business, investment and tourism creation.

Notes

1. The volume of agriculture production is calculated through an index based on FAO's indices of agricultural production that show the relative level of the aggregate volume of agricultural production for each year in comparison with the base period 1999-2001. They are based on the sum of price weighted quantities of different agricultural commodities produced after deductions of quantities used as seed and feed weighted in a similar manner. The resulting aggregate represents, therefore, disposable production for any use except as seed and feed. All the indices at the country, regional and world levels are calculated by the Laspeyres formula. Production quantities of each commodity are weighted by 1999-2001 average international commodity prices and summed for each year. To obtain the index, the aggregate for a given year is divided by the average aggregate for the base period 1999-2001 (OECD, Agriculture, 2008).
2. The Common Agricultural Policy (CAP) is a system of European Union agricultural subsidies and programmes. It represents 62% of the EU's budget, EUR 49.8 billion in 2006 (up from 49% or EUR 48.5 billion in 2005). The CAP combines a direct subsidy payment for crops and land which may be cultivated with price support mechanisms, including guaranteed minimum prices, import tariffs and quotas on certain goods from outside the EU. Reforms of the system are currently underway reducing import controls and transferring subsidy to land stewardship rather than specific crop production (phased from 2004 to 2012). Detailed implementation of the scheme varies in different member countries of the EU. Until 1992 the agriculture expenditure of the European Union represented nearly 49% of the EU's budget. By 2013, the share of traditional CAP spending will have almost halved (32%), following a decrease in real terms in the current financing period. In contrast, the amounts for the EU's Regional Policy represented 17% of the EU budget in 1988. They will more than double to reach almost 36% in 2013. The aim of the common agricultural policy (CAP) is to provide farmers with a reasonable standard of living, consumers with quality food at fair prices and to preserve rural heritage. However, there has been considerable criticism of CAP.
3. To inform this study, the Ministry of Agriculture in collaboration with the Ministry of Economy and other partners prepared a report for the OECD on RDP in Italy. The document served as a foundation for the study and is referred to herein as the "OECD 2008 Italy Background Report".
4. Protected Designation of Origin (PDO), and Protected Geographical Indication (PGI) are geographical indications, or regimes, operating within the Protected Geographical Status (PGS) framework defined in European Union law to protect the names of regional foods. The law (enforced within the EU and being gradually expanded internationally via bilateral agreements of the EU with non-EU countries) ensures that only products genuinely originating in that region are allowed in commerce as such. The legislation came into force in 1992. The purpose of the law is to protect the reputation of the regional foods and eliminate the unfair competition and misleading of consumers by non-genuine products, which may be of inferior quality or of different flavour. These laws protect the

- names of wines, cheeses, hams, sausages, olives, beers, and even regional breads, fruits, and vegetables [Council Regulation (EEC) No. 2081/92 of 14 July 1992].
5. It is estimated that the advent of flexibility in the Italian labour market explains between 40 and 80% of the decade long employment rise (OECD, 2007a).
 6. “Third Italy” is an idiomatic term applied to the proliferation of small-scale skilled production units associated particularly with recent developments in parts of the country, chiefly in the regions of the North East (Veneto, Friuli), Emilia and Central Italy (Tuscany, Marche) (Bagnasco, 1977). The economic development of the “Third Italy”, based mainly on industrial districts, has been contrasted both with that of the north-west, where economic development was based on large and vertical integrated plants, and with the backwardness of the South.
 7. Although the research about the rural economy in Italy was carried out before data to assess the impact of the financial crisis were available, it must be said that rural communities may display a large and structural job loss due to the current financial crisis. While this report has been compiled, there were already some cases in Canada and the United States where a decline in resource based jobs in single industry towns is now questioning the sustainability of the local communities. Rural regions are more exposed to economic shocks because their local labour markets (LLMs) are small, fragmented, and typically weakly connected to other labour markets. In fact: i) because they are small any change in demand or supply has a disproportionate effect and even a relatively small loss of jobs can lead to large local consequences; ii) because they are fragmented there are limited opportunities for people with specific skills to find employment opportunities that match their skills; and iii) because they are unconnected to other labour markets it is more difficult to relocate and find jobs in other places. Moreover commuting costs are particularly high in rural areas, both in terms of time and expenditure, which tends to raise reservation wages. This, combined with an environment where job prospects are perceived to be limited, may result in a large numbers of discouraged workers who withdraw from the labour force. If this happens, reported unemployment rates will seriously understate true levels of unemployment (Freshwater, 2008).
 8. The EU in the programming period 2006-13 has created two new categories to classify regions. The first one is that of “competitiveness” regions. These regions are aligned to the average EU’s economic performance. A specific policy framework has been set out to support and improve their economic performance. The second category is “convergence” regions. These regions (formerly defined as Objective 1) display a GDP per capita that is 25% (or more) lower than EU’s average. These regions are supported by a development strategy.
 9. Students’ commuting is calculated by measuring the percentage of individuals enrolled in secondary schools compared to the resident population with the overall population in the same age bracket (between 14-18 years).
 10. It is worth noting that in the Council of Europe held in Lisbon (March 2000), the dropout rate to be attained by 2010, on the part of all EU member States, was fixed at a maximum of 10%.
 11. The relatively scarcity of general practitioners (GPs) and pharmacists in rural areas is another important issue, since they play a key role in providing rural population with basic health care services. For instance, there are about 5 GPs per 1 500 inhabitants in the urban areas. This number is far less in rural areas, where often there is only 1 GP per 1 500 inhabitants, which is the lowest legally acceptable level.

12. In Italy a reform of the governance of the nation health system has devolved powers and responsibilities to regional governments. The central government sets a minimum level for the quantity and quality of the services and allocates funds to regional governments. These manage their regional health care system through local health enterprises (ASLs), which are in charge of delivering the service. This reform has gone hand in hand with the attempt of rationalising the supply of health care through a territorialisation of the service. The aim was to create local networks of health care facilities, i.e. health districts, which should self-contain the entire range of health services. Broadly speaking, according to this model, a general hospital located in a core (urban) area is connected to series of smaller facilities located within the health district. In particular, in sparsely populated areas, local health facilities provide emergency first aid and medical care.
13. ADSL 2 and 2+ are currently the fastest available broadband speeds through current ADSL connections. ADSL 2 is a second generation broadband service that uses new technology to offer faster connections for more users. ADSL 2 provides download speeds of up to 12 Mbps, while ADSL 2+ can double this.
14. The principal sources of nitrates inputs into OECD farming systems derive from nitrogen fertilisers and the nitrogen content of livestock manure, which together comprise around two-thirds of N inputs for the OECD on average. In some countries, however, other inputs of N, especially from atmospheric deposition (Australia, Belgium, and United Kingdom) and biological nitrogen fixation can be important (Ireland, Japan, New Zealand). For certain countries increasing quantities of sewage sludge are being recycled on agricultural land as a fertiliser. Use of sewage sludge in the EU15 rose by 7% (1995-2000), with larger increases reported for Ireland, Italy and Spain (EEA, 2005). While the use of sewage sludge as a source of farm nutrients can bring agronomic benefits, its use raises a number of environmental and health concerns (*e.g.* risks of pollution from heavy metals and pathogens) which require careful monitoring. This was the reason why Switzerland has decided to forbid the sewage sludge recycling on farmland from 2006. Furthermore, spatial variations in nutrient balances are usually explained by regional differences in farming systems. In Italy, for example, the Northern regions have an N surplus twelve times higher than Southern regions, due to the concentration of livestock production and maize cultivation (requiring high fertiliser inputs) in the North compared to the South. OECD (2008), "Environmental Performance of Agriculture in OECD Countries Since 1990".
15. While soil erosion risks are exacerbated by a combination of climate and steep topography, erosion has also been aggravated by: poor adoption of soil conservation practices, notably, limited soil cover over the whole year, and less than 10% of arable land under conservation tillage; monoculture cropping systems; and uncultivated land, notably conversion of cultivated mountain terraces to other uses. Soil compaction risks have grown, mainly in Northern areas, such as the Po Valley, due to greater use of heavy farm machinery in wet conditions. In the South and in the major islands about 5% of land is affected by desertification, including soil salinisation, associated with expanding olive cultivation on fragile land; excessive use of groundwater for their irrigation with the consequent intrusion of saline waters; and poor grove tillage practices. Linked to these soil degradation problems, there has been a loss of soil organic matter (SOM), but efforts are being made to raise SOM levels so as to improve soil fertility and enhance soil carbon stocks, so helping to reduce greenhouse gas emissions (OECD, 2008a).

ANNEX 1.A1

Methodology for the Decomposition of GDP Growth

The GDP share of region i in country j can be written as:

$$1. \frac{GDP_i}{GDP_j} = \frac{GDP_i/E_i}{GDP_j/E_j} * \frac{E_i/LF_i}{E_j/LF_j} * \frac{LF_i/WA_i}{LF_j/WA_j} * \frac{WA_i/P_i}{WA_j/P_j} * \frac{P_i}{P_j}$$

where P , E , LF and WA stand, respectively, for population, employment, labour force and working age (15-64) population. Therefore, the GDP share of region i in country j is a function of its GDP per worker (GDP_i/E_i), employment rate (E_i/LF_i), participation rate (LF_i/WA_i), age-activity rate (WA_i/P_i) and population (P_i), relative to, respectively, the GDP per worker (GDP_j/E_j), employment rate (E_j/LF_j), participation rate (LF_j/WA_j), age-activity rate (WA_j/P_j) and population (P_j) of its country.

However, GDP figures for small regions, such as TL3 regions used in the analysis could be over or underestimated due to commuting since a significant share of the population might live in one region but work in other. In order to take this into account a factor of commuting is added by multiplying equation 1 by the coefficient of Employment measured at the place of work (EW) and Employment measured at the place of residence (EW) (and its inverse, so as to multiply the equation by 1). Rearranging, the resulting equation is:

$$2. \frac{GDP_i}{GDP_j} = \frac{GDP_i/E_i}{GDP_j/E_j} * \frac{E_i/LF_i}{E_j/LF_j} * \frac{LF_i/WA_i}{LF_j/WA_j} * \frac{WA_i/P_i}{WA_j/P_j} * \frac{P_i}{P_j}$$

Taking the logarithm and differentiating it, one obtains:

$$3. (g_i - g_j) = (g_{p,i} - g_{p,j}) + (g_{e,i} - g_{e,j}) + (g_{lf,i} - g_{lf,j}) + (g_{wa,i} - g_{wa,j}) + (g_{p,i} - g_{p,j})$$

or, in ordinary words:

Difference in GDP growth between region i and the country j	=	Growth difference in GDP per worker between region i and country j	+	Growth difference in the employment rate between region i and country j	+	Growth difference in the participation rate between region i and country j	+	Growth difference in the activity rate between region i and country j	+	Growth difference in population between region i and country j
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ANNEX 1.A2

Methodology of Identifying and Mapping Industrial Districts in Italy

One of the factors contributing to the diffusion of the *Marshallian Industrial Districts* theory has been the possibility to delimit and quantify the phenomenon applying quantitative methodologies for the identification. The most accepted methodology was elaborated in Italy by Sforzi and ISTAT and is currently implemented in four countries (Italy, Spain, Portugal and United Kingdom). This methodology is twofold (ISTAT, *Distretti industriali e sistemi locali del lavoro 2001*, Collana Censimenti, Roma, 2006):

1. The local labour market area (LLMA) is the territorial basis for the industrial district. The delimitation of LLMA is carried out using an algorithm which departs from the municipalities or counties and uses data on jobs, resident employees and travel-to-work flows collected as part of the national Censuses. The LLMA is assimilated to a local production system.
2. To identify those local LLMA of small and medium enterprises (SMEs) specialised in manufacturing, and with a dominant manufacturing specialisation mainly composed of SMEs. It consists of four steps: identification of LLMA specialised in manufacturing; identification of manufacturing LLMA characterised by SMEs; identification of the dominant industry; and verification that the dominant industry is mainly composed of SMEs.

As discussed above, following such a methodology, there were 156 industrial districts in Italy (22% of population and 25% of employment) in 2001. Regions with industrial districts were more dynamic than the others. The average growth rate of industrial districts in Italy (10.2%) is larger than the average of the rest of LLMA (7.2%). The median of the growth rate of industrial districts (7.5%) is 2.5 times higher than in the rest of LLMA (3%). The growth rate of the employment in industrial districts in predominantly rural areas (7.1%) is lower than in intermediate rural areas (8.5%) and predominantly urban areas (11.1%).

Table 1.A2.1. **Number of areas and growth rates of employment by typology**

	Number of areas			Growth rate of employment 1991-2001		
	With IDs	Without IDs	Total	With IDs (%)	Without IDs (%)	Total (%)
Predominantly urban	23	11	34	9	8	9
Intermediate rural	30	19	49	8	6	7
Predominantly rural	9	11	20	7	3	6
Total	62	41	103	8	7	8

Source: Census 2001 (Italian Institute of Statistics).

There are also industrial districts with rural characteristics that are located in urban areas. The OECD rural typology could merge in the same region rural areas with intermediate or urban areas. This argument extends to intermediate rural and urban regions, which could contain rural areas. Hence, there is the possibility to IDs to be associated with more urban communities in rural regions changing the scope of the explanation. It could also be possible to find IDs with rural characteristics in areas not classified as rural. To enhance the explanation, the local labour markets in Italy, base for the local labour markets, have been classified using the same OECD typology for regions:

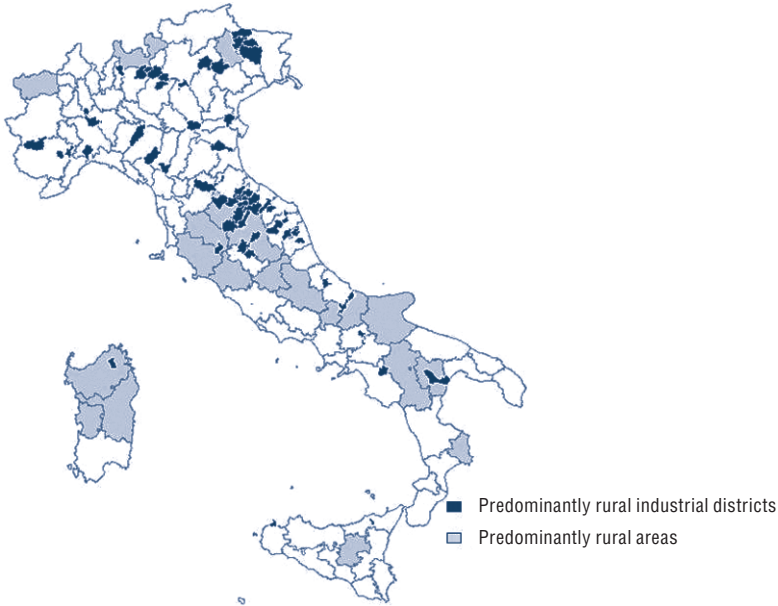
- A local labour market (LLM) is classified as predominantly rural if more than 50% of its population lives in rural municipalities, predominantly urban if less than 15% of the population live in rural municipalities and intermediate if the share of population living in rural municipalities is between 15% and 50%. Following this criterion, 52% of LLMs (357 of 687) have been classified as rural.

A LLM classified as rural under the basis of the previous criterion is classified as intermediate rural if there is any urban centre of more than 200 000 inhabitants representing no less than 25% of the population. An intermediate rural local labour market is classified as urban if there is any urban centre of more than 500 000 inhabitants representing no less than 25% of the population. However, in the application to Italy in 2001, no city in rural or intermediate areas has met these criteria.

The map below illustrates LLMS by typology of rurality. It shows that there are rural industrial districts also in non-predominantly rural regions. The number of IDs with rural characteristics in non rural areas (38 in intermediate rural areas and 7 in predominantly rural areas) is larger than in predominantly rural areas (22). They are concentrated in the centre and north of Italy. In these areas the correlation coefficient between the degree of rurality of an industrial district (percentage of population in rural communities) and the growth rate of employment between 1991 and 2001 is -0.27 . This indicates a negative relationship between rurality and growth in IDs even if the coefficient is not

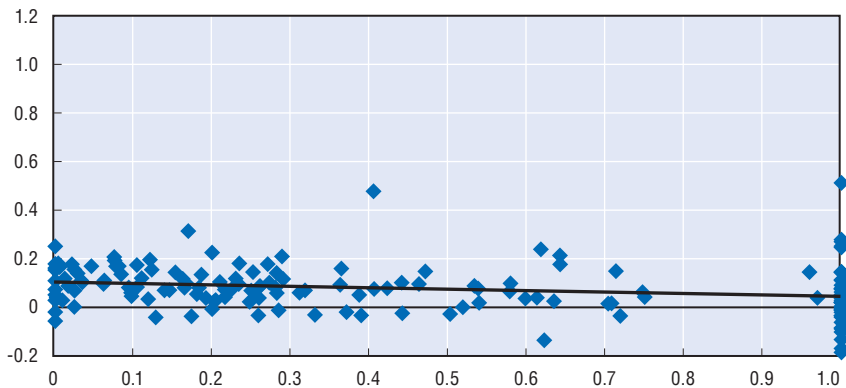
high. Finally, industrial districts with rural characteristics score higher growth of employment rates between 1991 and 2001 than rural LLMs without industrial districts.

Figure 1.A2.1. Rural industrial districts located in non-predominantly rural regions

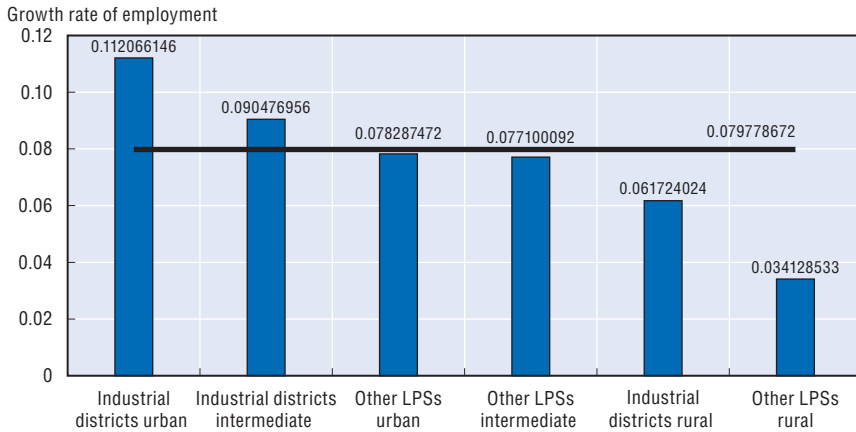


Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Figure 1.A2.2. Relationship between degree of rurality and growth rate of employment in IDs



Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Figure 1.A2.3. **Growth rate of employment by typology of local production system**

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Table 1.A2.2. **Industrial districts in rural areas in Italy, 2001**

Rural area/industrial district	Dominant industry	Employment 1991	Employment 2001	Growth of employment 1991-2001	Growth rate of employment 1991-2001 (%)
ITE18 Arezzo		87 087	91 725	4 638	5.3
1. Bibbiena	Housing goods	10 593	10 791	198	1.9
2. Cortona	Jewellery, musical instruments, toys	10 665	10 951	286	2.7
3. Arezzo	Jewellery, musical instruments, toys	55 238	59 676	4 438	8.0
4. Pieve Sto. Stefano	Textile and clothing	1 869	1 855	-14	-0.7
5. Sansepolcro	Textile and clothing	8 722	8 452	-270	-3.1
ITD33 Belluno		33 215	32 318	-897	-2.7
6. Auronzo di Cadore	Machinery, electrical and optical eq.	4 756	4 274	-482	-10.1
7. Pieve di Cadore	Machinery, electrical and optical eq.	8 585	7 447	-1 138	-13.3
8. Feltre	Machinery, electrical and optical eq.	19 874	20 597	723	3.6
ITF22 Campobasso		4 290	4 307	17	0.4
9. Trivento	Textile and clothing	2 018	2 061	43	2.1
10. Montenero Bisaccia	Textile and clothing	2 272	2 246	-26	-1.1
ITF52 Matera		10 842	9 927	-915	-8.4
11. Pisticci	Chemistry and plastics	10 842	9 927	-915	-8.4
ITE21 Perugia		54 608	61 823	7 215	13.2
12. Marsciano	Housing goods	7 484	6 821	-663	-8.9
13. Todi	Machinery, electrical and optical eq.	5 764	6 403	639	11.1
14. Città di Castello	Paper, publishing and printing	17 936	20 524	2 588	14.4
15. Umbertide	Textile and clothing	5 465	6 941	1 476	27.0
16. Assisi	Textile and clothing	17 959	21 134	3 175	17.7

Table 1.A2.2. **Industrial districts in rural areas in Italy, 2001** (cont.)

Rural area/industrial district	Dominant industry	Employment 1991	Employment 2001	Growth of employment 1991-2001	Growth rate of employment 1991-2001 (%)
ITG21 Sassari		1 819	2 085	266	14.6
17. Calangianus	Housing goods	1 819	2 085	266	14.6
ITE19 Siena		39 292	42 766	3 474	8.8
18. Sinalunga	Housing goods	10 925	11 784	859	7.9
19. Poggibonsi	Housing goods	24 324	26 793	2 469	10.2
20. Piancastagnaio	Leather and footwear	4 043	4 189	146	3.6
ITC44 Sondrio		16 022	18 871	2 849	17.8
21. Morbegno	Food and beverages	16 022	18 871	2 849	17.8
ITE41 Viterbo		13 148	15 092	1 944	14.8
22. Civita Castellana	Housing goods	13 148	15 092	1 944	14.8
ITC20 Valle d'Aosta	No industrial districts	-	-	-	-
ITF62 Crotone	No industrial districts	-	-	-	-
ITG16 Enna	No industrial districts	-	-	-	-
ITF41 Foggia	No industrial districts	-	-	-	-
ITE1A Grosseto	No industrial districts	-	-	-	-
ITF21 Isernia	No industrial districts	-	-	-	-
ITF11 l'Aquila	No industrial districts	-	-	-	-
ITG22 Nuoro	No industrial districts	-	-	-	-
ITG23 Oristano	No industrial districts	-	-	-	-
ITF51 Potenza	No industrial districts	-	-	-	-
ITE42 Rieti	No industrial districts	-	-	-	-
Total		260 323	278 914	18 591	7.1

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

ANNEX 1.A3

A Classification of Rural Italy Based on Regional Accessibility/Remoteness

The reform of the Structural Funds has defined specific intervention for the development of declining rural areas. Within this framework, to better assess trends in rural regions and urban-rural linkages, the public investment evaluation unit (PIEU or UVAL in Italian) of the department for development policies (DDP – which operates under the aegis of the Ministry of Economic Development) has elaborated a statistical/empirical methodology to classify rural. The methodology revises the OECD classification and takes into account both demographic factors and regional accessibility/remoteness, which are calculated at the municipal level (TL4) taking into account distance between rural regions and urban areas (see the box below). The aim – following a main trend in OECD – is to give importance to the accessibility factor as the element characterising the different typologies of the country's rural areas. Within this classification the primary sector is considered as equal to all the other sectors. As a result rural regions are divided in three categories; peri-urban, intermediate and outlying rural areas.* The classification highlights the characteristic of Italy of being a country in which a large number of dense networks of small and medium-sized cities are interlinked with rural regions.

To date, the methodology developed by the PIEU has been implemented in two pilot cases in Umbria and in Calabria. Based on these two cases, this classification displays some important differences with the one implemented by the Ministry of Agriculture. For instance in Umbria – which is completely rural according to the MoA classification – urban areas cover 13% of the territory and are home to 42% of the population. Similarly, in Calabria 17% of the territory and 52% of the population are classified as urban. The DDP is currently working on the elaboration of an accessibility indicator so as to be able to extend this methodology to the entire country.

* For more methodological details, see S. Lucatelli, S. Savastano and M. Coccia (2006), “Servizi Socio-Sanitari nell’Umbria Rurale” in *Materiali UVAL*, No. 12, available on the Department of Development Policies Website.

Box 1.A3.1. Measures of remoteness in the model implemented by the Ministry of Economic Development

The accessibility indicator is calculated as the average time needed to reach the closest major town by train and by car. The indicator is therefore the sum of two components: the time distance by car (IAC) plus the time distance by train (IAT).

$$LA_i = \frac{1}{2}(LAC_i + IAT_i)$$

The first is the weighted average time needed to reach the major town by car.

$$IAC = \sum_{i=1}^n a_i [(X_i * 90 \text{ km/h}) + (Y_i * 70 \text{ km/h})]$$

where:

IAC is the accessibility indicator by car.

X_i is the number of kilometres on state highways needed to reach the major town.

Y_i is the number of kilometres on normal roads needed to reach the major town.

i is the index of municipalities.

The second component is the time needed to reach the closest major town by train. Provided that not all municipalities have a train station, we have computed the IAT as the sum of two separate measures. For each municipality, IAT is equal to the time needed to reach a major town, if the municipality has a train station, plus the time by car needed to reach the closest train station, if the municipality does not have one.

$$IAT = \sum_{i=1}^n a_i [TR + TT]$$

where: $TR = \sum_{i=1}^n a_i [(X_i * 90 \text{ km/h}) + (Y_i * 70 \text{ km/h})]$ and $TT = \frac{\sum_{i=1}^n t}{f}$.

TR is the time needed to reach the closest municipality with a train station by car.

TT is the time needed to reach the major town from the train station of a municipality.

t is the time needed to travel by train from the train station in municipality i to the major town.

f is the frequency of trains from the main train station to the major town on a business day.

i is the index of municipalities (from 1 to 92).

Source: PIEU – UVAL – Ministry of Economic Development.

Chapter 2

Policy Assessment

This chapter describes the RDP approach in Italy, and pays particular attention to the National Strategy Plan (NSP) and the National Strategic Framework (NSF), which are the two key programming instruments for rural policy in Italy. In addition, this chapter analyses the current spending in rural areas and discusses the governance mechanisms underpinning the design and delivery of rural policy. It also features a close-up of the governance structure of 3 rural Regions in Italy; Calabria, Veneto and Emilia-Romagna. The chapter is structured as follows. The first section reviews the evolution of the Italian approach to rural development and rural policy. The second discusses the current policy focus, subsequent spending decisions and governance framework. Finally, the aspects of governance and spending that characterise rural policy design and implementation in three diverse rural regions are analysed.

Key points

- The Italian approach to rural policy is relatively complex and reflects a differentiated notion of “rural”, which is influenced strongly by EU agricultural and regional development policy frameworks, as well as a longstanding tradition of support to the southern regions. As such, it lacks a distinct, integrated strategic vision that embraces other aspects of rurality including health, education and rural quality of life.
- The current RDP approach in Italy features two co-ordinated national strategies (Pillar 2 and Regional development), with streamlined implementation and financial planning frameworks, and regional design and implementation of programmes. The strongly differentiated strategies of Italy’s regions should enable rural policies to be well-adapted to the great diversity of economic, social and environmental situations across the territory.
- In respect of resource allocation, RDPs maintain a strong primary sector focus and tend to favour longstanding and more conventional rural development models (e.g. agricultural modernisation and infrastructure) as opposed to multi-sectoral and territorially-embedded ones. A strong political focus upon allocating and spending money efficiently: seeing RD resources as a “push” factor, rather than examining more “pull” factors in respect of rural change, strategic challenges and opportunities, is evident. By contrast, there are many good examples of innovation in RD projects and strategies at the sub-regional level.
- An over-emphasis upon available EU funding and spending efficiency in programme planning holds two main dangers. First, it may undervalue the importance of learning from monitoring and evaluation about the impacts of policy investment, as policy-makers always look forward, rather than back. Second, it risks continuing a culture that was seen in past decades, of public investment into projects with high spend capacity but limited, or negative, long-term impact. In addition, the dependency of Italy’s rural policy framework upon the wider EU frameworks renders it vulnerable to uncertainties about future EU funding.
- The markedly different economic positions and demographic challenges of Italy’s rural areas, as discussed in Chapter 1, support the view of national Ministries that a more differentiated rural typology is needed than the OECD standard approach. While the four-category typology now adopted for the NSP represents a valuable first step in this process, further development

is needed in order to fully capture the significant economic divergence between regions and to reflect strong processes of counter-urbanisation occurring in significant parts of the north and centre, alongside continuing outmigration and decline in more remote areas.

- At the regional level three rural governance models exist: Traditional (or mixed), Centralised and Decentralised, to deal with rural development interventions. Each model offers scope for an effective design and delivery of rural policy, but all three suffer from a separation of rural roles and responsibilities between different Ministries (between rural-agricultural, regional, and broader “normal” policy). This in turn leads to a need to recombine these roles at local level, in order to achieve joined-up RD policy delivery. Thus meso-institutions, which may be provinces, groups of municipalities or other sub-regional delivery partnerships (including LEADER – Local Action Groups), are often critical to successful rural development.

2.1. RDP in Italy closely follows the EU framework drawing from regional and agricultural policy

The Italian approach to rural development is relatively complex and does not depend on a unique rural policy approach at the national or regional level. Instead, rural development (RD) policy in Italy, draws heavily from the current EU framework – i.e. i) the RDP that is a part of the CAP, supported by the European Agricultural Fund for Rural Development (EAFRD); and ii) the Regional Policy supported by the Structural and Cohesion Funds¹ – ERDF and ESF. RD policy in Italy evolved in tandem with the European Union’s framework. This evolution is illustrated by Italy’s experience with the different EU Structural Fund programmes from 1989-93, 1994-99, 2000-06 and 2007-13, and RD programmes under the CAP from 2000-06 to the present programme, 2007-13. Today, Italian public authorities have a differentiated notion of “rural policy” which is reflected in the current RD programmes.

The evolution of RDP

The Italian approach to RDP dates back to the regional measures introduced for the south of Italy. While the Centre-North regions flourished in the early half of the century, the largely rural macroregion of southern Italy lagged well behind in key performance sectors. The primary sector in the South stagnated because it depended on a labour intensive “feudalistic” model that failed to yield results (Villari, 1991; Gramsci, 2005).² In contrast, primary sector activities in the Centre-North regions were capital intensive and fuelled the transition to a manufacturing-based economy (Box 2.1). Seeking to stimulate similar economic transformations in the South, the *Cassa per opere straordinarie di pubblico interesse nell’Italia meridionale* (Casmex) or “Fund for extraordinary projects of public interest in Southern Italy” (1950s) was

Box 2.1. The South and the Centre-North economic development polices

Southern Italy

After the first attempts to promote socioeconomic development in the south at the beginning of the 20th Century, the state intervened in a more institutionalised way through the *Cassa* (from the 1950s) and extraordinary financial resources to promote widespread programmes of public works. *Cassa* was part of an effort to balance conditions in the North with the South, promote a good environment for industrialisation and improve local living standards. Considered a national priority programme it enabled Italian banks and business to execute large public investment plans in Southern Italy along with monies received from the government. The economic and social policies sought to develop rural areas and address persistent underdevelopment problems like disease, malnutrition, and illiteracy. The large scale investment programmes consisted of building roads, aqueducts, electrical and irrigation plants, tourism and agricultural projects on drained and reclaimed land. The bulk of the financial resources were allocated to basic infrastructure and agriculture. Thus the *Cassa* sustained both the creation of infrastructure (for agriculture and transportation and for social purposes) and the process of industrialisation.

Nonetheless, the *Cassa's* economic, spatial and social policies floundered; the goal was to industrialise the South but the interventions failed to generate the local context and spin-offs. Reasons for the short-fall included: weaker than expected ability to attract large companies, the local network of SMEs producing consumer goods failed to capture the increased demand caused by new investments plus the large industrial investments in the South accelerated the decline of traditional southern sectors. As the weakness of the Italian bureaucracy facilitated inefficient inter-government relations, the *Cassa* became increasingly linked to political corruption.

The 1990s brought an end to extraordinary interventions. The political upheavals of that period, particularly privatisation and public administration reform, ushered in new, more territorial governance polices. During this period, the traditional centralised planning procedures for public investment gave way to partnership with co-financial relations between the Regions and the Central government. This shift was represented in the 2000-06 programming phase by the *Mezzogiorno Development Plan*, a EUR 48 billion (European funding + Co-financing) plan for Southern Italy.

Box 2.1. The South and the Centre-North economic development polices (cont.)

Centre-North

While a progressive worsening was visible in the Southern regions, the ordinary regions created in the 1970s ushered in new territorial polices for the Centre-North. After a long debate about the sustainability of an industrial framework based on small firms (Brusco and Righi, 1982), national and local governments started implementing territorial policies which (partly unconsciously) strengthened small firm development and industrial districts. The policy approaches aimed to increase regional competitiveness, with support for clusters of SMEs at the forefront. In many cases there were more efforts to stimulate innovation and entrepreneurial activity, and less direct financial support. Some of the key policy shaping tools used to cultivate a favourable growth environment in the Centre-North included:

1. **Supply of real services:** Regional authorities introduced measures that ensured small companies access to a wide range of services that would have been too costly for them to produce internally or purchase individually.
2. **Support for technical innovation and technology transfer:** Regional authorities introduced policies to encourage research and development and locally-based new technology, through the creation of technology parks.
3. **Easier access to credit for small companies:** Regional Authorities facilitated joint funds so that small companies could provide more secure guarantees to banks, thereby reducing the cost of loan capital.
4. **Labour market policies:** Regional authorities worked to match supply and demand through employment services and the development of human capital. This was pursued through measures that provided information, career guidance and job training.
5. **Polices for equipped areas:** measures aimed to spread production and service activities over wider areas and to encourage their location in less crowded areas.

Source: OECD (2001), *Territorial Reviews: Italy*, OECD, Paris.

created to guide policy interventions. As a national priority programme, the *Cassa* allowed the State, with the involvement of Italian financial institutions and businesses, to intervene in the economy. It utilised a two pronged approach that relied heavily on public investments and private sector incentives. The first phase focused on developing basic infrastructure to facilitate industrialisation, while the second stage went further and promoted industrialisation through public industrial investments like the *Alfasud* (automotive) plant in *Pomigliano d'Arco*, as well as *Montefibre*, and *Cementir*.

Besides the *Cassa*, other policy measures influenced RDP in Italy. At the EU level, the CAP (from the 1970s) offered explicit support to restructure the farm sector (via investment in holdings, infrastructure and processing and marketing), through policies delivered by the Ministry of Agriculture, Food and Forestry. A special programme of aid for mountainous rural areas was formalised in 1975 by Directive 75/268/EEC for farming in certain “less-favoured areas”, also under the CAP. In the sphere of EU regional policies, the Integrated Mediterranean Programme was introduced (from 1985) to address the lagging state of development across the Mediterranean regions through “relevant and practicable integrated programmes”.³ Under this initiative, financial, political and technical resources were transferred to the regional level, to help cultivate diversified and creative responses to economic challenges (Smyrl 1995). More profound changes came with the emergence of regional and rural development programming in the EU during the 1990s, leading to the significant reforms of Agenda 2000.⁴ The analysis below follows Italy’s adoption of these reforms and the impact on RD policy over the four main programming periods.

First period 1989-93

In the first period of EU Structural Funds planning, performance in rural areas fell short in two key areas: effective programming; and the capacity to spend the resources provided. However, the period induced sweeping institutional changes that laid the ground for the more targeted rural development planning that came later.⁵ The Italian government responded to the lack of positive results from, and waning political support for, the extraordinary intervention in the South by abruptly terminating these programmes in 1992. Instead of creating a new Italian strategy for its lagging regions, all the national development programmes were then merged with the EU Structural Fund programmes. As such, national intervention for rural development became the co-financing of structural fund expenditures. However, the EU multi-fund programming schemes pre-supposed a level of financial dexterity and institutional co-ordination, planning and implementation that was not already present. The measures under the *Cassa* had been centralised, top-down and non-participatory in form, one-off interventions rather than comprehensive strategic efforts (Leonardi, 2005).⁶ Thus Italy was technically and institutionally unprepared to adopt the new EU “intervention philosophy”; but sweeping institutional changes were undertaken and most of the administrative responsibility for the rural policy shifted from the national level to the regional level. The introduction of regional governments brought about new cleavages between the Centre-North and the South. Southern governments were more politically unstable and more hands-off in policy implementation and planning than their northern counterparts. While the ability to spend resources was a challenge across Italy as a whole, fundamental experience was lacking

particularly in the South which proved less able to use the EU resources. Nonetheless, new ways to plan manage and implement RDPs emerged, even in the South, as a result of these changes. For instance, despite its limited form, the EU LEADER I initiative that emphasised bottom-top participatory planning was able to generate new jobs and additional business in regions in the South, like *Alto Casertano*, Campania (see Box 2.2 for more on the LEADER initiative in Italy).

Box 2.2. LEADER, Local Action Groups (LAGs) in Italy

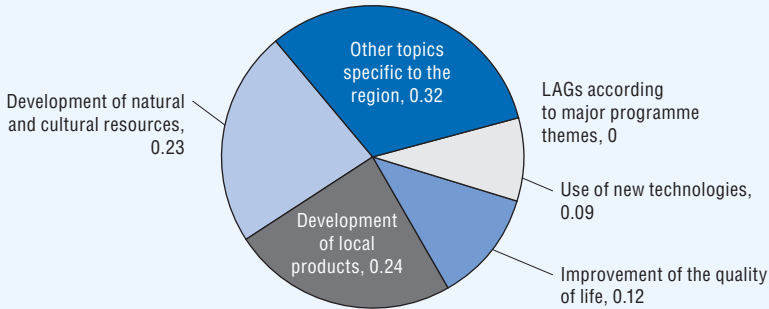
LEADER (*Liaison Entre Actions de Developpement Economique Rurale* or links between activities developing the rural economy) is a Community Initiative that was launched in 1991 to encourage a new approach to RDP, one based on territory and emphasising participatory and integrated development. In Italy, the LEADER experience began with LEADER I (1991-3) directed mainly at the mountainous communities, but by the end of the 1990s, there were more than 175 Local Action Groups (LAG) across the national territory.

LEADER's impact was important in both north and south, in the former because it required more co-ordination and in the latter because it built capacity for more effective local delivery and governance. In the north, LEADER initially introduced a new administrative structure into an already crowded network of Mountain Communities, Provinces, and Regional Development Agencies and increased the importance of co-ordination. Typically LEADER receives a relatively low level of resources which limits its scale of impact. In the LEADER community the policy network is mixed, with public authorities taking different roles. While Regions take on a "quasi-coordinator" role and facilitate the resource flow, municipalities attracted by LEADER's flexibility (in leadership and management) can use it as a vehicle to contract out service provision, as well as to stimulate new kinds of entrepreneurial activity.

For the most part artisans, shopkeepers and tourist operations have been the core of the Italian LEADER development model. LAGs give priority to small businesses and to tourism in general and the associations belonging to LAGs tend to be either cultural or environmental. In the 2000-06 programming period there were 132 active LAGs in Italy working across over half of the Italian territory each with a Local Development Plan (*Piano di Sviluppo Locale - PSL*) addressing a central theme related to the identity and/or the natural and cultural heritage and specific qualities of the area. LEADER + was implemented through 21 Regional Programmes, and LAGs' selection was under the responsibility of the Regions but the projects were chosen by the LAGs. This institutional arrangement continues today under the 2007-13 RDPs.

Box 2.2. LEADER, Local Action Groups (LAGs) in Italy (cont.)

Figure 2.1. LEADER + LAGS (2000-06) according to major programme themes



Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Other specific themes included:

- Strengthening of services supporting local production system through facilitating its setting up and access (i.e. Friuli-Venezia Giulia).
- Improvement of employment and self employment opportunities, giving priority to young people and women, Tuscany.
- Establishing new production businesses in marginal areas, Campania.
- Recovering the identity of rural areas, enhancing of local crafts, recovering and enhancing of dying crafts, creating new opportunities for production and services, creating local networks in the sectors of production, human resources management and public administrations, Puglia.
- Recovering the identity of rural areas, Basilicata.
- Enhancing archaeological, historical and cultural sites, Enhancing rural tourist sites, Calabria.

Source: Osti, Giorgio (2000), *LEADER and Partnerships: The Case of Italy*, *Sociologia Ruralis*, Vol. 40, No. 2.

Second programming period, 1994-99

In the second period, the rural institutional and administrative structure for the delivery of regional programmes strengthened. However, the institutional separation of EU funding through different ministries (ERDF, ESF and EAGGF), coupled with continued spending pressures cultivated a sector focus, a lack of capacity elsewhere led to diversification mainly in the primary sector, and limited resources were allocated to truly integrated rural development schemes. New institutional bodies and policy instruments based

on negotiated planning were created to address organisational and management shortfalls at the national and regional level. One such institution, the Department for Development Policies (DPS) sought to improve the planning capacity of the regions in respect of regional development and community cohesion policies (ERDF and ESF). DPS acted in particular as a bridge between various national and sub-national actors and a co-ordinator for any measures aimed at the South. Through DPS, synergies with EU cohesion policy improved along with the capacity to attract and spend funds (Brunazzo *et al.*, 2007). Important rural development tools – Integrated Territorial Programmes (ITP) – reinforced the importance of the integrated bottom-up approach by increasing public and private agreements and decreasing the role of the central government. For instance, ITPs were instrumental in shaping the Local Action Groups (LAGs) that formed under the more widespread application of LEADER II, during this phase. With local and private actors as the “animators”, a stronger participatory framework and closer attention to rural areas was assured, as these actors brokered agreements by forging the necessary relationships, identifying economic problems and designing intervention plans.

Overall, the concept of integrated participatory development started to take hold (but particularly within the primary sector). The North and Centre regions under the EU programming solidified the territorial focus of their programmes through *filières*. Devised at the sub regional and sub provincial territorial levels they strengthened the links between primary production and the territory.⁷ Competitiveness improved in the South, due to the linking of agro-industrial structures to increase productivity levels. However other aspects proved much more challenging such as the: 1) continuing difficulties with financial planning capacity and low capacity to spend resources, especially in the South;⁸ 2) a lack of physical and human capital necessary for developing innovative diversification planning schemes beyond the primary sector; and 3) a relative lack of evaluation mechanisms with clear methodologies in place to measure outcomes (OECD Background Report, 2008).

Third period 2000-06

In the third period, the Agenda 2000 reforms launched a new multifunctional approach to rural development in Europe under the CAP. At the same time, reforms to EU Structural Fund policies increased the influence of regional governments through greater financial control (70%) of programmes. The new frameworks necessitated 51 different Rural Development Programs. The Centre-North Regions had one RDP for rural development measures funded wholly through Pillar 2 of the CAP as well as smaller, targeted regional development programmes (ERDF and ESF) for their most disadvantaged rural areas; while the South had integrated Regional Operational Programmes (under the Community Support Framework (CSF)), as well as some specific additional

agricultural “accompanying measures” funded through separate Rural Development Policies.⁹ Throughout Italy, a particular concern over small farm sizes and diminishing intergenerational transfers in agriculture heavily influenced spending decisions, and the competitiveness of the agro-food sector was seen as the primary goal. Although still grappling with varying levels of under-performance, the South applied a new supply-side economic development strategy of collective service provision, aiming to improve the returns on private investment, attract mobile capital and boost productivity, growth and territorial competitiveness beyond the primary sector (Barca, 2005). The southern regions also dedicated more resources to building-up the territory and rural infrastructure than was apparent in northern and central regions’ RDPs. Overall, there were significant advances: LEADER and ITPs produced stronger social capital across rural areas; while the governance mechanisms at central and local levels and spending capacity continued to improve.¹⁰ More importantly, monitoring and evaluation capacity increased because of new methods introduced to ensure policy “verifiability” and the ability to “modify” policy objectives as programmes developed. Nevertheless, RD policy continued to: 1) target agricultural competitiveness as the main priority for spending; 2) result in low quality interventions because regions were targeting some measures based on speed of spend; 3) be insufficiently innovative in the area of rural economic diversification; 4) limit the potential for scaling-up development capacity and shared learning by dedicating relatively few resources to integrated rural development planning tools (like LEADER and ITPs); 5) lack co-ordination at the regional and central levels; and thus 6) lack a discernable rural vision (OECD Background Report, 2008).

Fourth period 2007-13

Currently, two documents (mandated by the new EU legislative frameworks¹¹ guide rural policy development, the *National Strategy Plan (NSP)* which covers the operation of new RDPs under the second pillar of CAP (the so-called EAFRD – European Agricultural Fund for Rural Development), and the *National Strategic Framework (NSR)* which governs the operational programmes of EU Structural Funds (ERDF, ESF, and the national disadvantaged area fund – DAF), throughout Italy. The strategies represent a more integrated institutional dynamic with new horizontal relationships at the central level, as evidenced by the co-ordinated planning and multi-stakeholder engagement process undertaken to create the NSP and NSR. Of the two, the NSP constitutes a “*de facto*” rural policy document as it defines the national strategy for the CAP-related but explicitly rural, development programmes. The NSP, sets out the following rural development strategy, which closely matches the objectives for the policy at EU level: 1) To improve the competitiveness of the agriculture and forestry sector; 2) to valorise the environment and countryside through the management of the

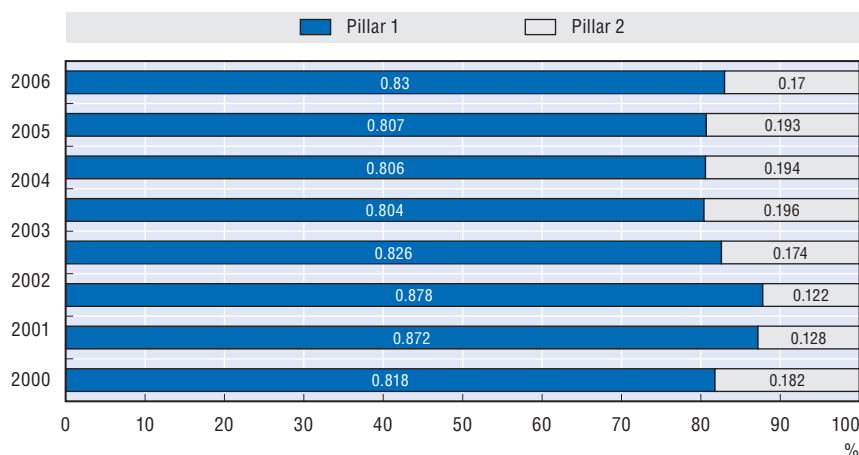
territory; 3) To improve the quality of life in rural areas and promote the diversification of economic activities. The NSR, which governs regional development policy, both urban and rural, sets out two main objectives to be achieved through maximum co-ordination between regional policy and RDP: 1) to improve context conditions to facilitate the development of agri-business activities and other economic activities able to guarantee alternative incomes; and 2) to improve the attractiveness of rural areas through the diversification of the economy and improvement of quality of life conditions (OECD Background Report, 2008).

Thus, the current policy framework in Italy (i.e. NSP and NSR) builds upon the past and features a more co-ordinated national rural development strategy and regional development strategy, with streamlined implementation and financial planning. Nonetheless, it remains (in the case of the NSP) predominantly “primary sector” in focus; it tends to favour “capacity to spend” over “programming effectiveness”; and it lacks a “distinct, strategic integrated rural vision” embracing all aspects of rural policy beyond the EU-funded programmes. The following section analyses each of these characteristics, in turn.

2.2. In the case of the Ministry of Agriculture, the Italian approach to rural development maintains a sectoral focus...

Italian rural programmes under the MoA still tend towards a primary sector, rather than a territorial, focus (see Figure 2.2). It seems that political concerns about structural weaknesses in the primary sector, relative to the rest of the EU15, namely: small farms, an ageing agricultural population, low inter-generational

Figure 2.2. **Comparison of expenditures by Pillar I and Pillar II in Italy**



Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

turnover and lower than average levels of education and training; have resulted in a narrow rather than broad RD policy focus. Under the NSP, regional RDPs collectively prioritise expenditure on promoting competitiveness in agriculture and forestry (Axis 1) and supporting environmental land management by farmers and foresters (Axis 2), over investment in diversifying the rural economy and improving the quality of life in rural areas. The strong focus on using EAFRD axis 1 and 2 is evident even among the wealthiest regions of Italy (see Box 2.3). RDPs are designed in Regional Agricultural Ministries, so the financial balance between axes largely reflects each Region's choices.

In addition, the high priority assigned to primary sector objectives depends partly on the fact that RDP is planned and actuated mainly through sectoral administrations (regional agricultural departments). Not only that, but the socioeconomic partnership that participates in the definition of the regional rural development programmes is characterised by a strong presence of the agricultural trade associations, the lobbying activity of which is aimed at maintaining the status quo, resisting economic diversification and other intervention measures directed towards the territory as a whole. This fairly overt political involvement in RDP is visible even within relatively non-political policy delivery structures like LEADER Local Action Groups (LAGs), relations with local politicians are evidently important for achieving successful outcomes (see Box 2.3). As a consequence, there are some notable political tensions in respect of the effective articulation of RD with wider policies – e.g. taxation, health and services – such as the special fiscal treatment for particular areas, the influence of organised crime, and the pursuit of big “flagship” RD projects to bring prestige to otherwise relatively weak local authorities or local politicians.

Therefore, regional allocations appear to be influenced by politics as well as relative needs. To some extent this is an inevitable and legitimate consequence of the structure of governance in Italy, where elected politicians play a key role in determining resource use at regional level, as well as agreeing the appropriate division of nationally-gathered public resources, between the regions. Thus the policy may reflect tensions in respect of the movement for greater autonomy among some of the regions, as well as the influence of organised crime in some southern regions.

Whilst the general case for investing in a more resilient, productive and sustainable agriculture, as a legitimate part of a broader rural development strategy, is clear, there is a risk that a strategy which is focused narrowly upon short-term economic competitiveness in one sector could prove unsustainable. In the national context, where farming activities are in decline in terms of output volumes, employment, and the use of land (Chapter 1), the precise choice of investment strategy becomes critical to ensuring effective RD. For example, targeting significant policy support towards achieving

Box 2.3. Rural development financial framework

Table 2.1. **CAP+ co-financing (EUR)**

Pillar I	Pillar II	National co-financing	Regional co-financing
COM for wine 998 million	8 292 billion	6 908 billion	1 487 billion
COM for sugar 87.9 million	<i>Tobacco COM¹ 1 014 million</i>		
COM for fruit and vegetables 1 190 million			

1. Tobacco COM (1 014 million) is part of 8 292 billion (Pillar 2). Same for LDA Fund (875 million) which are included in 64 billion.

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Table 2.2. **Rural development resources by axes and regions (EUR)**

	Axis I	Axis II	Axis III	Axis IV (LEADER)	Technical assistance	Total (EUR million)
Competitiveness regions						
Piedmont	342 364	399 409	66 091	58 409	30 318	896 592
Valle d'Aosta	12 065	82 386	12 324	8 875	3 034	118 685
Lombardy	291 656	464 716	80 517	35 995	26 871	899 756
Bolzano	74 772	193 982	28 282	15 634		312 671
Trento	87 224	121 060	29 583	17 143	1 144	256 155
Veneto	403 053	337 780	45 787	100 614	27 440	914 675
Friuli	106 301	91 468	24 721	16 069	8 652	247 212
Liguria	143 567	55 892	15 284	54 383	7 436	276 563
Emilia-Romagna	382 954	397 133	97 500	47 727	9 347	934 662
Tuscany	323 059	335 645	88 107	83 911	8 391	839 114
Umbria	304 027	326 829	68 406	38 003	22 802	760 068
Marche	194 098	178 350	41 391	27 589	18 390	459 819
Lazio	308 047	209 472	73 931	39 325	24 644	655 420
Abruzzi	165 072	142 039	42 228	19 194	15 356	383 890
Molise	85 940	65 942	27 502	9 744	5 849	194 978
Sardinia	350 795	701 591	18 000	169 926	12 528	1 252 841
Total	3 574 994	4 103 694	759 654	742 541	222 202	
Convergence regions						
Campania	752 938	677 645	282 352	94 117	75 294	1 882 347
Puglia	598 000	519 171	40 000	279 000	44 398	1 480 570
Basilicata	171 743	349 967	64 809	38 885	22 683	648 088
Calabria	456 469	444 469	108 407	65 044	21 681	1 096 071
Sicily	892 368	886 504	158 915	126 382	42 142	2 106 312
Total	2 871 518	2 877 756	654 483	603 428	206 198	
Total per axis	6 446 512	6 981 450	1 414 137	1 345 969	428 400	16 616 489

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

economies of scale, lower costs and more competitive pricing in the farm sector could easily lead to a further depletion of the rural workforce, as well as a loss of rural environmental and cultural assets and traditions. This would result in a depletion of the basic resources for rural development. Particularly when considered against a background of increasing access to EU agricultural markets by producers from countries with much less developed economies and much lower production costs, this kind of approach also appears short-sighted, in that its competitive edge could swiftly be eroded through that process. By contrast, strategies which seek to promote an agriculture which is well embedded within the rural economy – so that farm products and activities stimulate other kinds of local business activity such as leisure, hospitality or tourism, and serve to strengthen the unique environmental and cultural assets of an area – appear much more positive for rural development outcomes. At present, there is evidence of both strategies being pursued, within the RDPs of the Italian regions.

Italy's approach to Pillar 2 rural development seems to put relatively little focus on broad economic or social policies for rural areas.¹² This is indicated by the relatively low fund allocations devoted to support the diversification of the rural economy and enhancement of quality of life in rural areas (or "Axis 3"), within the regional RDPs. The allocations are mostly derived from the obligation imposed by the EU EAFRD framework regulation, to devote a minimum of 10% of allocated RDP funds towards "Axis 3" rather than a specific strategy to diversify the rural economy.

It is not clear that the total RDP resource available to each region in Italy reflects its relative need for rural development expenditure, as compared to other regions. The reasons for this probably lie in the political nature of the budgetary allocation process. One of the risks of an explicitly political treatment of the allocation of RD resources is that the range of variation in RDP budgets between regions can be lower than their range of variation in inherent rural characteristics. In other words, targeting is weakened by the political process by which funding decisions are made. This may mean that relatively wealthy Italian regions benefit from the allocation more than relatively poor ones, if considered by comparison to the scale of needs that they seek to address. This is notwithstanding the fact that the EAFRD framework requires member States to allocate proportionately more RD funding to "convergence" (lagging) regions, in recognition of their greater needs. To illustrate this point, consider the resources devoted to rural development programmes in the regions of Italy's Centre-North, by comparison to those available to the South. If measured as the "intensity of spend" per capita employed in the primary sector, Emilia-Romagna (northern) will receive EUR 1 738 per year from the EU RDP budget, while Calabria (southern) will receive EUR 1 821 per year, over the period 2007-13. These

figures are very close, yet the level of general wealth in these regions is very different. The range of spending intensity per capita in the primary sector is between EUR 1.8 and 3.9 000 per year for all the southern regions of Italy and EUR 1.4 to 10 000 per year for northern and central regions. If one considers the resources expressed as intensity per farm holding, the respective ranges are EUR 0.9 to 2.1 000 per year for the south, and 0.9 to 5.0 in the north and centre. So, given the fact that the majority of RDP funding is targeted to the farm sector, farms in the north will frequently benefit from higher levels of RDP funding than that which is available to farms in the south (Dwyer *et al.*, 2008). This implies that in some senses, Italy's RDPs are favouring investment where it may bring the highest return to public investment, rather than where it contributes most to overcoming rural disadvantage.

... regional development policy does have a much more territorial focus but its impact on rural areas is constrained by its wider mandate...

Italian regional development policy adopts a “cohesion principle” approach. However, the programmes' impacts on rural areas are not uniform across the regions. The main objective of Italian Regional Policy, supported by ERDF and ESF funding as well as Italian national and regional public funds, is to reduce existing disparities between and within Regions, and improve the country's competitiveness and productivity. In Italy, Regional Policy funds amount to approximately EUR 100 billion (EUR 64 billion from the Italian government's “Disadvantaged Area Fund” (DAF) and EUR 28.8 billion from the European Structural Funds with national and regional co-funding). Of the EUR 28.8 billion an estimated EUR 12 billion is earmarked for rural areas (see Box 2.4). The NSR is a supply-side policy structure that is based on evaluation, monitoring and rewards (Bank of Italy 2006). ESF, ERDF and DAF funds are allocated between regions based on a dimension and disadvantage index (Brezzi *et al.*, 2005), and within the north-centre regions, only certain parts of the regional territory are covered by the ROPs, again reflecting an explicit targeting of funds towards situations of greatest economic disadvantage. Thus, within the sphere of regional development policy, the rural component is highly varied, both between regions and also within them, at the sub-regional level. In fact, Southern Italy will receive 80% of the total 2007-13 funds. See Annex 2.A1, Table 2.A2.1 for a breakdown of the 2007-13 ERDF and ESF planned expenditures for Southern Italy.

In order to assist the OECD in producing this report, the Ministry of Economic Development made an analysis of the measures and resources within regional programmes for the period 2007-13, including the programmes co-funded by the European Regional Development Fund and European Social Fund, as well as inter-regional programmes under the flanking “community initiative” supported by EU regional policy (see Box 2.3).

Box 2.4. Regional development policy funding

Table 2.3. 2007-13 financial framework for development policies in Italy¹

ERDF + ESF + co-financing ERDF + ESF	National co-financing	Regional co-financing	Total	Italian government DAF ³
EUR 28.8 billion	EUR 25 billion	EUR 4 billion	EUR 57.8 billion (of which: 12 billion estimated as potentially devoted to rural areas) ²	EUR 64 billion (of which: 875 million – National programme for agriculture and rural system competitiveness)

1. Total amount as estimated at the time of the approval of the NSR.
 2. Public Investment Evaluation Unit (UVAL) of the Italian Ministry for Economic Development reclassification of 2007-13 Structural Funds categories of expenditure, estimating potential rural resources, on the basis of territorial criteria.
 3. At present (Nov.-Dec. 2008) Italian funds for regional policy (DAF/DAF) are going through a re-planning process.
- Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

The analysis found that overall, only 6.1% of expenditure was explicitly targeted to rural interventions, while 53.7% was for non-place-based measures, 36.4% for interventions potentially located in either urban or rural areas, and 3.8% for explicitly urban interventions. However, these “overall” shares mask important differences between regions (Box 2.5).

At the level of individual regions (see Box 2.3), northern and central regions have tended to allocate slightly more ERDF programme funding to explicitly rural interventions (15.2%, on average, compared to only 10.2% in the south). This may reflect the fact that in these more wealthy regions, the poorest sub-regional areas will tend often to be those that are most remote and rural i.e. those suffering “comprehensive development problems”, as defined under the Ministry’s national rural typology. Thus it is possible that there may be some rural areas in northern Italy that receive higher relative levels of ROP funding per capita or per rural business than the rural areas in the south. However, it has not been possible to test this possibility using the available data.

What is already clear from this examination, however, is that in the northern regions where strong pressures of counter-urbanisation affect a significant proportion of rural territory, these are largely territories that will be excluded from ROP funding because they are less remote and less economically disadvantaged. They are also territories which receive little or no funding under axes 3 and 4 of the pillar 2 RDPs, as a result of the targeting decisions arising from the development of the four-category rural typology for Italy. Therefore, almost all the rural development funding in these highly pressurised areas will

Box 2.5. Financial analysis of ERDF and ESF

Table 2.4. **EU structural funds 2007-13 (national, regional and inter-regional programmes)**

Total resources (ESF + ERDF + national co-funding)

	Total amount (EUR million)	Total (%)	Only FESR	FESR (%)
Explicit rural interventions	3 628.3	6.1	3 628.3	8.3
Horizontal interventions (non-place-based)	31 978.1	53.7	18 607.9	42.5
Explicit urban interventions	2 258.4	3.8	2 258.4	5.2
Interventions potentially devoted to both urban and rural areas	21 648.1	36.4	19 326.6	44.1
Total	59 512.9	100.0	43 821.2	100.0

Table 2.5. **EU structural funds (regional + inter-regional programmes)**

Total resources (ERDF + national co-financing)

	Centre/North		South	
	Total amount (EUR million)	Total (%)	Total amount (EUR million)	Total (%)
Explicit rural interventions	859.3	15.2	2 781.4	10.2
Horizontal interventions (non-place-based)	2 828.0	49.9	8 235.3	30.2
Explicit urban interventions	481.3	8.5	754.3	2.8
Interventions potentially devoted to both urban and rural areas	1 495.0	26.4	15 514.5	56.8
Total	5 663.6	100.0	27 285.6	100.0

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

be focused upon the agricultural sector alone. Given the analysis already presented in Chapter 1 of this report, this is unlikely to reflect a balanced appreciation of the rural development needs of these territories.

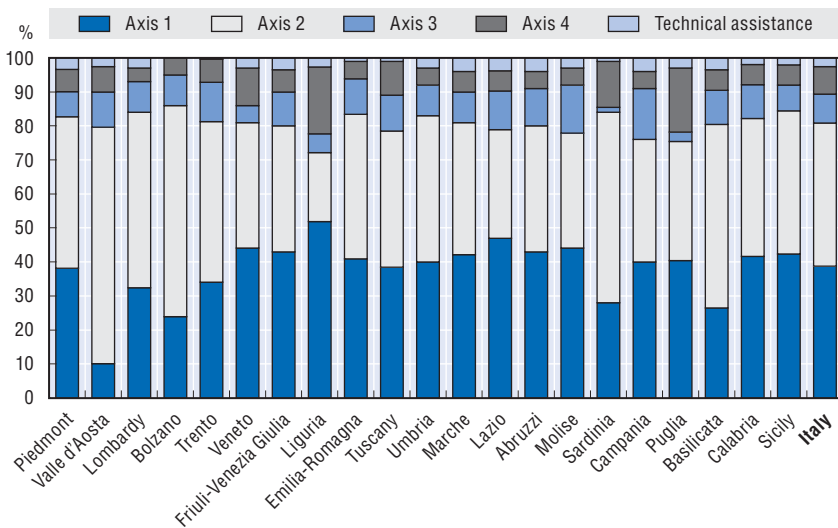
... favours “capacity to spend” over “effective” programming

The ability to spend funds during the programming period may have inadvertently become an important determinant for investment choices, within both rural development and regional operational programmes. This may be partially responsible for fostering an institutionalised culture of public investment in projects with high spend capacity but more limited long-term impact. In particular, this can negatively affect the quality of interventions and the likelihood of innovative interventions that are capable of addressing new challenges for rural areas.

An overarching concern with the need to spend funding allocations was most evident during the previous 2 programming periods, as discussed earlier, but it apparently remains a factor shaping the present rural development programmes. In the past, some regions have clearly been more capable of spending money efficiently and/or achieving higher multiplier effects from funds, giving policy-makers an incentive to support them more readily than other regions which proved unable to spend their full financial allocations. Indeed, this approach was adopted at EU level to some extent, in that “efficiency of spending” was one criterion used for determining programme allocations for both rural and regional policies, in past periods. It is therefore perhaps unsurprising if Regions then decide to favour measures which are likely to spend money more rapidly or simply. In an analysis of how the regions have apportioned their Pillar 2 RDP budgets among individual measures, the Ministry of Agriculture of Italy notes a relative emphasis upon those measures with which the regional administrations are already most familiar, and much less use of novel measures.

Despite the higher number of measures that can be used, an analysis by category of intervention within the single Axes reveals a high incidence of more traditional sector measures under Axis I, such as those for the modernisation of agricultural enterprises or the increase in added value of agricultural and forestry products and, in some cases (Abruzzi, Emilia and Lazio), the installation of young farmers (Figure 2.3). Under Axis II there is a

Figure 2.3. Regional expenditure by axes
2007



Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

concentration on agri-environmental payments and compensatory allowances to farmers. Some new features are introduced in Axis III: in fact, the regulations orient the entire Axis towards a participatory approach; the possibility of funding training and information measures intended for economic operators active in the territories is introduced, while the funding of actions for the acquisition of skills in support of local development strategies is also provided for. Despite this, the resources earmarked for the new measures on the part of the Regions are meagre. Instead, the relatively more important intervention measures are diversification towards non-agricultural activities, essential services for the rural economy and population, and the development and renewal of villages.

To strengthen the focus of programmes upon those measures and approaches which can have the greatest positive effects upon rural areas, there needs to be a strong emphasis upon measuring the ultimate impact of policies and programmes through appropriate and thorough monitoring and evaluation. This includes tracking both hard and soft outcomes, together with a strategic and honest approach to learning the lessons from past experience.

... lacks a distinct rural strategy rendering it vulnerable to external changes...

The dependency of Italy's national RDP frameworks (RD-agricultural, and regional) upon the wider EU frameworks and funding renders them vulnerable to external changes, such as the forthcoming EU budget review of 2009-10. It is not certain that beyond 2013, Italy will continue to receive a significant level of rural development support from the EU, particularly in the context of the pressing needs of the newest member States and candidate countries. More importantly, the form of EU policy beyond 2013 remains uncertain, and will only be decided after the EU budget review. At present, Italy's regions have secured a similar level of RD funding from Europe for the 2007-13 period as they collectively received in 2000-06. Whilst it seems likely that this funding will increase in the period between 2009 and 2013, as a result of the current "health check" proposals for the CAP,¹³ it is also quite probable that the overall amount of funding to EU15 countries will decline, beyond 2013.

To illustrate how enlargement has already affected Italy's rural areas, we can consider Sardinia, a rural region with comprehensive development problems under the Italian rural typology. This region is officially in transition in the 2007-13 phase from "convergence" status (where, under regional development policy the priorities should be research and development, business innovation and new business creation) to "competitiveness" status, where funding priorities will be much more dominated by primary sector concerns.¹⁴ The region's change in status resulted from EU enlargement, which lowered the comparative economic threshold against which

convergence status is determined, rather than being based upon evidence of a “narrowed” gap between Sardinia and Italy’s other “competitiveness” regions. It may therefore be wholly inappropriate to change the overarching policy framework governing Sardinian rural policy, in this way. These considerations highlight the risks to effective rural development within Italy of policies and programmes which are so strongly dependent upon the EU framework.

... and pays too little attention to other aspects of rural

The Italian rural development typology is clearly agri-environment-focused, rather than centred more broadly around a balance of rural economic, social and environmental characteristics. As discussed in Chapter 1, the MoA’s classification has at least two positive aspects. First, it stems from a co-ordinated effort between central and regional government, to define rural territories. Second it serves as a basic tool to implement rural policy in Italy. However, it still has some problems. In particular, the typology does not reflect an appreciation of character and trends in the *non-agricultural* component of rural economies, despite the fact that numerically, these dominate rural employment and quality of life, in most regions. It captures some broader issues (for example, giving a good reflection of topographic/environmental/cultural variation, and including basic cohesion characteristics), but it lacks an ability to reflect important phenomena such as relative non-agricultural dynamism and the extent of counter-urbanisation in rural populations. Both of these phenomena have important economic implications for future rural services and relative opportunities/needs for sustainable growth. There is thus a lack of appreciation of how non-agricultural change is likely to affect rural demand and rural prospects, in the future. As shown in Chapter 1, demographic and broader economic developments are already affecting Italy’s regions in different ways and these are likely to be more important factors for rural development than changes within the primary sector, in future. Thus it follows that they should ideally be incorporated within the typology that is used for RD planning. The fact that they are not, may compound the relative weaknesses of the Italian policy approach to rural.

To date, other government Ministries beyond Agriculture, Economic Development and Environment have hardly been included in discussions about rural development planning and programmes, at the national and regional levels. In Italy regional; and RDPs cover only the “additional” policies operating within Italy’s rural areas (using the term “additional” as it is defined by EU legislation – to mean policies which attempt to offer something additional to the day-to-day public sector functions). Thus they do not embrace the range of more general, “normal” policies that apply in rural areas – e.g. social services, healthcare, waste treatment and disposal, water supply, housing provision, fiscal and other policies affecting rural homes and businesses. The EAFRD-funded RDP in Italy does not generally consider issues

of social welfare and basic service provision as a valid component of programmes and priorities. The view appears to be that these are normal policies for which other government Ministries already aim to provide equitable access to all Italian citizens, and in situations and territories where provision is weaker, this is largely dealt with via regional policy.

A consideration of wider social welfare and standards of rural service provision is found within Italian regional development policy, because it is relevant to discussions about where EU and national support to lagging regions can best provide additionality. Indeed, services, education and social inclusion are key strategic objectives of the new unified NSF for regional development (governing ERDF, ESF and national co-funded programmes). Nevertheless, at national level these considerations do not generally distinguish explicit rural needs, separately from non-rural. By not sufficiently distinguishing rural social welfare issues and the standard of basic rural services within the consideration of RD needs and programme targeting, governments may undermine their own rural development objectives.

There is mounting evidence that social welfare and quality of life issues can have a critical impact upon rural economic viability. For example, it is difficult to retain population, and viable business activity, in rural areas if the level of social welfare provision is significantly lower than it is in towns and cities, because it affects the quality of life and the ease with which firms can trade. A recent study by the MoED on rural Umbria found a negative correlation between the structural trends – ageing and low female participation rate in the rural labour force – and low accessibility of health services and child services reinforcing, the value of wider consideration of social issues in RD (Lucatelli *et al.*, 2006). Correspondingly, the more remote an area the wider the gap between male and female employment: the female employment rate at approximately 40% in Perugia falls to 28% in lagging rural areas. For the authors, the rural areas in the middle income Umbria region provided a sense of the situation across rural Italy and they used “healthcare” access and “child care” availability – two important factors impacting the elderly and women – as the field of analysis. Despite Umbria’s strong economic position, population ageing and low female participation rates are “chronic” problems in rural Umbria (see Box 2.3). At present, monies earmarked for rural development in Umbria are non specific in respect of health care and social services (*e.g.* childcare, etc.).

The fact that Italy is a densely populated country with a few remote regions could actually encourage the perception that no specific intervention to support rural communities is really needed. As the figures in Chapter 1 indicate, this would be a mistake, since there are clear indications of two particular kinds of rural need stemming from rural remoteness and decline on the one hand, and the increasing pressures of peri-urban population growth on the other. There could therefore be many benefits in broadening the rural

Box 2.6. Healthcare service in rural Umbria

According to the OECD classification, rural areas account for about 80% of the total surface area of the region, which means 91% of Umbria's municipalities and 57% of its total population, 64.4% of health centres and 78% of service delivery facilities are in rural areas. The analysis centred on the fact that women are more likely not to join the workforce due either to childcare concerns or their need to act as carers for elderly relatives. On average, in Italy about 70% of the regional budget is allocated for the health system and delivery of health services, but the share for social policy (including child care, migrants, youth work and social services) is low (0.66%). Municipalities play a more important role in social services delivery and they typically allocate more of their budget to social services (5.4% to rural and 8.4% to Urban areas). The study noted the following points: hospitals in rural areas are weaker than in Urban areas; in Umbria there is one hospital per 275 km² in urban areas compared with half that density in intermediate and lagging rural areas. So approximately 38% of municipalities in urban areas have a hospital.

Health policy in Italy is one of the most important “ordinary” policies. Governance and the distribution of responsibilities, although changing, are well structured and total investment is substantial, including at the regional level. Italy's Health care is delivered as follows: the central level (the Ministry of Health) sets minimum health service standards and total financial allocations, and then each region devises a health governance and organisation system. The Regions-State Conference manages the relationship between the central government and regional governments. Regions manage health policy through the Regional Health Plan. Within the plan, they allocate resources to different local health authorities who are responsible for the actual organisation and management of the delivery of health services at the local level. In Umbria the RHP is supplemented by Local Application Plans (LAP) at local health authority level. LAP set specific and measurable objectives for each local health authority (LHA). Each LHA has a territorial catchment basin and operates through districts and health centres. LAP is the tool used to implement national and regional health priorities at the local level, and allocate responsibilities to different local organisations. LHA and hospitals are the actual organisers and managers of the supply of health services at local level. Umbria has 7 specialised hospitals dedicated to treating serious health problems. Each district has a programme of territorial activities and is composed of different health centres.

Based on the study, while Umbria has a strong health system, the elderly need more specialised support, and will find it difficult to access hospitals regularly. Furthermore, of the total service delivery points in rural areas only 33% offer a full set of basic services:

- Rural areas have a minimum of 1 doctor for every 1 500 citizens.
- Rural area doctors tend to have the maximum number of patients allowed by the regulations.
- General practitioners in rural areas are the main source of ordinary health assistance.
- Although rural areas account for a large percentage of the total regional population over 65 (approx. 60%), there are 30 doctors for each 10 000 older resident compared to 42 doctors in urban areas.
- Most nursing homes are in urban areas.

Box 2.6. Healthcare service in rural Umbria (cont.)

The results on child services showed even more of a lack of provision, in general the entire region offers a low level of childcare services: only 11% provision for all children aged 0-3 years (15% in urban areas; compared to 7% in rural). Within this, there is a visible territorial divide: rural areas have only 35% of the total nurseries in the region but they account for 54% of Umbria's children 0-3 years of age. Even more telling, it was found that 60% of the municipalities in peri-urban rural areas lack a nursery and, based on the demand data for public nurseries, the level of unmet demand is much higher in rural areas than in urban ones.

Source: Lucatelli, S., S. Savastano and M. Coccia (2006), "Servizi Socio-Sanitari nell'Umbria Rurale", in *Materiali UVAL*, No. 12.

development agenda to take into account a wider range of "normal" policies, because they will affect the sustainability of rural areas and the prospects and potential for their future development. Considering the range of possible measures and objectives which are built into the current EAFRD policy framework, Italy's regions cannot make relevant and informed decisions about how best to use all of these unless they also consider the provisions and the gaps within broader "normal" policies affecting rural areas. These include welfare provision, health, housing, and education (which also play a role in reducing the power of organised crime), public infrastructure and basic services, and spatial planning.

As part of this broadening of policy outlook, the rural development typology of rural areas should be further developed in order to capture key characteristics of non-agricultural economic and demographic change more fully. In this vein, it seems that the work currently underway within the Ministry of Economic Development to understand rural-urban linkages and the influence of these upon territorial potential, could be valuable. The ultimate goal of refining and adding to the rural typology should be to achieve a more forward-looking classification of rural Italy which helps to identify the potential for rural growth and the nature and scale of environmental and social challenges, in a more balanced way.

Another aspect of broadening the policy agenda could be to consider the potential value of "rural proofing" as a concept to be applied in Italy. Zoning is applied to some aspects of "normal" health and welfare policy, which may incorporate some explicit reference to spatial disadvantage, but explicitly rural issues are not generally differentiated, in many mainstream areas of public policy. At present, it could indeed be difficult to review the rural component of these kinds of policy, since the territorial units by which they are organised – provinces, for education and basic services, and health districts, for health and welfare provision – do not divide readily into distinct

rural and urban types: most local territorial units include a mix of urban and rural areas, within their boundaries. For the purpose of rural proofing, the existence of multiple governance models operating in the same territories may present some challenges, therefore. The capacity to maximise rural opportunities by co-ordinating or even pooling resources from other ministries (i.e. Health, Education, etc.) to achieve wider impacts, may rely heavily upon effective sub-regional agents who act to bring together these different strands of policy and funding at local level. But there may also be an important role for governance at regional level, to discuss strategic interactions and to be more aware of situations where inter-Ministerial co-ordination could enhance policy effectiveness.

2.3. The Italian rural development institutional framework is marked by a decentralised system with influential regional governments...

Italy has a decentralised institutional framework with strong collaborations and influential regional governments (see Annex 2.A1 for more on the institutional framework in Italy). There is a clear-cut system of multi-tiered planning and decision-making in place with dynamic local political entities that incorporate multi-tiered planning and embrace a wide participatory framework. Different institutional bodies reinforce the participatory structure, for example the preparation of programme documents for CSF and general allocation criteria for regional development funds are defined at the State-Regions Conference. This conference allows regional governments to participate in the process of institutional development, especially relating to the transfer of functions from the centre to the regions and local authorities. The Conference of State-Regions co-ordinates relations between the state and local authorities and deliberates on local authority issues. The Unified Conference of State-Regions-Municipalities and other local authorities is the institution consulted on any actions in the field of common responsibilities such as on decrees concerning the allocation of personnel and financial resources to regions and local authorities.

The separation of rural roles and responsibilities at national and regional levels (between rural-agricultural, regional, and broader “normal” policy) frequently leads to a need to recombine them at local level, in order to achieve joined-up RD policy delivery. Thus, the role of local intermediary agents/institutions becomes critical. These may take a variety of institutional forms – e.g. LAGs in Veneto, provinces in Emilia-Romagna, the Mountain Communities in most regions, and unique bottom-up legal structures such as the Conference of Mayors that the OECD delegation met in the Province of Veneto Orientale. For any initiatives that require a broader approach embracing rural health and

service delivery, local agents would also need to work with health districts, whose boundaries are not coincident with provinces.

It appears that there is no “one size fits all” model for effective local agents or institutions, but there is a clear value in ensuring that these agents or institutions are identified, available and active, across the majority of Italy’s rural territory. This joining-up role is essential, and these bodies need to be cross-sectoral; to include/embrace the public sector as key facilitators and the private sector as close collaborators or full partners; and to have a capacity for innovation. Furthermore, debates about fiscal policy and the relationships between national and local taxation may influence rural policy decisions, and there are some issues of competitive tension and special treatment, between different regions and within other territorially “zoned” approaches in policy. In all these debates, there is value in having a strong centre that co-ordinates the regional actors, and has the appropriate authority to do this.

However, the highly heterogeneous nature of sub-national governance in RD policy delivery, combined with the heterogeneous context of rural Italy, makes it difficult to be sure whether the policies are delivering real impacts, and offering additionality, wherever they are implemented. This is a critical issue for the evaluation of policy performance, at both national and regional levels. It is important that policy evaluation systems are able to measure and assess impacts and additionality in a consistent way, irrespective of the variety of delivery approaches adopted. Evaluation should enhance the link between responsibilities and power as well as overcome the current vertical and horizontal divide in governance to improve federalism (Meldolesi, 2007).

... and some innovative rural development approaches

There are several instruments in place to encourage co-ordination under the negotiated planning partnership-based precepts. While each has different objectives they play an important role in co-ordinating territorial interventions and impacts upon rural areas. Within the sphere of regional policy, the Institutional Agreement (*Intesa istituzionale di programma*) facilitates negotiations between the regional and the national level on major public investments. Through this instrument, regions can direct national resources for public investment towards priority projects. This arrangement is codified at the national level by framework programme agreements (*Accordo di programma quadro*) wherein the central administration and regions set out, with local authorities and the private sector, the intervention plan. Public and private partnerships were also facilitated by Territorial Projects (TP). Although there are TPs all over Italy, only those located in the depressed areas of the south were eligible for receiving public money.¹⁵ At a lower territorial level, groups of municipalities use to be organised in Integrated Territorial Pacts (ITPs). These direct significant financial resources to measures in rural areas because to be eligible for public financing,

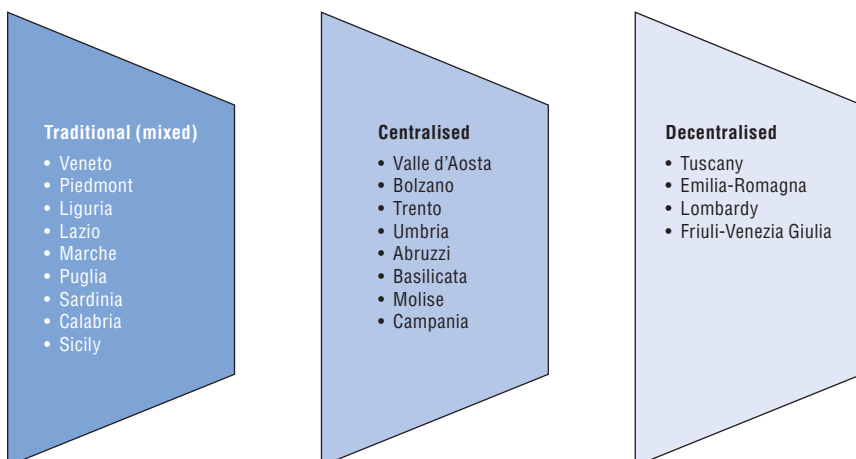
the ITPs must target depressed areas. This typically results in diverse, multisectoral investments such as public and sectoral infrastructure, vocational training, and environmental protection.¹⁶ Another instrument which has an impact in rural areas is the Area Contract, which directs money to areas within depressed areas with “serious economic emergencies”. Unlike the ITP, the central government is the initiator and plays a major role.

If, on the one hand, RDP in Italy is still characterised above all by a system of intervention measures directed towards a specific productive sector, on the other hand, the national strategy for rural development delineated in the NSP puts particular emphasis on the integrated approach for increasing the effectiveness of the intervention measures, by promoting the more complete integration of the Axes, objectives and measures, and including integrated planning at the company level, but above all at the sector/thematic and territorial level, among the modalities for access to investments. Integrated planning of the measures presupposes the co-ordination of the different socioeconomic actors present in the territory through different modalities and forms of partnership. The RDPs contain different types of integrated actions; of particular importance among them are the territorial integrated projects or *filière* projects, which meet the need to encourage local development strategies.

2.4. The regional rural development governance models are innovative

At the regional level three general rural governance models can be identified, *Traditional (or mixed)*, *Centralised*, and *Decentralised*, in respect of how they implement RDP (see Figure 2.2). In the Traditional form, responsibilities

Figure 2.4. Rural governance models by region



are almost evenly split between the Regional Authority and outside bodies, requiring a strong co-ordination effort.¹⁷ In the centralised model all the responsibility lies with the Regional Offices.¹⁸ In the decentralised model, the Regional authority maintains a co-ordinating role but the Provincial level is tasked with the bulk of the responsibility.¹⁹ Thus in some regions, policy design is relatively centralised within the regional administration, and delivery involves a range of partners operating at sub-regional level (*e.g.* LAGs, mountain communities, other associations of municipalities, as in Veneto). In other regions, the provinces have a major role in both sub-regional design and delivery of RDPs (as in Emilia-Romagna, where this pattern applies to both RD policies of the Ministry of Agriculture and the rural elements of regional policy). This variation reflects not only natural/physical variations in the character of Italy's regions, but also cultural choices and political traditions. In both systems, however, sub-regional partnerships or provinces usually have the ability to affect policy outcomes by their choice of detailed selection criteria for the various measures, and their role in promoting the policy among beneficiary groups.

Policy delivery is also highly varied between the regions, and this variation is relatively independent of biophysical context – the territories of highly centralised regions appear just as varied as those of regions that devolve much more delivery to the provinces. There are clearly some political issues regarding the devolution of power – some commentators met by the OECD delegation suggest that only where there is a consistent political perspective between regional and provincial levels, are regions fully able to devolve. By contrast, representatives from currently decentralised regions (such as those from Emilia-Romagna) refute this suggestion and believe that decentralisation works well even where political affiliations differ, between levels. The debate reflects the enduring strength of political elements in RD programme delivery – the programmes offer significant resources for those areas that take responsibility for it, thus these can be sensitive issues.

Italy is a hugely varied and thus very complex country, both in respect of its territorial characteristics and its modes and institutions of governance. This reflects both its history and enduring culture, stemming from the strength and independence of its regions and the strong contrast in natural and topographic features that can be found throughout the territory: almost every region has a rich mixture of coast, plain and mountains. This complexity provides some particular strengths for rural development, in that a high level of variety offers a great range of prospects for “unique selling points”, in respect of marketing Italian products and services to its own citizens and abroad. It can also provide benefits for governance, by offering much scope for subsidiarity and decentralisation in policy design and delivery, so that support

and services can be tailored to local needs and opportunities. Nevertheless, this complexity also brings challenges for RD policy. It can make the task of identifying strategic priorities particularly difficult, for example. At present, no single institution in Rome can fully understand the nature of differentiated needs and opportunities in Italy's rural areas. This is partly due to a lack of appropriate identification and capture of information and data from the regions which could enable such an appreciation to be developed. This weakens the ability of the central level of government to enhance the efficiency and effectiveness of the national and EU resources available for RD through appropriate targeting. The "added value" of the centre is less than it could be, therefore.

A fully effective decentralised regime nevertheless requires good co-ordination and strategic insight at the national level. Ideally, the centre should act as a facilitator for building consensus between regions about RD priorities and resource allocations, which need to be agreed using objective and balanced criteria, as far as possible, independent of the particular political perspectives of different levels of governance. Thus, the gathering and analysis of appropriate data and information at the centre, as well as the co-ordination of discussions and debates concerning needs and opportunities, can be very valuable tasks. Because of the political framework in Italy, the centre has to take a strong lead from its regions, in trying to identify and achieve coherent results from policy investment. It must work with hugely variable external conditions and internal managerial traditions, in respect of the institutional arrangements and relationships at regional and sub-regional levels.

2.5. Focus on three administrative regions in Italy: Calabria, Veneto and Emilia-Romagna

Three regions were chosen by the MoA as representative of the diversity of rural realities in Italy, and for the diversity of governance methods in their design and implementation of rural policies: Calabria, Emilia-Romagna and Veneto. Veneto and Emilia-Romagna are among the richest Regions in Italy and represent the so-called "third Italy", whose economic development was based on the interlinking of small agricultural and industrial enterprises organised in specialised districts, in the 1970s. The two regions differ, however, in their rural policy governance system: Veneto has a traditional "mixed" system of governance in which most decisions are made at regional level and only some aspects of delivery are devolved, while Emilia-Romagna has set up a fully decentralised system of governance in which the Provinces have a more significant role in all the different stages of policy design and implementation. Veneto and Emilia-Romagna share a quite similar settlement model. Their territory is characterised by the prevalence of a rich central plain, where population and activities are concentrated, and a mountainous part, where

agriculture has lost any important productive role in favour, especially in Veneto, of tourism and industrial activities. A hybrid model of rurality prevails in the plain, characterised as “peri-urban”, “diffused metropolis”, or “urbanised countryside”. Rather than considering this as a buffer, or transitional zone between urban and rural areas, its diffusion and consolidation in different parts of Europe makes this type of territory a new polycentric model of spatial organisation, in need of new forms of governance and policies, where multifunctional agriculture takes on important environmental, but also social and symbolic relevance (in terms of the supply of services and specific social relations).

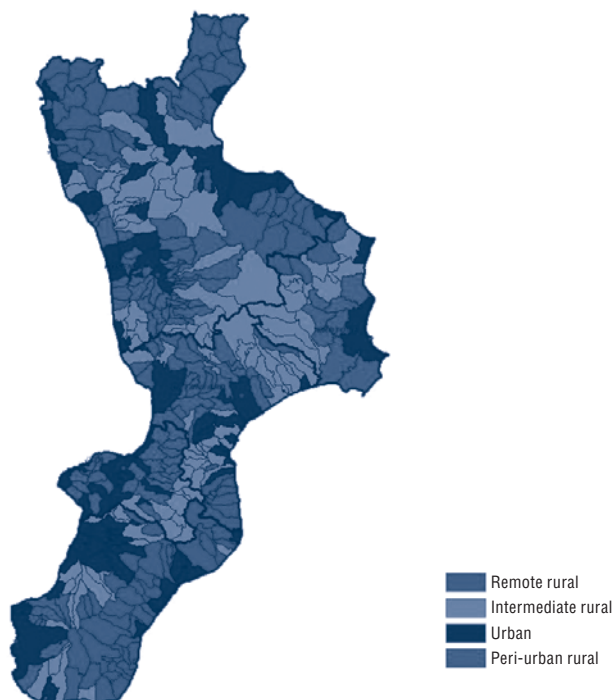
Calabria, in Southern Italy, is the least developed Region of Italy, in terms of per capita GDP but demonstrates a good perception of the rural dimension in its programming instruments and especially in the ERDF Regional Operational Programme.

Table 2.6. **Rural Calabria, Veneto and Emilia-Romagna at a glance**

	Calabria	Veneto	Emilia-Romagna
Total population negative trend	2 009 268 inhabitants 1996-2006 = -3% (Italy: +3.3%; South: +0.5%)	5 300 000 inhabitants	4.1 million inhabitants
Density of population	133 inhabitants/km ² (Italy: 195 habitants/km ²)	288 habitants/km ²	187.6 inhabitants/km ²
GDP/inhabitant	70% of average EU25	127% of the EU25 average	139% of the average EU25 level
Rural areas	80% of population and 97% of territory Density of population: 110 inhabitants/km ² 5 types of rural areas according to the NSP classification	79.5% of the population and 95% of the territory 193 habitants/km ² 3 types of rural areas according to the NSP classification	84% of the population and 98% of the territory 161.3 inhabitants/km ² 3 types of rural areas according to the NSP classification
Agricultural, forest and agro-food sectors			
<i>Land use</i>	UAA covered	AA covers 52% of the territory and forests 23% UAA 832 000 ha : arable land 65%; permanent crops 14%; permanent pastures 19%	UAA covers 60% of the territory and the wooded or semi-natural areas for 28% UAA 1 074 552 ha: crops 77.6%; tree crops 13.6%; grassland 8.7%
<i>Farm average size</i>	2.8 ha	5.7 ha (IT 6.7 ha; EU 16 ha)	12.3 ha (IT: 6.7 ha; EU: 16 ha)
<i>Value added</i>	Primary sector: 7%	Primary sector: 2.8% Agro-food sector: 2%	Primary sector: 3.2% Agro-food sector: 3.9%
<i>Employment</i>	Primary sector: 16%	Primary sector: 4% Agro-food sector: 2.5%	

Calabria

Figure 2.5. **Map of Calabria**



Note: Capoluoghi_Calabria.

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Calabria is a “convergence” Region (i.e. per capita income in the region is lower than 75% of the European Union average) with about 2 million inhabitants across 409 municipalities (see Table 2.6). There are no large metropolitan centres instead Calabria’s urban settlements still mirrors the **agrotowns** – towns with economies linked to the countryside – which used to characterise this region. However as agriculture is no longer the primary source of income (only 9% of the territory remains predominantly agriculture-based and productive), today, they specialise in services and trade (Sibari, Lamezia).²⁰ Table 2.7 provides an overview of the employment structure and diversity of non agricultural specialisations in Calabria. Plains cover only 9% of the Region’s territory but this is where population, services and infrastructure are concentrated. Demographic trends are negative across the Region especially in the most remote areas where essential services are lacking. Overall the quality of services in Calabria is lower than in North and Central Italy: water and electricity provision are subject to frequent interruptions,

Table 2.7. **Employment structure for non agriculture specialisations**

Sectors	Urban areas	Urbanised rural areas with intensive and specialised agriculture	Rural areas with intensive and specialised agriculture	Intermediate diversified rural areas	Intermediate rural areas with extensive agriculture	Rural areas whose development is lagging behind	Total
High technology	0.9	1.1	1.8	0.6	0.8	0.9	1
Wood	0.8	0.1	0.6	1	1.1	1.3	1
Agro-alimentary	0.8	1.2	1.3	0.8	1.1	1.1	1
Textile	0.2	0.3	0.7	3.9	1.9	0.4	1
Construction	1.2	1	1	1.1	1	0.9	1
Hotel	1.2	0.8	1.1	1.1	0.8	1	1

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

there is limited environmental protection services, and subpar focus on health and social services, especially for children, women and the elderly (Banca d'Italia-Eurosistema, 2007; Lucatelli *et al.*, 2008). For instance, based on the quality of life indicators in (see Table 2.8), a large percentage of the population migrates to access health care (Chapter 1), while, concerning education on average there are 2.8 classrooms per 1 000 inhabitants in rural regions compared to 4.4 in urban areas. In the case of hospital beds, compared to 8 beds per 1 000 inhabitants, in Calabria the average is 5 per 1 000 inhabitants and the number falls to 3.2 in rural areas with lagging behind development.

At 70% Calabria presents the lowest per capita GDP²¹ in Italy, the rate of unemployment – 14.8% – is higher than in Italy (7.7% in 2006) and Europe, especially for women (18.3%) and young people. As a result, out-migration of the young is on the rise after a decade of contraction.²² In the remote areas, de-population is progressing at such high speeds that many historic rural villages have been completely abandoned, some of them being re-built along the coast. These rebuilding choices have negative consequences as it impacts natural resource management, loss of local culture and knowledge in the interior, as well as the effects from the “concretisation” of the coast; the intensive and unregulated construction of buildings in locations that were previously scenic with sensitive coastal environments. The underground or “black” economy is very diffuse and affects about one third of the labour force (Banca d'Italia-Eurosistema, 2007). Also, the manufacturing industry is underdeveloped in the Region and is based essentially in micro-enterprises and specialised in the agro-food and other traditional sectors.

Another key element of importance in Calabria is the criminal organisation called *ndrangheta* a principal economic actor in the international illegal drug trade. In Calabria, its interests extend from extortion, usury, and public contract work to waste management and illegal immigration. Its

Table 2.8. **Indicators of life quality in Calabria rural areas**

Life quality	Urban areas	Urbanised rural areas with intensive and specialised agriculture	Rural areas with intensive and specialised agriculture	Intermediate diversified rural areas	Intermediate rural areas with extensive agriculture	Rural areas whose development is lagging behind	Total
Credit institutions	0.3	0.3	0.2	0.2	0.2	0.2	0.3
Hotels	2.7	3.1	3.4	4.5	3.2	4.1	3.6
Transports	1.4	1.7	2.4	1.3	1.2	1.4	1.5
Wholesale trade	6.8	3.4	3.2	2.6	2.8	2.2	3.5
Hospital beds	8	4	7	5	2.9	3.2	5
Nursing and rest homes	0.06	0.03	0.04	0.08	0.03	0.04	0.05
High school classrooms	4.4	2.7	2.8	2.5	2.4	2.0	2.8
Consumptions/income	0.89	0.94	1.00	0.83	0.83	0.89	0.89
Cultural association	1.5	1.1	1.2	1.9	2.0	1.6	1.6
Economic association	0.4	0.2	0.3	0.2	0.1	0.1	0.2
Gender equality	8.4	11.6	8.6	8.8	12.2	12.4	11.4
Ration museums and libraries	0.1	0.1	0.1	0.2	0.3	0.2	0.2
Post office	0.1	0.1	0.1	0.3	0.2	0.4	0.2
% communes with nursery schools	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	5.6

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

control of the territory, especially in (the province of Reggio Calabria and the richer areas of other provinces) is pervasive (Regione Calabria, 2007a). As such, there is a sense that without committed efforts by local, regional and national institutions long-term sustainable development efforts will continue to yield below minimum results.

Calabria rural governance structure

The organisation of governance in Southern Italy has changed dramatically, since the end of the *Cassa per il Mezzogiorno* special interventions and the adoption of the EU rural development framework. Institutional innovations helped the Provinces and Municipalities increase their competence and secure financial autonomy. The political class accepted the challenges of the new programming methods and were open to the innovations of collective action and integrated approach to territorial development, through the new instruments.²³ Projects were negotiated at territorial level, through a process of “concertation meetings”, involving the co-operation of local institutional, social and economic actors.

Presently Calabria subscribes to the “mixed” approach to rural development governance; the management and control structure features a rural development office and management authority along with a paying agency as the processing unit (see Figure 2.6, Panel A). However, Calabria distinguishes itself by being the

Box 2.7. The role of agriculture in Calabria

Table 2.9. Calabria's rural areas features

NDP classification RDP	Calabria classification	Communes	Residents	Surface
Urban areas	Urban areas	1.47	20.21	3.06
Rural areas with intensive and specialised agriculture	Urbanised rural areas with intensive and specialised agriculture	10.27	17.37	12.01
	Rural areas with intensive and specialised agriculture	3.67	6.69	6.62
Intermediate rural areas	Diversificated intermediate rural areas	15.65	11.86	11.86
	Intermediate rural areas with extensive agriculture	13.94	11.76	20.48
Rural areas whose development is lagging behind	Rural areas whose development is lagging behind	55.01	32.1	46.15
Total		100	100	100

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Agriculture in Calabria is still an important economic sector. In some areas employment in agriculture accounts for 40% of total employment. Agriculture is also important as cultural background, and to preserve social knowledge and local traditions. Especially in the plains along the coast, an agro-industrial model of production prevails, based on specialisation and the intensive use of industrial inputs. An example is Sibari, in the north-east of the region, where small firms organised themselves in co-operatives. Co-operatives acted as “interlinking” agents, and promoted the specialisation of local agriculture in the production of citrus (Capano, 1996). However, in the rest of the region, the hills and mountains (the marginal areas) have maintained a diversified agriculture, based on extensive cultivation (cereals, legumes), permanent crops (especially olive trees and vineyards) and small-scale horticulture. These areas are challenged by marginalisation and de-population.

The specific characteristics of Calabria's economic and social challenge the use of GDP per capita as a proxy for well-being. For example, while per capita income is quite low, local production of food that is sold and/or consumed locally is very important in some parts of Calabria. According to a survey conducted in the Aspromonte National Park, 85% of people who own or use land in the Park territory reserve part of their production for auto-consumption (Fonte *et al.*, 2006). About 74% of the families who live in the Park produce goods for auto-consumption other than food. Auto-consumption is related to the “search for authenticity” (42%); “economic necessity” (18.6%) and to “maintain food traditions” (17%). The survey estimates that auto-consumption contributes to an increase of per capita income of some 15-20% above the formally-recorded figures (Parco Nazionale dell'Aspromonte, 200).

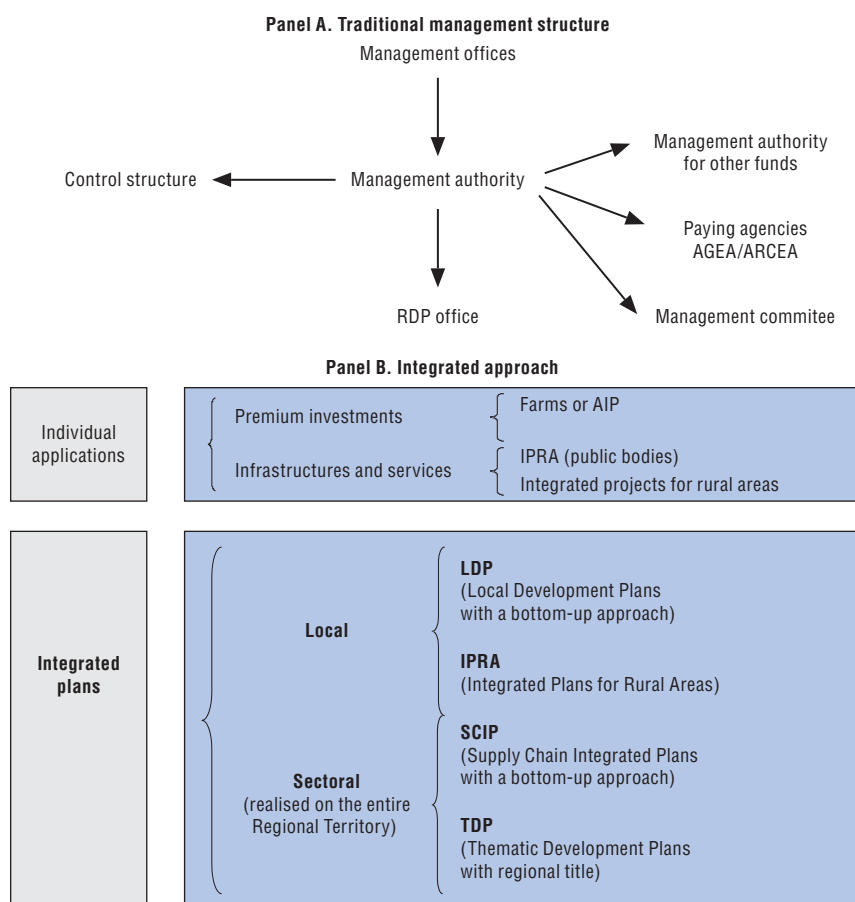
Box 2.7. The role of agriculture in Calabria (cont.)

Table 2.10. **Calabria employment structure**
Employment structure – employees distribution per area (weight %), 2004

Areas	Agriculture	Industry	Services
Urban areas	2.8	16.4	80.8
Urbanised rural areas with intensive and specialised agriculture	20.8	21.6	57.5
Rural areas with intensive and specialised agriculture	11.4	23.5	65.1
Intermediate diversified rural areas	12.7	23.1	64.2
Intermediate rural areas with extensive agriculture	15.9	24.8	59.2
Rural areas whose development is lagging behind	17	22.6	60.5
Total	13.6	21.5	65

Local food is also a cultural heritage, with strong links to the territory and the local community. It offers a wide range of typical products and is often produced through extensive, low-input traditional production systems. Food is connected to the local culture, architecture, music, language and lifestyle. Local food also represents an untapped resource. While a number of products are valorised through quality certification schemes (Organic agriculture, PDO, and PGI), their contribution to the regional economy is still far less than its potential. Calabria has more than 200 entries in the *National register of traditional products*, but only eleven products have an official PDO or PGI certification. Organic agriculture covers about 10% of the UAA (over 50 000 ha), but organic products are often marketed as conventional products, missing the quality premium price. In the case of olive oil, for instance, it is estimated that while the area devoted to organic agriculture is equal to 7.7% of the total UAA in the region, only 1% of production is traded as such (*Regione Calabria, 2007b*). Support to organic agriculture is conceived more as support to farmers' income, rather than as a strategy of product valorisation through environmental protection.

most advanced in adapting an integrated bottom-up development model that embraces the broader aspects of rurality. To begin with Calabria embraces the communitarian RDP, the key precepts of which include: *territorial concentration*, *integration* of different measures, and *concertation* (with partnerships at local level and at vertical level between government and institutions). In line with this the implementation methodology requires integrated plans for local and sectoral planning (see Figure 2.4, Panel B). Coupled with local development Plans (LDP), Integrated Plans for Rural Areas (IPRA) a, Production Chain Integrated Plans (PCIP) and Thematic Development Plans (TDP). In this the LEADER initiative has emerged as one of the programmes that best represents the new “course” of development policies with a new way of looking at the development of the territory.

Figure 2.6. **Rural governance structure in Calabria**

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

The 2000-06 programming period reinforced the movement towards social concertation, through the building of institutional and socioeconomic partnerships. These institutional partnerships were based on the co-operation between the different levels of local government (municipalities, mountain communities, provinces, parks, regions); the socioeconomic partnerships led to a practice of co-operation among local public institutions and private associations or actors.²⁴ Of the 337 communes present in Calabria, 320 participated in the formulation of the integrated planning structure and 42 selected of 106 PCIPs. However interventions were slow and concentrated on few measures, mainly farm investments; constrained by low planning capacity at local level and difficulties in the management at administrative level. Finally, it is not clear how

much of the PIF investments were dedicated to strengthening collective good likewise to finance ordinary investments in the farms.

Calabria is implementing a number of different integrated programmes to promote local development. The most important are the integrated territorial pacts (ITPs),²⁵ which are development plans for relatively large areas. The regional territory is divided into 23 ITP areas through an *ad hoc* joining of municipalities. The local partnership identifies the “priorities, strategies and specific interventions” for each territorial field (OECD, 2008c). Interventions are implemented through a local operation programme based on the direct participation of trade unions, inter institutional co-operation among regions, provinces, local government and mountain consortiums (*Comunità Montane* in Italian), and with other stakeholders such LAGs. In addition, ITPs assign a central role to local government and mayors. For example, mayors choose the investment options identify the eligible partners, and lead the concertation process. Other instruments to promote local development currently implemented in Calabria are the integrated plans for rural areas (IPRAs). As in the case of LEADER, IPRA promotes the creation of a local partnership to design the development strategy. However, IPRA differs from LEADER initiative because it is focussed on agriculture and financed directly through the ROP. Finally, supply chain integrated programme SCIP finances group of farmers who produce within the same supply chain. The aim is twofold. On the one hand, SCIP wants to foster the link between farmers and a given local product, which characterises the territory. On the other hand, promoting a localised supply chain (or *filiere* in Italian) is a way to increase the value added of the production.

Integrated rural development and LEADER initiative

In Calabria a territorial diversification of the economy is visible and examples of dynamic microterritorial systems have emerged, especially in agro-food, tourism, and trade. The agro-industrial district of Sibari (in the Province of Cosenza) specialises in the production of citrus, Lamezia plain specialises in horticulture, fruit-culture, olive production and plant nurseries (besides being home of an important logistic pole within the region); and there are some tourist poles in the Tyrrhenian (Tropea-Capo-Vaticano) and Ionian coasts (Soverato; Isola Capo Rizzuto), while Gioia Tauro is one of the largest transshipment ports in the Mediterranean, even though it is still poorly related to the regional economy.²⁶

The social and cultural impact of the integrated planning is positive because it represents a change from the historical top-down approach to development and rural policies. The decision to introduce the integrated planning instruments for intervention responds not only to economic objectives (*i.e.* to favour the efficient utilisation of financial resources or to

encourage strategic choices in the most important productive sectors), but it also signals an awareness that change in the direction of more participation and more horizontal and vertical co-operation among local public and private actors was necessary (Gaudio and Zumpano, 2005). Incentivising collective action for territorial policies is one way to strengthen the social capital and trust relations, among local public and private actors. Nonetheless, there are some downsides. For instance, each programme has spurred a different local partnership. Thus in many cases, a single area is home to a large number of different partnerships, each dedicated to a single programme. The lack of co-ordination and coherence of local development programmes devaluates the “integrated planning approach”. In these cases, local co-operation turns into a “coalition of interest” whose aim is to gain access to financial resources.

The LEADER initiative in Calabria is another example of development within microterritorial systems, albeit its impact has been reduced by the change of the territorial scale and governance. Due to its experimental nature and low budget, LEADER was initially ignored in a region where actors were used to a large influx of public funds (*i.e.* Cassa). However, thanks to the lack of political pressure on fund allocation, small rural communities were free to promote the creation of LAGs and to use them to achieve a shared vision for local development. In this context, many LAGs worked both as promoters of new initiatives and co-ordinators of initiatives already diffused in the territory, managing to amplify their positive effects and consequences (see, for instance, the LAG “Valle del Crati” – Box 3.13). However, the evolution of the LEADER initiative (LEADER II, LEADER+) has reduced the capacity of such a programme to promote local development. Funds allocation has been diluted over larger and more heterogeneous territories, while LAGs work better when they represent well defined community (ISFOL, 2005), and local partnerships have been required to have a more complex internal organisation which has affected their capacity to design and implement interventions. The enlargement of the partnership and the lack of a clear link with a local community have also impacted the governance of LAGs. Small municipalities and mountain communities have lost the “sense of ownership” with the programmes and started perceiving LAGs as political competitors, even when they were part of the LAG partnership (Castellotti, Gaudio, 2006).

Whether the new rural development programming 2007-13 will lead to a strengthened territorial approach in rural policies or a narrower sectoral approach, is still unclear. According to the EU the inclusion of LEADER in the CAP Second Pillar mainstreamed the territorial approach. Despite this more pronounced acknowledgement of LEADER at the EU level, the tendency to confine LAGs intervention space is still evident in the 2007-13 Calabria Regional RDP (see Table 2.11). In allocating resources, the agricultural sector (with its farms and *filières*) remains highly favoured, at close to

Table 2.11. **2007-13 Calabria rural funding structure**

Euro

ROP ERDF Calabria		Public expenditures		EAFRD
Explicitly rural interventions	483 343 278.00	Axis I competitiveness	444 469 235.00	255 569 810.00
Horizontal interventions (non place based)	2 128 906 724.00	Axis II environment and territory	444 469 235.00	255 569 810.00
Explicitly urban interventions	40 000 000.00	Axis III life quality and diversification	108 407 130.00	62 334 100.00
Interventions potentially devoted to both urban and rural areas	836 397 222.65	Axis IV leader	65 044 278.00	37 400 460.00
		Axis V technical assistance	21 681 426.00	12 466 820.00
Total	3 488 647 224.65	Total	1 084 071 304.00	623 341 000.00

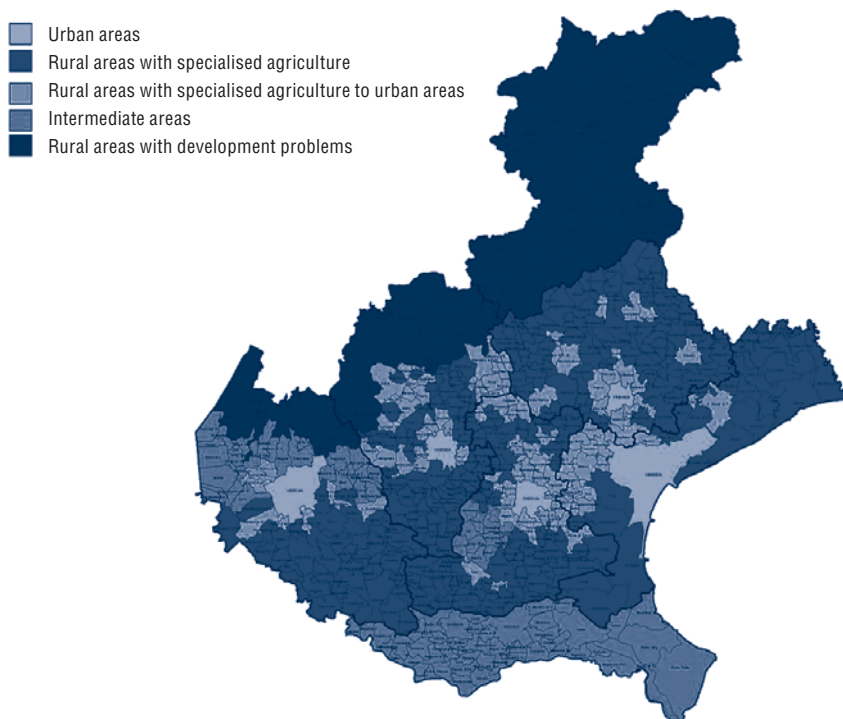
Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

EUR 450 million to Axis I, while the LAGs responsibilities and possibilities are even more limited. The decreased financial focus is accompanied by significant structural changes that restrict the flexibility of LAGs. For instance, only public entities (Provinces, Municipalities, groups of Municipalities, or Mountain Communities) can be beneficiaries of IPRA and the LAGs can operate only through the Local Development Plan (LDP). Moreover, some of the Axis III measures (measure 321: essential services for rural population and economy) are not admissible in the LDP and others (313: incentive to tourism activities) can only have public entities as beneficiaries. These restrictions could be interpreted negatively: 1) as lack of trust in LAGs; or 2) that the relations between public and private actors in the territory is a not moving towards a greater “co-operative” framework *per se* in finding solutions to collective problems but as a competitor for funds.

Veneto

The Veneto Region is located in the North-East of Italy and is considered a “diffused city”, with more than 4.8 million inhabitants (Bialasiewicz, 2006).²⁷ The average population density in the Region is 266 inhabitants per square kilometre, ranging from of 1 385 in the urban poles to 70 in the mountains areas.²⁸ Demographic dynamics vary, underscoring the influence of peri-urbanisation processes (population is increasing in the peri-urban areas, and decreasing both in the urban poles and in the mountain areas) on the whole demographic trends is positive. In fact, 320 000 foreign immigrants were registered in Veneto, representing 12% of all foreigner immigrants living in Italy in 2006 (Regione Veneto, 2008).

Up until the 1960s, Veneto’s economy was tied to intensive agriculture but the industrialisation process of the seventies which linked the agricultural activities to the growing industrial sector, changed the structure. According to ISTAT in 2001, there were 22 industrial districts in Veneto, specialising in the

Figure 2.7. **Map of Veneto**

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

traditional production of the “Made in Italy”: furniture, textiles, eyeglasses, shoes, jewellery, mechanic, etc. (Banca d’Italia, 2006). According to the OECD classification, 3 out of these 22 industrial districts are localised in predominantly rural regions (Chapter 1). Nonetheless, Veneto’s contribution to national agricultural production remains very important but agriculture is diversified and based on the diffusion of small farms (farm average size is 5.7 ha). The diversification of activities and the small dimension of the farms allows for greater flexibility and resilience to the economic structure of this area (Montresor, 2007).²⁹ Tourism activities are equally well developed with multiple attractions, ranging from art cities (Venezia), to mountain (Cortina d’Ampezzo), and seaside tourism (Jesolo).

The mountain areas, in the north of Veneto, boast a high concentration of forests and protected parks but face different challenges. Politically, mountains are very sensitive areas in Veneto because the borders the autonomous Regions and Provinces (Trento, Bolzano, and Friuli-Venezia Giulia), which enjoy important fiscal privileges.³⁰ While the income levels and employment rates are stable, depopulation and population ageing vulnerabilities are evident.

Box 2.8. Urban rural linkages in VENETO

The settlement patterns observed in Veneto resulted from the Veneto law 24/1985 (and its amendments) which favoured the wide construction of buildings and the diffusion of industrial areas not only in peri-urban, but widely in the rural territory. The patterns of settlement and the characterisation of the economic structure in the vast central “metropolitan areas” (representing more than 50% of the territory and 60% of population) challenge the classical use of the urban-rural dichotomy. The model of urban expansion has assumed the post-industrial, hybrid form of the “spreaded” or “diffused” town, based on non-hierarchical polycentric networks, where social relations, although still recalling a rural culture, have assumed urban dimensions as for work opportunities, services availability and life-style. Urban spaces remain associated to the permanence of high added value agriculture and agro-industry *filières*, which are subject to strong competitive urban pressure and conflicts over resources utilisation.

Rather than an “intermediate” area between the “rural” and the “urban”, peri-urban areas are best conceptualised as having specific and original characteristics and, as such, expressing specific demands in terms of public policies and forms of governance. The European Economic and Social Committee on “Agriculture and peri-urban areas” stresses the opportunity to consider them as “rural areas that face specific and characteristic constraints that set them apart from other rural areas, and whose survival is seriously threatened” (EESC 2003: 63). Accordingly it analyses the role and function of agriculture in such areas as producer of “public goods”, the menaces to the conservation and development deriving from urban pressures, the forms of governance best suited to their needs (based on co-operation among urban and rural actors) and the objectives that public policies need to consider.

With such a variation of morphology, settlement models and economic structure, the idea of the “rural” as a unique identity environment, defining the cognitive frame on which to base local development both, in the metropolitan central areas and the Alpine mountains, is quite problematic. The concept of “rural” in the peri-urban areas may assume a sectoral connotation, as the main objective of policies is to recognise the value and role of agriculture and prevent them becoming part of the urban process. In the most remote areas, the rural problem is rather targeted to diversify the economy and provide people essential services for a good quality of life.

In peri-urban areas, pressures from the urban environment and industrial activities raise serious problems for the continuity and stability of agriculture and its economic viability. That may be the rationale, in Veneto, for the concentration of intervention efforts in the *competitiveness* objectives, intended as modernisation of the farm, integration of the farm to agro-industry, attention to human capital, especially young farmers, and innovation. In most Axis I measures, professional farmers are accorded priority, respect to other part-time or diversified farms. Rural policy is intended in this case as a structural intervention directed to guarantee professional farmers an income comparable to extra-agricultural activities.

Box 2.8. **Urban rural linkages in VENETO** (cont.)

Limiting the support to industrial, competitive farms may be in contradiction with the multiple and multifunctional role that agriculture should have in peri-urban rural areas. Agriculture should first of all provide environmental public goods, improving the urban ecosystem in relation to natural resource (water, air, biodiversity, and climate) and waste management. Other functions may be encouraged: i) the provision of fresh and quality agricultural products to urban consumers through the organisation of short *filières* and the encouragement of farmers markets; ii) a naturalistic and didactical function in connection to schools; iii) a recreational, care and welfare function through social, health and hobby farming. In encouraging and sustaining a multifunctional and sustainable model of farm, agriculture in peri-urban areas may reinforce its functionality in a context of urbanised countryside and absolve an additional function: offering to urban citizens a symbolic and relational dimension on which to base a feeling of belonging and local identity.

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Furthermore, the diffusion of industrial and tourism activities, *e.g.* ski tourism, competes with agriculture for the use of land. The declining importance of agriculture may affect local knowledge and cause the homogenisation of the landscape, which in turn would impact on place attractiveness for tourists.³¹

Veneto rural governance structure and LEADER

The governance structure of Veneto's rural policy is based on three bodies: the regional body in charge of design, implement, and evaluate policies; the paying agency (AVEPA) responsible for the financial implementation of the projects; and the LAGs that are in charge of planning the LDPs. Thus, in Veneto there is a clear separation between who manages the policy, and who allocates resources to it. Rural stakeholders also participate to the design of the regional policy through a consultative process. For instance, to prepare the 2007-13 RDP, the regional government consulted several time with 120 institutions/bodies all related to the rural milieu (see Figure 2.8).

In contrast to Calabria, Veneto's local institutions are very active in the constitutions of the LEADER groups. Mayors promoted the constitutions of local partnerships with private associations to create instances of horizontal co-operation of territorial programming and governance. For instance in Alto Bellunese, in the Dolomites area, the mayors of small municipalities, in partnerships with other trade associations and bank foundations, promoted a LAG and the implementation of a LDP to diversify the local economy, which currently depends on the eye-wear industry,³² based on the diversification of the economy in tourist activities, the recovery of historical, cultural, and

Figure 2.8. Rural governance structure in Veneto

ROLE OF THE PARTNERSHIP			INTEGRATED PLANNING		
<i>Partnership</i> Put forward proposals and comments about the regional draft	Giunta regionale Defines strategies and prepares technical proposal	Comitato regionale For consultation on agriculture contributes to define planning choices	Integrated planning (1)	Production filiere project (PIF – Progetto Integrato di Filiera)	Integrated planning (3) Single business enterprise integrated project It shall include the association of several measures to meet the needs of competitive growth, environmental compatibility and multifunctionality by the farms newly formed
				Territorial integrated project (PIA – Progetto Integrato di Area)	
	Giunta regionale Adopts the rural development programme	Young farmer project Packages of measures for a single business enterprise (PG Pacchetto Giovani)			
	Iva commissione consiglio regionale Assess the programme, consults the partnership and provides an opinion		Integrated planning (2)	<ul style="list-style-type: none"> • <i>Collective integrated project:</i> Different operators and single enterprises an objective pursued • <i>Production filiere (axis I)</i> <ul style="list-style-type: none"> ❖ Agri-food sector (PIF_A) ❖ Forest sector (PIF_F) • <i>Territory</i> <ul style="list-style-type: none"> ❖ Environmental goal (Axis II) (PIA_A) ❖ Rural area (Axis III) (PIA_R) 	Measures involved: <ul style="list-style-type: none"> • 112 Setting up young farmers • 111 Vocational training and information actions • 114 Use of advisory services • 121 Modernisation of agricultural holdings • 132 Participation farmers in food quality schemes • Measures Axis II • 311 Diversification into non-agricultural activities
<i>Partnership</i> Put forward proposals and comments					
	Giunta regionale Approves the rural development programme				

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

natural heritage, the protection of nature and landscape, the increasing and the enhancement of quality, and added value of the wood industry.

The functional co-operation of the LEADER groups and local institution is quite evident in Eastern Veneto. In 1993, a group of mayors in this area pressed to pass the a regional law (16/93) which recognises *Veneto Orientale* (Eastern Veneto) as a “supra-municipalities” area of twenty municipalities and a unit of administrative decentralisation of regional offices and services. For purposes of vertical institutional co-ordination and local development initiatives promotion, a permanent “Conference of Mayors” was established. Consultation with the Conference was necessary for any infrastructural and socioeconomic initiatives concerning the area. The Eastern Veneto Conference of Mayors works

in co-ordination with the local LAG, VeGAl, which provides it with technical and secretariat assistance. In Veneto LAGs respond to the demand of administrative and programming de-centralisation coming from below. Furthermore, through the LEADER initiative, the fragmentation of rural policy between different instruments and funds is re-composed at local level, especially in cases where LAGs act as development agencies, able to mobilise different resources and instruments.

Incorporating the rural dimension

Veneto is a well-developed Region, where the rural areas have great importance. This is due to the socioeconomic context of the region – the strong peri-urban dimension (Box 2.8) – and to the large number of small businesses located in rural areas. However, while the ROP considers rural areas as central to its development strategy, the limited “competitiveness” and “employment” objectives prevent rural from being seen in axis priorities. Nonetheless, the LEADER experience in Veneto resulted in an increase in local participation, growing from one LAG during LEADER I to twelve LAGs with a collective organisation during LEADER II. The LEADER + led to the aggregation of territories and the reduction of the total number of LAGs to eight. For the 2007-13 period, the regional government allocated 11% of the RDP resources to the Axis that finances LEADER. This is 5% over the minimum required by the EU, which displays the regional government’s intention to strengthen the LAGs role in Veneto. Currently there are 14 LAGs³³ in Veneto, 6 more than the previous period.

Table 2.12. **2007-13 Veneto rural funding structure**

Euro

	ROP ERDF Veneto		Public expenditures	EAFRD	Private expenditure
Explicitly rural interventions	197 229 335.77	Axis I competitiveness	403 053 239.00	177 343 425.00	439 989 438.00
Horizontal interventions (non place based)	426 010 611.52	Axis II environment and territory	337 780 261.00	148 623 315.00	10 863 063.00
Explicitly urban interventions	0	Axis III life quality and diversification	45 787 000.00	20 146 280.00	50 946 581.00
Interventions potentially devoted to both urban and rural areas	391 914 410.78	Axis IV leader	100 614 250.00	44 270 270.00	88 573 894.00
		Axis V technical assistance	27 440 250.00	12 073 710.00	0
Total	1 015 154 358.08	Total	914 675 000.00	402 457 000.00	590 372 977.00

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.







Veneto is challenged by serious environmental problems; in particular, water quality and land pollution. The evaluation of the 2000-06 programming period stressed the lack of significant results in relation to the improvement in

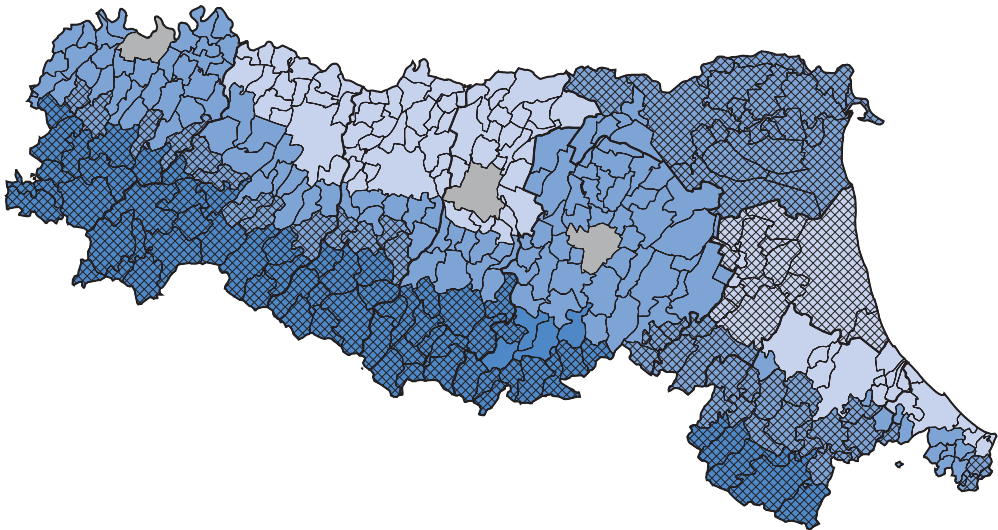
these topics and the EU has launched infraction proceedings against Veneto under the nitrate directive 91/676 an. In spite of this, concerning the 2007-13 programming period, Veneto allocated fewer resources on environment protection (Axis II) than the other Italian regions. In short, two needs emerge in the analysis of Veneto rural policy: the need to integrate the protection and valorisation of the environment into the strategy to improve agricultural competitiveness, and the need to consider the strong demand of decentralisation of the rural policy's governance coming from territories.

Emilia-Romagna

Figure 2.9. **Map of Emilia-Romagna**

Rural areas in Emilia-Romagna (RDP 2007-13)

- | | |
|---|--|
|  Rural areas with comprehensive development problems |  Intermediate rural areas |
|  Rural areas with specialised intensive agriculture |  Urban poles |
|  Ex. Obj. 2 areas (2000-06 programming period) |  Province |



Source: OECD (2008), *Background Report: Italy*, unpublished internal document. ERVET on Emilia-Romagna Region Data.

With a GDP per capita equal to 139% of the EU25 average, Emilia-Romagna (ER) is one of the richest regions in Italy, and attracts national and foreign workers. It is nationally and internationally recognised as an “excellence region-system”, pursuing in its policies both objectives of development and social cohesion. ER is the largest region in Italy (22 124 km²), after only Sicily, and it is located in the north-east of the country. ER’s topology is characterised by plains that cover 48% of the territory; the remaining part is occupied by hills for the 27%, and mountains for the 25%. In 2007, regional population totalled

4.2 million inhabitants, distributed in 41 municipalities, with a population density of about 192.3 inhabitants per square kilometre. Eight cities have more than 100 000 inhabitants, only one, Bologna (371 217), more than 200 000. ER displays positive demographic trends. Between 1988 and 2005 regional population has increased by 5.8%. This is due to national and international immigration flows. In particular, foreign-born doubled between 1988 and 2005 achieving 280 000 individuals, i.e. 6.5% of overall ER's population. Although they concentrate in large cities, the relative percentage of foreign born is higher in small-sized cities.

ER is home to a diversified economic base in which agro-food, manufacturing, and tourism activities are strongly developed. The region is the place of SMEs. While the average dimension of firms and farms is quite small, fragmentation of the productive system is only apparent, since economic activities are strongly integrated along supply-chains. For instance, ER's agro-food industry is considered to be the most complete in Italy, since all activities are carried out within the region. ER is home to some of the most important agro-food district in Italy, as the *Langhirano* one where Parma ham is produced. In this context agriculture is strongly mechanised and represented 5.4% of regional employment in 2005. In ER farms have a larger size than the average in Italy (12.3 ha in ER, against 6.7 in Italy) and specialised in cereal crops, fruit-culture, vine cultivation, cattle and pig rearing. Manufacturing is organised in a similar way, and a number of RR SIA are home to *Marshallian Industrial Districts* (Chapter 1). Some examples are the clothing district of Carpi, and the ceramics district of Sassuolo. Tourism is also important, especially along the Adriatic coastline in the province of Rimini and Ravenna. Thanks to economic diversification the labour market performs very well. Regional employment rate has increased by 2.5% between 2000 and 2005. The regional economy is export-oriented. Its share of the national export is 12.2%. Medium-high technological products represent 57% of regional export (Regione Emilia-Romagna 2007b).

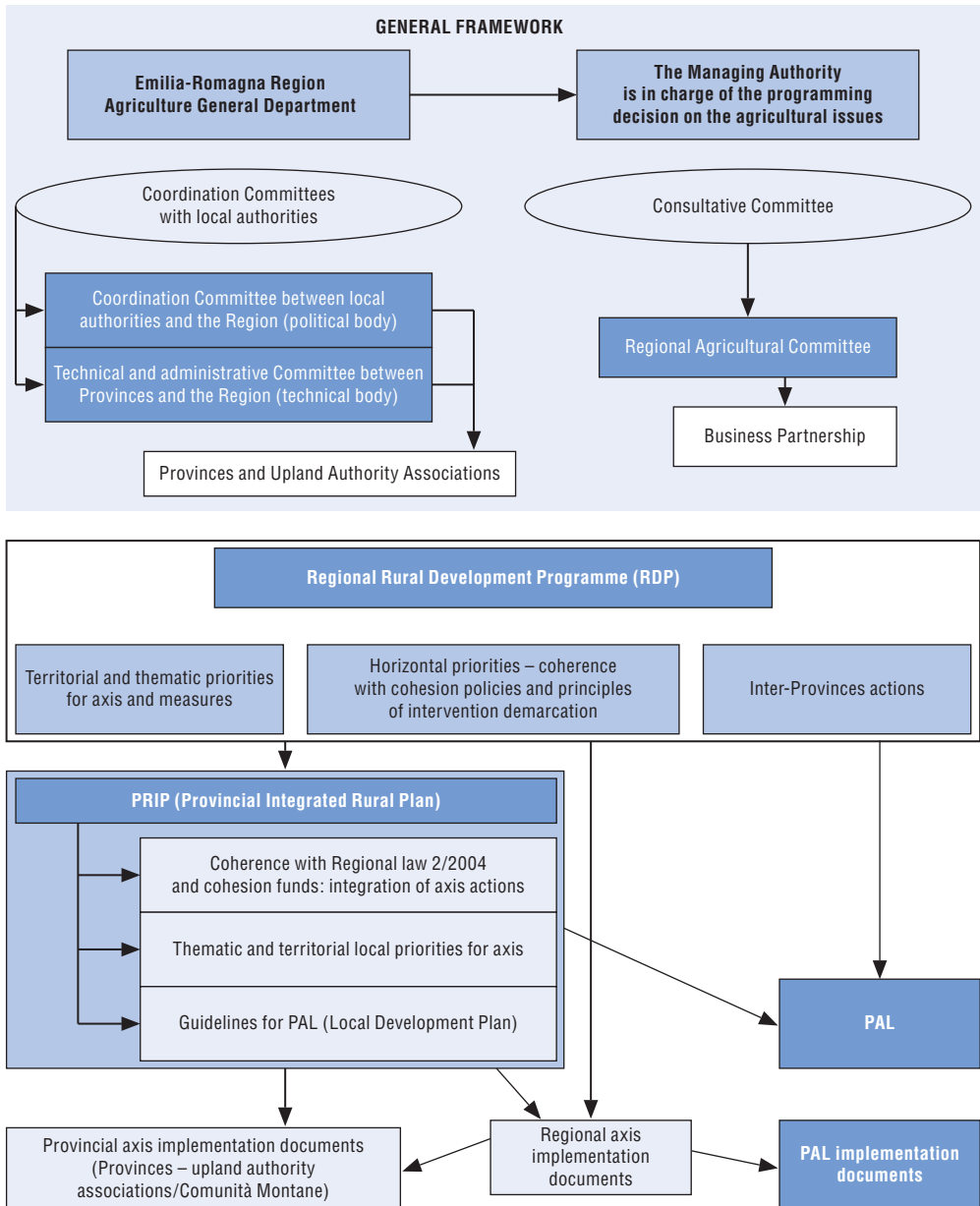
ER has a multifaceted innovation strategy for rural areas that involves national and local actors (National Research Council – CNR – and ENEA National Agency for Alternative Energies). The innovation system is promoted by the regional government, through the High Technology Network for industrial research and technological diffusion, constituted by 27 laboratories for industrial research and 24 demand-oriented innovation centres. In the period 1997-2003 private expenditure in R&D has doubled and the demand for research by private enterprises was also increasing, leading to a share of private expenditure in R&D of 58%. Between 1999 and 2002 patents for industrial innovations presented to the EPO (European patent office) have increased by 19.4% in the Region, and 11.6% in Italy.

Counter-urbanisation is intense in ER and while repopulates rural areas, it also poses problems of sustainability. The region's urban settlements evolve towards a model which is similar to that of Veneto's "diffused city". For instance, the cities of Parma, Reggio Emilia, Modena, and Bologna are evolving towards a linear metropolitan region, along the "via Emilia" (a road that links them all). In this case, urbanisation put pressure on the RR SIAs located in the central plain and the low hills. Counter-urbanisation also interests some RR DPs located along the Apennines mountain chain in the provinces of Modena, Bologna, and Reggio Emilia. After years of depopulation, these regions displayed positive demographic trends between 2000 and 2005. As discussed in Chapter 1, this is due to the in-migration of foreign workers that, while working in the city, decide to live in the inland small cities because of the low cost of housing. Although the process of counter-urbanisation represents a positive issue for these communities, it also poses problems related to congestion and pollution due to the intense commuting and puts pressure on natural resources (land and water), without taking into account the challenge of integrating immigrants in rather socially homogenous rural communities.

Emilia-Romagna Governance Structure

The region has a history of co-operative movements and cultural homogeneity which are at the base of the so-called "Modello Emilia". Such a model is also reflected in the ER's rural policy, which reflects a strong multi-level system of governance, with strong integration and devolution of responsibilities. The democratisation process is visible in the devolved responsibilities to and within the local institutions (provinces, mountains communities, municipalities) which has strengthened the trust relationship between citizens and institutions. The regional government assigned itself the task of "making a system", i.e. building a unitary policy network out of the local policy communities, putting together strategic perspectives, common objectives and operative capacities able to govern complex problems.

In keeping with its decentralised model, ER has an Agriculture general department and a Managing Authority responsible for programming decisions on agricultural issues. There are two permanent committees: one is a political unit – the Co-ordination Committee between local Authorities and the Region and the other is a more technical entity – the Technical and administrative Committee between Provinces and the Region. There is also a consultative committee, the regional Agriculture Committee. The co-ordination committees are represented by the Provinces and Upland Authority Associations while the consultative committee is the Business Partnership (Figure 2.10). In this scheme the role of the provincial governments is particularly important. The regional law 15/97 (devolution of agricultural responsibilities to Provinces and Mountain Communities) devolves to

Figure 2.10. **The structure of regional governance in Emilia-Romagna**

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

provinces the responsibility for the planning and implementation activities at sub-regional level. In co-operation with Mountains Communities (a supra-municipality local institution), provinces are in charge of preparing the Provincial Rural Integrated Programme (PRIP).³⁴ The role of PRIPs is to adapt the strategic lines defined in the regional RDP at local level through the selection of measures and interventions more coherent to the territorial socioeconomic needs and contexts.

ER follows a unitary strategic vision which promotes the co-ordination of the regional and the rural policies, in a broader approach toward territorial development. This strategic vision is discussed and presented in the *Programming Unitary Document* (PUD, approved in June 2008), which sets the priorities for all the planning activities and interventions to local public and private actors. The PUD integrates policies funded by the EU (except the RDP), national, and regional funds within the framework of the Regional Territorial Plan (RTP), which, in turn, deals with traditional problems of land planning and land use (utilisation of the territory, infrastructure and mobility network, technological networks, environmental and landscape protection). In particular the PUD aims to: i) strengthen innovation in a “knowledge-based economy”; ii) build a “Regional-System” based on strong networks; iii) renew the model of sustainable development; iv) increase territorial cohesion as strategic resource for development and innovation; and, finally; v) set up a system based on solidarity, finalised to the improvement of welfare and qualification. In this framework, provincial government co-manage and are co-responsible of the PUD.

PUD sets a unitary territorial classification of the regions, which is seen as an interconnected unity, to be valorised in its integrity. In coherence with such an approach, RR DPs are considered a resource for the all region, to be valorised for their specific landscape, natural and cultural resources, with strategies that are different from the one implemented in the plain areas. In continuity with 2000-06 structural programme, in the PUD, rural areas are identified as the ex-objective 2 areas, which lie on the Apennines and the north-east coastal areas in the province of Ferrara and Ravenna. The strategy concerning the Apennine area is articulated in three macrotypologies of intervention: i) mountain hospitals (social service, transport infrastructure, digital divide); ii) safe mountains (environmental infrastructure, sustainable development, hydro-geological safety); iii) excellence in mountains (natural, cultural and agro-food potentialities). These policy interventions aim at reducing de-population, improving income and quality life (social well-being), and promoting tourism activities (through the “tourism integrated project”). A central importance is attributed to the evaluation of “pilot” projects. These projects work as attention catalyst and promote imitation processes. An example of this type is the CISA project for the diffusion of alternative energies.

Despite its integration in the PUD, the RDP of ER is an independent policy instrument. In the context of RDP, different tools foster the public and private partnership. For instance, the Regional Conference for the Local Autonomies, which is the principal instrument of co-ordination between the regional government and the other local authorities; the Regional Agricultural Committee and the Regional Agro-food Table, which represent private – public partnerships involving the agricultural associations and the agro-food industry. The RDP is organised along three axes. The first axis promotes an integrated territorial approach, through collective action and development projects based on industrial districts or clusters (*filieres*). It supports farming and foresting activities, which are able to contribute to competitiveness through technical and marketing innovation. The policy aims at integrating firms and farms in locally based value-chains to increase the competitiveness of the system as a whole. The second axis aims at “agro-environmental agreements”, while the third one promotes “development agreements”. In particular, it promotes the protection of the environment with a focus on biodiversity, and agricultural and forest activities, especially in the “vulnerable areas” according to the *nitrate Directive* (91/676 CEE) or Nature 2000 networks. Finally, the third axis intends to promote integrated development and quality of life (social well being) in the most rural areas. Resources allocated to the this axis are relatively low (10% of the whole RDP resources, the minimum required by the EU), but this is motivated in the RDP by a strong ordinary policies interventions facing problems of marginal and lagging areas, especially concerning services availability.

Table 2.13. **2007-13 Emilia-Romagna rural funding structure**

Euro

	ROP ERDF		Public expenditures	EAFRD
Explicitly rural Interventions	7 864 950	Axis I competitiveness	168 500 000	382 954 000.00
Horizontal interventions (non place based)	416 297 545.01	Axis II environment and territory	174 700 000	397 133 000.00
Explicitly urban interventions	0	Axis III life quality and diversification	42 900 000	97 500 000
Interventions potentially devoted to both urban and rural areas	90 833 082.19	Axis IV leader	21 000 000	47 727 000
		Axis V technical assistance	4 100 000	9 347 000
Total	514 995 577.20	Total	411 300 000	934 661 000

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

In ER, LAGs, with the co-operation of small, insulated, municipalities and citizen associations, have implemented innovative initiatives for the supply of social services to the marginal that represent good practices. For instance, the *Antico Frignano* and *Appennino Reggiano* LAG have involved a local voluntary association in a project to deliver medicinal drugs to senior citizens directly at

their home. Another project implemented aims at providing on-demand transportation to people living in sparsely populated areas during specific periods in which they may want to commute to urban areas because of a fair or another event.

To sum up

In Italy, the approach to rural policy is complex and depends on EU agricultural policy and regional development framework (Structural Funds) and is influenced by a longstanding tradition of support to the southern regions. As a result, it lacks a distinct, integrated strategic vision that embraces other aspects of rurality particularly, issues such as health care, education, and quality of life. It also does not take into account the diversified economic base that many rural regions display.

Within this policy framework, a large share of rural development resources is allocated to modernise agriculture and infrastructure. Public funds are invested into projects with high spend capacity, with an over-emphasis upon available EU funding and spending efficiency in programme planning. This approach holds a main danger. It undervalues the importance of learning from monitoring and evaluation about the long-term impacts of policy investment, as policy-makers always look forward, rather than back. In addition, the dependency of Italy's rural policy framework upon the wider EU frameworks renders it vulnerable to uncertainties about future EU funding.

The three regions explored in this chapter exemplify the challenges that flow from a non distinct rural strategic vision. Emilia-Romagna evidenced a rural policy approach that was largely subsumed by the wider goal of building a "regional system" out of the local policy communities. In this context, the integrated territorial approach is promoted through collective and *filieres* projects. The resources allocated to the economic diversification are low but this is counterbalanced by the strong ordinary policy interventions in place for marginal and lagging areas. Calabria follows an integrated bottom-up development models but the proliferation of partnerships with the different overlapping agendas is undermining the integrated rural planning instruments. There are a number of good examples of LEADER initiatives but the innovative pull of LEADER weakened in 2007-13 cycle due to the reduced budget, more complex internal organisation, and the tenuous relationship between LAGs and local communities, and between the former and local public institutions. In Veneto, the regional administration is responsible for planning and program implementation of rural policy and places a strong emphasis on the consultative partnership process. However while the local institutions are much more active in LEADER groups than in Calabria, the fragmentation of rural policy between different instruments and funds is such that it forces re-composition at the local levels.

In general, there are many good examples of innovation in rural development projects and strategies at the sub-regional level. This situation stems from the different governance models that exist at the regional level. Each model offers scope for an effective design and delivery of rural policy, but all suffer from a separation of rural roles and responsibilities between different national and regional Ministries (between rural-agricultural, regional, and broader “normal” policy). This, in turn, leads to a need to recombine these roles at local level, to achieve joined-up rural policy delivery. Thus meso-institutions, which may be Provinces, groups of municipalities or other sub-regional delivery partnerships (including LEADER – Local Action Groups), are often critical to successful rural development. Some examples of successful initiatives at the local level are discussed in Chapter 3.

Notes

1. Structural Funds and Cohesion Funds are funds allocated by the European Union for two related purposes: support for the poorer regions of Europe and support for integrating European infrastructure especially in the transport sector. Current programmes run from 1 January 2007 to 31 December 2013, with EUR 277 billion budget for Structural Funds, and EUR 70 billion for the Cohesion Fund. Together with the Common Agricultural Policy, the structural and cohesion funds make up the great bulk of EU funding, and the majority of total EU spending. For 2007-13, new objectives have been defined, with a total budget amounting to EUR 347.41 billion in current prices.
2. The “Questione Meridionale” (or Southern Issue) was already evident at the end of the 19th Century. While the primary sector in the northern part of the country had been evolving toward a capital intensive model of production, in the south agriculture still displayed the feature of feudalism and was labour intensive (Villari, 1875).
3. The Integrated mediterranean Program was a seven-year budgetary commitment for the years 1986 through 1993 by the European Community of region economic development in Greece, Italy and Southern France.
4. The comprehensive changes to the EU Structural funds that began in 1988 drew extensively from the lessons learned through the IMP and made explicit the move from a sectoral approach to one based on territorial interventions as the methodology to correct socioeconomic disadvantages.
5. Despite doubling the structural funds spending achieved at the national level with interventions exceeding 11% as compared to 1988, the European Agricultural Guidance and Guarantee Fund (EAGGF) spend was only 8.2% with varied success among the Local Action Groups.
6. In addition, the operation of the *Cassa per il Mezzogiorno* and of state-owned enterprises, effectively until early 1990s, did not favour a more active role of regional governments in territorial policies for economic development.
7. The concept of the *filiere* is similar to that of supply-chain, but it is commonly used in respect of primary sectors (agriculture, forestry, and fishing).

8. Despite increasing to 19% of the resources allocated by EAGGF-O and LEADER II recorded its lowest spending capacity 90.7% in this phase. The lacklustre LEADER performance was linked to its more innovative edge in this phase by funding pilot and integrated projects with a higher degree of difficulty in terms of implementation.
9. Regions had to draw up an RDP, co-funded by the EAGGF Guarantee, for the former accompanying measures and the indemnity compensation. These programmes are joined by the EU Leader+ initiative, carried out in all of Italy's Regions and Autonomous Provinces through the Regional Leader Programmes. The 2000-06 CSF for Ob. 1 Regions of Italy includes 7 ROPs (Regional Operational Programmes) e 7 SOPs (Sectoral Operational Programmes). Under Objective 1 are the lagging behind Regions, where the GDP per head is at or below 75% of the Community average. The Italian regions eligible under Objective 1 are Basilicata, Calabria, Campania, Puglia, Sardinia and Sicily. The region Molise shall continue to receive support from the Funds under Objective 1 on a transitional basis (phasing out area).
10. Enabling the European Commission to take back funds which were unspent and reallocate them to other areas and programmes.
11. At the European level, the new programming period has seen a separation of the CAP second pillar programmes from those supported by European Regional Development and European Social funds. Henceforth, all second pillar measures will be delivered together in Rural Development Programmes funded by a new single European Agricultural Fund for Rural Development (EAFRD), with one unified programme for each region, irrespective of whether these are lagging or leading territories (in the new EU terminology, Objective 1 areas are now called "convergence" regions). For Structural Funds, ERDF and ESF are now to be delivered in separate programmes, within the territories to which they apply. ERDF funding, in particular, is now more strongly confined to convergence regions only (although former Objective 1 areas receive some "phasing out" funding for transitional programmes, 2007-13).
12. Conceptually, any RD policy may adopt contrasting strategies for prioritising funding, as follows:
 - it may choose to target those territories and sectors which offer the greatest *opportunities* for high RD "returns" to public investment (i.e. generating large absolute outputs in economic, environmental or social terms); or
 - it may choose to target the areas and features that face the greatest *problems* or *needs* in respect of economy, environment or society, in order to help them to "catch up" with conditions in other areas. This is broadly the EU "cohesion principle".

In some situations, it may be that these two approaches coincide, for instance where a given amount of money may create more rural jobs in a poor region than in a rich region, since local wage rates may be lower. But in other situations, for example where funds are invested in private firms in order to enable them to grow and increase their productivity, the two approaches may be conflicting (because investing in firms in wealthy areas could produce greater overall growth than investing in firms operating in otherwise relatively depressed economic conditions). Thus it can be interesting to examine the evidence to suggest which of these two strategies appears most influential, in shaping approaches to rural development among Italy's regions.

13. Whereby the Commission has proposed increasing the rate of compulsory modulation of CAP Pillar 1 support in order to generate more funds for Pillar 2 policies, in each member State.

14. Sardinia has already joined the group of the “competitiveness” regions, while Basilicata, the other phased out region, is still considered (and financed) as it was in the group of the “convergence” regions.
15. A broad evaluation of Territorial Pacts (TPs) found that they had been more effective where the private sector had led the process of co-ordination and design of the intervention (Cersosimo, Wolleb, 2002). It is also important to note that TPs were relatively popular in the north of Italy, where they did not receive any public fund, but constituted a way to involve local actors in the design of a long term development strategy.
16. Also through ITPs approximately 120 stable inter-municipal associations were established in lagging areas; and the learning process within municipalities that engaged in the definition of a common development strategy and that, for the first time, divided and mutually delegated operational and administrative tasks.
17. Regions under the Traditional Model include: Veneto, Piedmont, Liguria, Lazio, Marche, Puglia, Sardinia, Calabria and Sicily.
18. The Centralised Model is typical of smaller areas (i.e. Valle d’Aosta, Bolzano, Trento, Umbria, Abruzzi) and in the Objective 1 Regions (Basilicata, Molise, Campania).
19. This model can be found in Tuscany, Emilia-Romagna, Lombardy and Friuli-Venezia Giulia, where the local authorities are directly involved for implementing RDPs, through delegation’s laws.
20. Reggio Calabria, the most populated city, has 180 000 inhabitants; only 4 cities are in the range 50 000-100 000 inhabitants; 80% of municipalities have fewer than 5 000 inhabitants.
21. Notwithstanding an improvement in 2006 with respect to the previous year.
22. Economic problems are strictly interlinked, in Calabria, with social and institutional problems. Since the establishment in the 1950s of the special intervention funding for the South of Italy, Calabria has long been dependent on national public resources. In a strong centralised State, local politicians have played a role of “mediators” between national and local interests, generating a clientelist system of governance, in which the boundaries between the political and the endogenous mafia system were not always clear-cut.
23. Instruments like the Integrated Territorial Projects (ITP), the Rural Areas Integrated Projects (RAIP), the *Filières* Integrated Project (FIP), etc. In particular, Calabria was one of the two regions (the other being Umbria) to introduce the Integrated *Filière* Project in the 2000-06 ROP.
24. The assumption beyond that practice was that neither public institutions, nor private actors alone could find solution to territorial development problems, while the construction of a territorial policy network could constitute the arena for communicative common action providing solution to collective problems.
25. Integrated Territorial Programmes (ITPs or PIT in Italian) belong to the “family” of Integrated Projects (IPs). In Italy the 2000-06 Community Support Framework (CSF) defined IPs as a pool of actions covering different sectors and sharing the same objective of territorial development. In particular, IPs focused on the two following issues: i) the **integration** among projects co-financed by the Structural Funds; ii) the **territory** as the beneficiary of actions and context for the development of untapped potentials. IPs were supposed to define homogenous territories and provide local actors with a shared and transparent guidelines to implement in an

integrated, and optimised, fashion the actions and measures listed in the ROPs and Programme Complements (PC). ITPs represented a specific tool to improve the quality, and optimise the outcome, of the actions and measures listed in the ROPs. The ROP outlined the general data on the whole ITPs (typology, projects features, measures for programme implementation, total amount of resources, time-scheduled distribution of resources by priority), and more specific details on major projects. The PC detailed the context, objectives, action strategy, procedures and amount of resources, selecting criteria for projects and beneficiaries, measures, responsible parties, co-ordination of responsibilities.

26. Since the 1990s, Calabria has gone through a significant socio-cultural transformation. The increase of per capita income and formal education, and the crisis in traditional institutions like the church and the Christian Democratic Party, have brought an unexpected flourishing of social activism, which is in contrast to the “amoral familism” concept used by Banfield (1958) to characterise social behaviour in the South of Italy. A study by Trigilia (1995) highlights how in the South of Italy numerous civil society associations became active (in line with the rest of Italy), and how they were the result of a dynamic evolution in civil society, quite independent from the political system. The same results were confirmed by other research in Calabria (e.g. Marini, 2001). In this context, civil society and voluntary associations have often become the promoters of initiatives for the valorisation of local cultural, economic, and social assets.
27. Veneto’s territory is morphologically variegated, going from the Alps to the Venice lagoon through smooth hills and a large alluvial plain, rich of water, which occupies 56% of the territory.
28. There are only four cities with more than 200 000 inhabitants. Vicenza hosts about 100 000 inhabitants; Venice, the most populated town, about 271 000.
29. In 2005, regional agricultural represented 9.7% of the national production; especially important was the share of the chicken industry (29% of national production), beef (15%), milk, cereal, and wine (Banca d’Italia 2006). Of special interest in Veneto is the weight of agriculture in the vast “metropolitan area”, diffused from Venice to Verona along the motorway: here we find both specialised agriculture and small farms (under 2 ha), with a productive and residential function. Agro-industry is also concentrated in this area, with 53% of firms and 57% of employees.
30. Some municipalities in the mountainous areas have recently promoted a referendum in order to leave the Veneto Region and join the autonomous province of Trento. Therefore, the permanence of these areas in the Region will depend on the attention rural policy gives them.
31. In the mountains income support to farmers is lower than in the plains and many are abandoning their agricultural activities.
32. This area in the Dolomites is home to an industrial district specialised in the eye-wear industry. The world leader firm, Luxottica, is located in this area. Luxottica has a great influence on the district and on the territory. Many of the companies located in the area acted as external contractors to Luxottica, which in this way enjoyed production flexibility. It was actually Luxottica itself that, in the 1970s, encouraged his employees to set up their own businesses and become its suppliers. However, the organisational and production structure of this centralized network underwent a progressive transformation that led to vertical integration. As a result, in one decade (from 1980 to 1990), outsourcing, as measured by external production costs, fell to 10% of the total. And by the mid-1990s, Luxottica’s production had been

completely internalized (Camuffo, 2003). This dynamic reduced the number of small firms in the area and triggered the creation of the LAG, whose first aim was to differentiate the local economy to lower the dependency on the eyewear industry.

33. The LAGs in the Veneto region are: Alto Bellunese, Prealpi e Dolomiti, Patavino, Bassa Padovana, Polesine Delta de Po, Polesine Adige, Alta Marca Trevigiana, Terre di marca, Venezia Orientale, Terre Basse già Antico Dogado, Montagna Vicentina, Terra Berica, Baldo Lessinia and Pianura Veronese.
34. Emilia-Romagna Region has, in fact, a specific instrument for the co-ordination of the ordinary intervention in the mountain areas, the Regional Law No. 2/2004 for the Mountain. Even in this case there is a strong institutional design that has brought to rationalise the organisation of Mountain Communities (reduced from 18 to 9) and to incentive the constitution of supra-municipalities associations in order to solve specific problems. The Law 2/2004 establishes different instruments (the Institutional Programme Agreement – Intesa Istituzionale di Programma in Italian – and the Framework Agreement – Accordo Quadro), which establish a new form of co-operation among Mountain mountain Communitiescommunities, mountain Municipalitiesmunicipalities, Provincesprovinces, Regionthe regional government, social and economic actors, and professional associations for the definition of intervention programmes in such areas. These Agreements have the objective of unifying the single sectoral intervention in a co-ordinated policy implemented by the Mountain Community, but to which all the different levels of local institutions have to contribute with their resources. Financed by ordinary fund is also the “Telematic Plan”, which among its objectives aims at extending the broad band electronic advanced infrastructure to marginal and mountain areas, and fill any “digital divide”.

ANNEX 2.A1

Devolution of Power in Italy

Italy began taking a federalist direction when it decentralised spending, regulatory and tax powers in the late 1990s which was codified by the 2001 constitutional reform. After which, while the national government retained strong control over the local electoral mechanism, taxing powers, ordinary grants, local functions and organisation the regional level inherited vast new functions and responsibilities such as legislative and administrative powers, particularly in the fields of agriculture, commerce, public health, tourism, public works and long-distance public transport.

The accompanying fiscal reforms also accorded the regions greater control over resources and a greater role in expenditure decisions translating into a progressive reduction of the dependency on public financing and more on financing corresponding to the fiscal capabilities of the region (Bank of Italy, 2006). In contrast, Province responsibilities oscillated from unremarkable in metropolitan areas with large Municipalities to critical in rural and mountain areas. At the core of the Italian decentralised system is the Municipal government. In fact, to avoid the proliferation of new provinces, the government offered incentives for small cities to aggregate; hoping to reduce bureaucratic strangleholds and fragmentation in local public service supply. They oversee such policies as town planning and zoning, transport traffic control, water provision, street lighting and cleaning, garbage collection and disposal and a growing number of social, cultural and leisure services.

Table 2.A1.1. **Devolved responsibilities**

State	Regions	Provinces	Municipalities
Public order and security	Health spending (60% of total expenditures)	Road network maintenance	Town Planning
Defense	Health centres and hospitals	Transport	Social Housing
Foreign policy	Vocational training	Secondary schools (construction of buildings)	Aid to the disabled
Monetary policy and savings	Culture	Environment including protection and improvement of the energy resources	Local public transport
Electoral rules and citizenship	Town planning	Cultural heritage	Road network maintenance
Immigration and relations with religious institutions	Road networks, civil engineering and regional railway transport	Household waste and sewage	Local police
General norms on education	Agriculture	Some health services	Pre-elementary, primary and vocations schools (building construction and maintenance and teachers' pay)
Social security	Country planning and economic development	Vocational teaching	Culture
Justice	Environment	Economic Development	Sport
Protection of the environment and cultural resources	Social services	Management of employment services and subsidies	Sewage and waste disposal
Education			Upkeep of pharmacies in rural areas

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

ANNEX 2.A2

*Structural Funds in the South of Italy*Table 2.A2.1. **EU structural funds 2007-13: breakdown of Southern Italy planned expenditures**

Categories of expenditure	Sicily total amount	Puglia total amount	Campania total amount	Basilicata total amount	Calabria total amount
Explicit rural interventions					
Renewable energy: biomass	40 055 081	18 000 000	32 500 000	2 800 000	16 190 496
Renewable energy: wind	16 022 033	–	20 000 000	–	16 190 496
Renewable energy: hydroelectric geothermal and other	20 828 642	–	22 500 000	2 800 000	21 437 416
Renewable energy: solar	88 121 179	38 000 000	25 000 000	6 400 000	26 684 337
Promotion of biodiversity and nature protection (including Natura 2000)	14 714 111	9 000 000	–	1 000 000	15 440 936
Promotion of natural assets	32 044 065	9 000 000	12 500 000	600 000	749 560
Protection and development of natural heritage	58 529 466	9 000 000	45 000 000	6 000 000	749 560
Regional/local roads	86 322 787	10 000 000	37 500 000	23 200 000	32 980 641
Total	356 637 364	93 000 000	195 000 000	42 800 000	140 917 282
Horizontal interventions (non place-based)					
Mitigation and adaptation to climate change	32 044 065	2 000 000	60 000 000	–	449 736
Other measures for improving access to and efficient use of ICT by SMEs	15 037 019	10 000 000	35 000 000	2 800 000	–
Other measures to stimulate research and innovation and entrepreneurship in SMEs	132 077 290	40 000 000	250 000 000	9 800 000	85 749 665
Other investment in firms	91 743 950	40 000 000	65 000 000	12 400 000	–
R&TD activities in research centres	8 174 506	25 000 000	25 000 000	1 800 000	19 638 472
Management of household and industrial waste	80 110 162	50 000 000	135 000 000	10 800 000	29 982 400
R&TD infrastructure (...) and centres of competence in a specific technology	16 349 013	–	45 000 000	6 200 000	22 037 064
Investment in firms directly linked to research and innovation (...)	14 491 799	25 000 000	25 000 000	4 200 000	56 666 737
Mechanisms for improving good policy and programme design, monitoring, and evaluation (...)	19 618 815	2 000 000	62 397 599	3 400 000	–

Table 2.A2.1. **EU structural funds 2007-13: breakdown of Southern Italy planned expenditures (cont.)**

Categories of expenditure	Sicily total amount	Puglia total amount	Campania total amount	Basilicata total amount	Calabria total amount
Preparation implementation monitoring and inspection	17 656 934	20 260 989	32 500 000	1 800 000	23 985 921
Integrated prevention and pollution control	32 044 065	29 000 000	25 000 000	–	11 843 048
Promoting partnerships pacts and initiatives through the networking of relevant stakeholders	11 237 527	10 000 000	–	1 200 000	–
Air quality	30 817 889	–	20 000 000	–	–
Advanced support services for firms and groups of firms	94 108 462	115 000 000	87 500 000	6 600 000	44 987 093
Services and applications for SMEs (e-commerce, education and training networking, etc.)	19 618 815	15 000 000	35 000 000	1 600 000	9 744 280
Assistance to R&TD particularly in SMEs (including access to R&TD services in research centres)	26 158 420	65 500 000	90 000 000	2 200 000	31 481 521
Information and communication technologies (...)	52 071 606	50 000 000	137 500 000	13 800 000	2 248 680
Technology transfer and improvement of co-operation networks between small businesses (SMEs)	49 268 603	20 000 000	55 000 000	2 200 000	33 269 972
Evaluation and studies; information and communication	19 618 815	20 260 989	17 500 000	4 002 549	5 996 480
Total	762 247 755	589 021 978	1 202 397 599	84 802 549	378 081 069
Explicit urban interventions					
Railways (TEN-T)	7 193 566	–	80 000 000	–	–
Promotion of clean urban transport	46 758 176	–	–	1 000 000	–
Multimodal transport (TEN-T)	7 193 566	–	–	–	–
Urban transport	143 871 312	10 000 000	–	6 000 000	22 486 800
Total	205 016 620	10 000 000	80 000 000	7 000 000	22 486 800
Interventions potentially devoted to both urban and rural areas					
Airports	43 161 394	–	35 000 000	–	22 486 800
Other social infrastructure	33 654 518	105 250 000	85 000 000	13 600 000	56 966 561
Other assistance to improve cultural services	68 420 618	29 000 000	–	2 000 000	26 984 160
Other assistance to improve tourist services	229 540 139	35 000 000	45 000 000	1 200 000	74 956 001
Other measures to preserve the environment and prevent risks	14 387 131	–	40 000 000	10 400 000	3 747 800
Motorways	71 935 656	–	27 500 000	–	–
Energy efficiency co-generation energy management	96 933 297	49 000 000	45 000 000	10 000 000	26 684 337
Natural gas	32 044 065	–	–	–	–
Management and distribution of water (drinking water)	72 099 146	150 000 000	60 000 000	13 600 000	47 971 841
Housing infrastructure	111 207 424	–	–	–	–

Table 2.A2.1. **EU structural funds 2007-13: breakdown of Southern Italy planned expenditures (cont.)**

Categories of expenditure	Sicily total amount	Puglia total amount	Campania total amount	Basilicata total amount	Calabria total amount
Health infrastructure	64 742 090	112 500 000	–	6 800 000	26 984 160
Childcare infrastructure	21 580 697	25 000 000	35 000 000	4 400 000	13 492 080
Education infrastructure	28 774 262	–	60 000 000	9 600 000	37 478 001
Telephone infrastructures (including broadband networks)	4 904 704	50 000 000	37 500 000	9 600 000	6 746 040
Cycle tracks	11 280 819	1 000 000	–	400 000	–
Ports	169 784 497	105 000 000	75 000 000	–	22 486 800
Risk prevention (...)	120 165 244	50 000 000	65 000 000	7 000 000	45 723 161
Integrated projects for urban and rural regeneration	149 258 585	260 000 000	542 500 000	3 600 000	257 099 084
Protection and preservation of the cultural heritage	64 006 385	50 000 000	90 000 000	8 000 000	36 728 442
Rehabilitation of industrial sites and contaminated land	62 240 842	40 000 000	70 000 000	2 400 000	29 982 401
Services and applications for the citizen (e-health e-government e-learning einclusion, etc.)	28 447 282	35 000 000	147 500 000	5 672 000	27 733 721
Intelligent transport systems	7 193 566	4 000 000	–	3 600 000	599 648
National roads	14 387 131	–	–	–	29 982 401
Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)	76 258 473	260 000 000	60 000 000	3 600 000	23 233 362
Development of cultural infrastructure	36 785 279	15 000 000	15 000 000	5 400 000	27 733 720
Information and communication technologies (TEN-ICT)	3 269 803	10 000 000	7 500 000	4 800 000	–
Railways	215 806 968	340 000 000	307 500 000	18 200 000	52 469 201
Multimodal transport	43 161 394	50 000 000	30 000 000	6 000 000	47 372 193
Water treatment (waste water)	50 469 402	74 000 000	75 000 000	16 400 000	11 992 960
Total	1 945 900 811	1 927 000 000	1 955 000 000	166 272 000	957 634 875
Total	3 269 802 550	2 619 021 978	3 432 397 599	300 874 549	1 499 120 026

Source: Italian Ministry of Development Economics, Department for Development Policies, PPEU-UVAL

Chapter 3

Policy Recommendations

Based on the analysis of the Italian rural economy and the approach to rural development, this chapter sets out a number of policy recommendations to help Italian rural policy better adapt to the heterogeneous and rapidly evolving context it faces. The chapter addresses the need to develop a rural framework that is broader, reflects the changing demands from rural resources, takes advantage of the potential in rural Italy, and discusses policy options based on national and international experience. It also identifies and discusses a set of issues that emerge as key policy priorities for the future of rural Italy: 1) promoting planning and “framework conditions” across Italy; 2) ensuring environmental sustainability, including the use of natural resources for new purposes including energy generation and the leisure economy; 3) promoting planning at functional, rather than administrative levels, to improve urban-rural linkages; and, 4) facilitating a more collaborative evaluation process among different government tiers.

Key points

- Italy's current rural policy approach is heavily focused around the EU frameworks of CAP rural development and Structural Fund/cohesion policies, but there is a need to develop a broader strategic framework. A new framework could draw insights from the OECD New Rural Paradigm and from experience in other OECD member countries. EU policies and funding instruments should sit within this broader framework, but should not define the scope of rural policy thinking in Italy. In particular, when compared to the current situation, this broader framework should reflect changing demands upon rural resources and should emphasise the great diversity of rural potential in Italy, in a way that is linked more closely to a territorial and multi-sectoral perspective, which is applied in all Italy's regions and not only in the south.
- Italy's rural policy should also involve a greater mix of rural actors from different economic, social and environmental sectors, and should be designed and delivered through stronger, active partnerships between all relevant sectoral Ministries. This is important at the national and also the regional levels of governance to overcome the existing institutional borders. The vision embodied in this policy should embrace both "additional" policy and the "normal" policies of public services, including health, education, welfare and environmental protection, because all of these have a critical influence upon rural economic and social development and quality of life.
- A new strategic framework for rural policy will need to be supported by appropriate policy institutions and governance. At the local (sub-regional) level, it will be important to ensure the presence and effective operation of "linking" bodies, which can identify local needs and opportunities, and draw upon a mix of EU, national and regional funds and programmes to help to address these, in an integrated way. At the regional and national levels, more broad-based capture and analysis of a range of rural social, economic and environmental data and indicators – representing a more explicit territorial analysis of rural Italy – could help to increase common understanding of contemporary rural challenges, trends and opportunities.
- Compared to the balance of current policy priorities, a new rural framework in Italy is likely to benefit from an increased focus upon promoting and ensuring environmental sustainability. This should include the sustainable use of natural resources for new purposes, particularly including renewable energy generation, and the leisure economy.

- Also, an enhanced, nationwide focus on ensuring the quality and accessibility of rural services and enhancing quality of life for all rural residents will help Italy to prepare for the likely challenges of rural change in the next decade, and provide the bedrock upon which other rural development activities can build.
- More territorial sensitivity in the identification and promotion of appropriate economic diversification, particularly in respect of adding value to local rural resources: foods, customs, cultures, skills and heritage, is likely to strengthen the competitive position of rural Italy in future, and should thus be promoted.

3.1. Italy needs to embrace a broader rural development strategy

The rather fragmented and strongly EU-influenced approach to rural policy that characterises Italy is narrower than the “New Rural Paradigm” which OECD has identified as an important framework for integrated rural development. It is also in strong contrast to the approach found in some other OECD member countries. In Finland, for instance, policy-makers distinguish a notion of “broad rural policy”, which encompasses the whole range of government policies affecting rural areas, and “narrow rural policy” which comprises only the rural elements of EU-co-funded programmes. In the UK and Canada, the approach of “rural proofing” seeks to ensure that all the policies which have a direct impact upon rural areas should be sensitive to the specific needs and issues of rural areas, in their design and delivery. Both of these approaches provide policy frameworks which recognise that much broader policies are highly relevant to achieving sustainable rural development, above and beyond the actions of EU co-financed programmes. Without such a broader vision, important needs and potential could be overlooked.

Italy needs to develop a independent rural vision that is coherent with, yet not limited to, the EU framework...

There is a risk that by keeping its rural policy focus mainly on the two themes of regional convergence and agricultural competitiveness, Italy might fail to identify and tackle some of the key needs of its rural areas, in the years ahead. Rural regions are undergoing structural change that should be addressed by specific policies. As discussed in Chapter 1, the importance of non-agricultural rural businesses and the non-farming population are evident, in shaping the potential and the challenges now faced in rural Italy. The structural change that is evident in the rural areas of Veneto, Emilia-Romagna, Calabria and other Italian regions is not unique. Other EU countries have carved out flexible rural policy strategies to suit the complex mix of rural demands at the local regional, national and international levels.

RDP in Italy is a complex framework (Chapter 2). It draws from three different historical and conceptual components: 1) the EU-agricultural framework; 2) the EU-Structural Funds framework for regional and social development; and 3) a national framework offering targeted support to lagging areas, with a wide sector approach. Taken together, these policies do not present a unified vision or approach and they contain some important “blind spots” in respect of basic issues, such as the quality of rural services, rural poverty and social exclusion, and transportation and access. In Italy, regional policy is generally applied to particular “problem regions” in the south, and the bulk of the development resources tend to follow suit. The rural areas in convergence regions benefit from a high concentration of EU and national resources and have long been subject to interventions to promote “catch-up”. For rural areas in the non-convergence regions, intervention is based more on the promotion of competitiveness. Yet southern areas have the potential to become competitive, just as many northern areas (both the remote and the peri-urban) face problems of economic development, quality of life, environmental degradation and/or accessibility that will not be resolved via policies which seek mainly to improve primary sector competitiveness.

Ideally, rural policy should enable each area to embrace a more mixed range of tactics for successful and sustainable development, drawing from its particular assets and resources and generating new approaches to economic, social and environmental challenges. The OECD *New Rural Paradigm* (2006) offers useful elements for shaping a rural vision in this way. The NRP calls for changes in the conception and implementation of rural policy from a traditional, sector-based approach to one that is place-based (see Table 3.1). Key ingredients in this change are:

- a development strategy that covers a wide range of direct and indirect factors that affect the performance of local firms;
- a greater focus on endogenous (local) assets and knowledge and less of a focus on exogenous investments and transfers;
- a collective/negotiated governance approach, involving national, regional and local government working with other stakeholders.

There are a number of OECD countries that while working within the EU framework, have managed to develop broader and more autonomous agendas for rural development. Finland, for instance, while starkly different from Italy, presents an interesting rural policy model. By the time it became an EU member State in 1995 it already had in place an institutional framework and it adopted specific policy tools for rural areas. Faced with the challenge of integrating its approach with that of the EU on regional and rural development, Finland adapted its framework to distinguish a “broad” and a

Table 3.1. **The new rural paradigm**

	Old approach	New approach
Objectives	Equalisation, farm income, farm competitiveness	Competitiveness of rural areas, valorisation of local assets, exploitation of unused resources
Key target sector	Agriculture	Various sectors of rural economies (ex., rural tourism, manufacturing, ICT industry, etc.)
Main tools	Subsidies	Investments
Key actors	National governments, farmers	All levels of government (supra-national, national, regional and local), various local stakeholders (public, private, NGOs)

Source: OECD (2006), *The New Rural Paradigm: Policies and Governance*, OECD Publishing, Paris, France.

“narrow” rural policy. The broad rural policy utilises a “cross-sectoral” approach to engender competitiveness and local development in all rural areas. In contrast, the “narrow” and explicitly rural policy programmes involve a particular set of policy tools: legislation, economic resources, special expertise, etc.; within rural development programmes (see Annex 3.A1, Figure 3.A1.1). The broad policy refers to the effort to influence all actions with impacts on rural areas within and by different administrative sectors. The narrow policy programme is a part of four special fixed-term programmes; with one being purely local and the other three being regional programmes, mandated by government (OECD 2008b). Another experience is that of Quebec, Canada, where a Rural Pact was introduced to address rural decline. Through a rural partnership agreement, and with a budget of CAD 280 million, a new rural vision was codified as one meant to: 1) maintain and improve the provision of services; 2) develop new products and new businesses; 3) encourage retention of young people as well as families; 4) increase entrepreneurship; 5) develop human capital; and 6) ensure a strong network of promoters and local stakeholders. To fulfil its task the Pact adopted a strategy that relied heavily on the know-how of local bodies and the importance of developing all of the territory’s human and natural resources; thus similar in many ways to the LEADER and LAG experience in Europe (Box 3.1).

... that promotes clarity and simplicity in RDPs...

As discussed in Chapter 2, the composite framework leading rural intervention may reduce the capacity of the centre to identify systemic issues and policy priorities. The current mix of regional, rural-agricultural and targeted national development policies, each operating alongside a range of other “basic” policies affecting rural areas (healthcare, transport, energy, education, housing, communications), presents a very complex picture from which to attempt to analyse the needs and opportunities of Italy’s rural territory. In spite of a remarkable set of statistics and indicators that support regional policy, there are important challenges in attempting to answer some

Box 3.1. The Rural Pact, Quebec, Canada

Quebec, the geographically largest Province of Canada, hosts a population of approximately 7.6 million 4/5ths of which reside in urban areas concentrated in the South. 46% of the territory is forest, 92% of the territory is state managed and 3.7% is zoned agriculture. There are 17 administrative regions divided into 86 Regional County Municipalities (RCMs). Quebec's rural areas have over 1 011 villages, with approximately 1.9 million inhabitants taking up 78% of the territory. There are 1 141 municipalities, 67% of which have under 2 000 inhabitants and 8% with over 10 000 inhabitants. The provincial government responding to the decline in close to 400 rural municipalities, due to: business closings, dominant sector activity decline and migration introduced the Rural Pact.

The Rural Pact enabled rural communities to take charge and make development decisions. It was designed to:

- consolidate and develop the economy and employment in rural communities.
- bolster residents' commitment to community development.
- ensure and enhance the availability of community services.

Key components of the Rural Pact are:

- **Contracts with the RCMs:** Increased overall budget from CAD 86 million over five years to CAD 213 million over seven years; duration: April 2007 to March 2014.
- **Rural Development Officers:** Wider use of rural development officers with new officers assigned according to the number of municipalities and the number of municipalities in need in each RCM. Indexed CAD 25 million budget over seven years for a total of 136 officers (32 new officers in 2007).
- **Adaptation Clause:** Mandated consideration of the specific characteristics of rural areas (low population density, dispersal and small-size of communities); Adaptation of public services and territorial fairness.
- **Rural Laboratories:** Provide funding for 25 broad rural development experiments in relatively unexplored sectors, with the obligation to transfer information; total budget of CAD 15.5 million over seven years; maximum grant of CAD 100 000 per project per year for five or six years.
- **Rural Task Force:** The task force was mandated to study, probe and explore promising solutions and transfer them to rural areas by assembling human resources and knowledge of each theme. The establishment of a *Fonds d'initiative pour l'avenir rural* with an CAD 8.6-million budget over seven years supports task forces and the initiatives.

Box 3.1. **The Rural Pact, Quebec, Canada** (cont.)

Based on this, rural communities were able to: put forward initiatives based on their own priorities, focus on mobilisation and partnership, and target innovation. Above all, the rural pact helped strengthen the management of rural development and contributed to jump-starting projects. Initiatives funded have broadened the knowledge and skills in communities and offered unique avenues for development and original solutions to rural problems. To date, some 3 430 projects are underway and over 5 705 jobs have been created. Some CAD 63.5 million from the pacts has generated investments of nearly CAD 422 million, equivalent to a leverage effect of 6.8. The average cost of a project was roughly CAD 123 016 and the average contribution per project from the pact was approximately CAD 18 500, the equivalent of 15% of the cost.

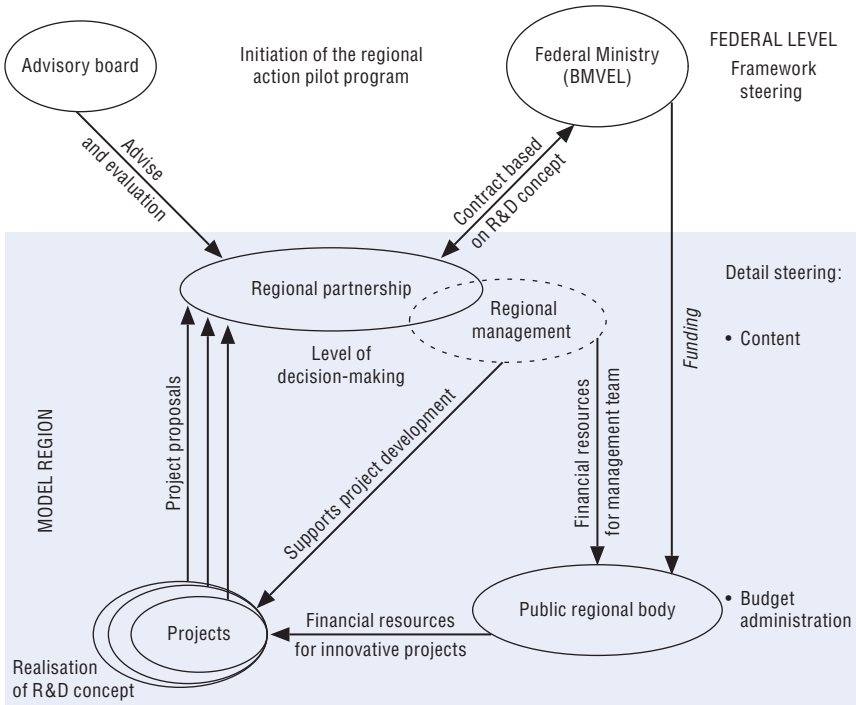
Source: OECD, 2007 Rural Development Conference: Innovative Rural Regions, The role of human capital and Technology, Robert Sauvé, Associate Deputy Minister for Rural and Regional Development, Quebec Ministry for Regional and Municipal Affairs, Canada.

basic questions about rural economic development, poverty, environmental assets and quality of life and to see how they interlink, which itself illustrates a policy weakness. Different ministries at both national and regional levels deal with different combinations of rural responsibilities and challenges, and deliver programmes with different timescales, priorities and funding arrangements. Local linking agents have to make sense of these different programmes at the sub-regional level, in order to devise efficient and effective strategies for the territory. While at the national level there has been recent effort to co-ordinate regional development and rural-agricultural policy strategy development, there is significant untapped potential for this process to develop much further, at both national and regional levels.

For instance, Italy could learn from some experiences in other OECD countries, such as Mexico and Germany, as well as capitalise on local experiences from some Italian regions. When Mexico identified a need for a specific strategy for poverty alleviation in rural areas the process resulted in the introduction of *Ley de Desarrollo Rurales Sustentable* (LDRS) a law which adopted a territorial vision of rural development, and contained provisions to strengthen the participation of civil society. LDRS mandated the creation of an Inter-Ministerial commission for Sustainable Rural Development. The commission represented cross-sector horizontal co-ordination at the federal level by uniting different Ministries that influenced the rural context. It also encouraged the creation of Rural Development Councils to act as institutions allowing the rural population to participate in rural policy decisions. In the case of Germany, stimulated by sustained support for the different versions of LEADER, the Ministry of Consumer Protection Food and Agriculture (BMELV)

introduced *Regionen Aktiv* (RA) as a national rural programme to work in parallel with LEADER, promoting microregion development linked to the sustainable development of primary sector resources. RA has raised the profile of rural assets and needs as well as environmental goals using a strong participatory framework. Like Italy, Germany is a highly decentralised country and this approach allows the federal and state levels to collaborate on rural decision-making via co-ordination, planning and financing. Under RA, partnerships like the model in Figure 3.1 were created in 18 regions across Germany. There are also good examples of joined-up planning and partnership-based action at the sub-regional level in Italy (see Chapter 2), which can serve to illustrate how improved co-ordination and understanding of each others' policies and targets can help to increase the cost-effectiveness of explicit rural interventions, at all levels of governance (Boxes 3.2 and 3.3).

Figure 3.1. **Regionen Aktiv: Organisational structure in a model region**



Location of the regional management varies from region to region

Source: Knickel, K. and G. Jahn (2006), "Promoting a sustainable development of rural areas: Some relevant experiences with the 'Active Regions' pilot programme in Germany", in G. Remmers (ed.), *Moving Worldviews*. Leusden (NL): Compas/ETC Foundation.

Box 3.2. The Lag Venezia Orientale (Vegal) and Conference of Mayors

Project history

The LEADER area of Venezia Orientale is located at the eastern border of Veneto with Friuli-Venezia Giulia and comprises 22 municipalities and about 226 338 inhabitants (2001) in the province of Venezia. Its territory stretches from the Adriatic sea, where there are well known seaside resort towns, to the inner agricultural land, a typical Veneto agricultural plain crossed by numerous rivers (Tagliamento, Lemene, Livenza, Piave e Sile) and characterised by the production of cereals, fruit and vegetables and wine.

The LAG Venezia Orientale (VeGAL) was set up in 1995 under the LEADER II initiative. Today (2008), the LAG partnership includes 22 municipalities, eight private organisations, seven public bodies and private-public societies, and seven research and training institutions.

The key strength of VeGAL, through both LEADER II and LEADER + initiatives, has been to develop a territorial vision of the area at this supra-municipal scale. This vision links the tourist development of the rural inland territory and farm-based businesses to the seaside tourism of the well-known resorts on the Adriatic coast. The impetus to establish the LAG came from a widely-held view among local politicians and stakeholders that they were suffering from the uneven development of the region around them, including a significant growth in commuting. This meant that they had to cope with population growth without sufficient resources and infrastructure to help maintain and enhance the quality of life in rural areas.

VeGAL provides technical and secretariat support for the Eastern Veneto Mayors' Conference, created by a regional law in 1993. "Eastern Veneto" groups 20 municipalities who work together to provide integrated economic and social promotion of the area. In that context, it has an important role in the Eastern Veneto "Intesa Programmatica d'Area", a regional programming instrument designed to engender strategic projects for the development of the area, including infrastructure works.

Among the numerous projects realised by VeGAL (142 under LEADER II, 42 under LEADER +), some notable strengths involve inter-territorial and transnational co-operation. A project called "Waterways of Northern Italy" established co-operation among six LAGs in Northern Italy (in Veneto, Emilia-Romagna and Lombardy), to develop pilot projects integrating navigational river routes with slow mobility routes (bicycle and pedestrian trails). This created a system for the valorisation of the historical, cultural and environmental heritage and its promotion for tourism. Among trans-national co-operation projects, "Interwood" involved co-operation between VeGAL and the LAG Leader-Oeste in Portugal, to create a network of plains forest owner associations. VeGAL was also a partner in many INTERREG projects, to promote rural tourism along the Italian-Slovenian border.

Impacts

VeGAL has successfully integrated seaside and inland tourism. Agri-tourism farms have increased in number and the number of tourists using them has grown; key historic town-centres and rural architectural buildings were restored; and cycling and pedestrian tracks have been developed in an integrated route following the main waterways in Northern Italy. VeGAL is now an important, recognised actor in the development of Eastern Veneto.

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Box 3.3. A participatory model of social welfare: the “Giardino Dei Semplici” Initiative (Tuscany)

Project history

The “Giardino dei Semplici” project is a pilot rehabilitation experiment for people with special needs in Valdera, Tuscany. It was launched in 2002-04 by a local association (ORISS “Organizzazione Interdisciplinare Sviluppo e Salute” – Interdisciplinary organisation for development and health), operating since 1990. Many public and private actors were involved: local administrations, social and health agencies, local schools, volunteers and local farms.

In 2001 ORISS promoted *A pact for health, social integration and local development*, starting a debate on social care and rehabilitation linked to local development policies. The “Giardino dei Semplici” project was born out of this pact. In 2002 the “conference of mayors” of the municipalities in the Valdera area approved financial support to the project (EUR 58 000), in the context of the local social plan. The objective was to test the integration of people with specific disabilities into occupational activities.

The pilot project targeted seven people, mainly with psychiatric problems. The initiative was carried out in two steps: during the first year beneficiaries participated in a rehabilitation course on gardening and horticulture and practised some assisted gardening activities; in the second year, they undertook training on “real” local farms.

In the opinion of educators and the participants, the first step of the project (the training course and assisted gardening practice) produced visible positive effects, both physical and psychological: enhanced self-esteem and autonomy; improved sense of well-being. The second step, labour integration on a “real”, productive farm, represented a new challenge for participants. A young local organic farmer, Alessandro Colombini, welcomed the seven beneficiaries onto his farm for a training period of one year.

Results

The experiment was successful: at the end of the second year, two beneficiaries were employed on the farm, three continue to co-operate as paid trainees, and two left. In addition, the initiative has created and strengthened social networks in the territory, far beyond the two main actors (ORISS and Colombini). It has created families of social/care service users and voluntary supporters, along with administrators and service providers. Together they have developed a new way to understand social action and the care of disabled people.

After some initial difficulties (i.e. identifying suitable jobs and tasks for each person), Mr Colombini identified many benefits of the project. He built up new social relations in the territory, reinforcing its identity and reputation. This “social added value” led to improved marketing opportunities, via direct selling, the supply of organised groups of local buyers (“gruppi di acquisto solidale” or GAS) and schools’ canteens, and participation in local voluntary group fairs. In 2006 he received a special award as an “ethical enterprise”.

**Box 3.3. A participatory model of social welfare:
the “Giardino Dei Semplici” Initiative (Tuscany) (cont.)**

The initiative was acknowledged and promoted by local public authorities, the media, research and development agencies, including Pisa University and ARSIA.

Finally, in November 2004, the *Valdera Health Society* was formally constituted as a public consortium composed of 15 municipalities of the Valdera area* and the public socio-sanitary unity. The Society is an experimental organisation, as conceived in the Tuscany Regional Health Plan, with the objective to integrate health policy within a participative, territorial approach.

Lessons

This is an innovative, participatory model of local welfare management co-ordinating health and rural policies at territorial level.

* Bientina, Buti, Calcinaia, Capannoli, Casciana Terme, Chianni, Crespina, Lajatico, Lari, Palaia, Peccioli, Ponsacco, Pontedera, Santa Maria a Monte e Terricciola.

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

... and considers community and territorial scale

The value of a more co-ordinated approach to strategic planning and programme operation should be that it enables each local area to be considered in a holistic way. This means recognising all its assets and challenges and focusing policy attention on those factors that currently constrain successful rural development and those that have the potential to stimulate it, in any sectors or situations where these occur. The EU RDP framework allows programme authorities to identify and apply a very wide range of measures in a flexible way, which is designed to enable local tailoring to specific needs and opportunities. But unless the analytical tools and institutional governance structures exist to enable the prior holistic consideration of development potential and needs, measures will tend to be selected and applied in a rather narrow way which relates to partial or sectoral understandings of rural challenges. In Chapter 2 we examined how this may result in some significant over-investment in agro-industrial and infrastructure developments at the expense of other sectors and functions, for example.

In this context, Italy could learn from the Netherlands where there is an explicit policy for rural areas and rural policy balances between economic environmental and social cultural interests. The “3P-model”, as it is called, covers people, profit and planet and aims to produce coherent policy choices “unhindered by compartmentalised sector policies” within the margins of the EU framework. Also working within a decentralised institutional structure, a block grant – investment budget for rural areas – was created for each province which integrates the different budget streams and policy instruments that relate to

rural areas (OECD, 2008b). Spain offers another example. For the funding period 2007-13, Spain faced a significant reduction in available EU co-financing for its rural development programmes, by comparison with the funds available in 2000-06. This realisation stimulated a national and regional debate about the appropriate scale and focus of Spanish RDP, which has led to the development and confirmation of a new, national policy, which has been designed independently of the EU-funded programme planning process. This national RD policy has been enshrined in Spanish law and embraces a wider range of sectors and concerns than those covered by EU-funded programmes in 2007-13. As a result, it represents a national policy commitment to rural development goals and processes that is independent of external funding imperatives. From now on, the funding devoted to rural policy goals may be drawn from a range of EU, national and regional sources, which might change over time, but the policy should remain consistent, regardless of these changes.

3.2. A more focused rural policy will involve adapting funding to the rural vision

A shared diagnostic of rural needs and capacities across public and private sectors would inform policy...

As discussed in Chapter 2, the lack of a common understanding of how rural areas are changing, and where there are barriers and opportunities for rural development, is a major challenge to effective policy design and delivery. One way to help overcome this problem is to involve the private sector more fully in identifying rural needs and in bringing about rural policy outcomes. The development of this common understanding should involve private firms, drawing upon their particular knowledge and insights as well as gaining their support for the priorities and targets pursued. Perhaps most importantly for Italy, the range of private sector actors involved in RD analysis and diagnosis of needs should be broad, and should represent all rural interests and organisations with particular social, environmental and economic expertise, rather than being mainly confined to agricultural interests. Entrepreneurs active in the areas of tourism, heritage and the leisure economy, as well as environmental innovation, energy, health and education, may all have important contributions to make in identifying rural Italy's potential for sustainable development. For instance, Italy's experience with the LEADER initiative, which aims to stimulate local communities to pursue a self-designed development strategy, shows that private actors can be a primary source of information and ideas about how to exploit local assets.

The culture of trying to focus funding should be spread out to where it is most needed, for sustainable and integrated RD within Italy. In particular, Ministries of Agriculture (both nationally, and in the regions) should become skilled in appreciating wider rural development issues beyond the needs of the

primary sector, in order to facilitate this process. The experience of the Ministries of Economic Development could be useful in this context – particularly in respect of examining rural services and quality of life. This suggests that they should be closely involved in discussions and decisions about RDP priorities and delivery, at national level and within the regions. Thus, there may be a need to ask some difficult questions, in respect of funding, *e.g.* do the programmes really need to allocate most money for investment in the primary sector in economically buoyant regions? What is the rationale, here, and where is the additionality from public funding? Competitiveness as a goal may need a more careful and longer-term definition and strategy, if it is to be sustainable (not just focused upon “keeping up with” competitors in agro-industry in other EU countries). In relatively prosperous areas, there could also be enhanced policy value in considering what private money could do to promote effective rural development, and how it could be encouraged to invest more readily in rural enterprise. For example, there could be an important case for private funding of environmental investments (based upon the notion of corporate social responsibility – CSR, as well as making investments “upstream” to save on “end of pipe” treatment of important resources such as drinking water). This is also relevant for the future, if EU RD funding for these regions should diminish.

... and expand horizontal and vertical co-ordination

In governance, Italy should work towards a broader agenda and a clearer role for the centre, in defining the appropriate framework for rural policy. In the future, it will be important for those leading rural and regional development policies in Italy to ensure that they co-ordinate their activities with a wider range of other Ministries, whose policies directly affect the quality of life in rural areas. The current tight institutional borders should be lowered in favour of effective policy implementation (Meldolesi, 2007). This will help to ensure that the policy framework does not inadvertently leave significant “gaps” in coverage in respect of the key needs of rural areas.

At present, the centre (national government) can give only general guidance, in respect of how best to achieve RD goals, in order to account for the widely varied regional approaches to policy design and delivery. There is a risk, therefore, that central guidance could be misinterpreted, *i.e.* giving a simplified portrayal of needs and recommended policy responses, which could in turn lead to inappropriate actions, in each region. This is a common issue faced by many national administrations when they oversee devolved policy processes. For example, in respect of Axis 1 funding within RDPs, the Ministry of Agriculture has encouraged regions to move away from demand-led schemes to those which are targeted in the context of a strategic understanding of the needs of whole supply chains, or whole microregions. The favouring of investment in these “*filières*” or integrated local programmes is made explicit in the Italian National Strategy Plan

for Rural Development, 2007-13. The guidance is based upon increasing evidence from previous studies, which suggests that this kind of strategic planning at the “*filiere*” or microregional level gives added value. However, if such a message were to be interpreted too simply, such that funding in the future is only made available to applicants from already-constituted collective bodies whose membership embraces entire supply chains, it could fail to reach those most in need of support in some regions, and thus reduce the additionality of the policy. To ensure that the message is appropriately applied in each region, understanding of this particular issue needs to be more sophisticated. It requires a fuller understanding of the rationale for the message, and thus the need not to implement it using simplified criteria which actually defeat its ultimate objective. Because of the variety of approaches used by regions, sustained dialogue between the centre and the regions may be the only way in which these kinds of concern can be effectively addressed in policy design.

There is some co-ordination between the national Ministries for Economic Development and for Agriculture and Rural Development, in drawing up strategic plans. In turn, EU-co-financed Regional Development plans are required to consider cross-sectoral needs and policies in determining their role in respect of service provision and quality of life. However, we suggest that the inter-Ministerial planning and sharing of strategies for rural areas should be strengthened at both national and regional levels, involving the two main ministries with EU funding responsibilities, as well as other key ministries with a central role in rural areas – *e.g.* ministries for environment, public services, transport, education, housing and health and welfare. Because of the strength of the regions in this sphere of policy in Italy, such co-ordination, or even joint working, is also particularly important at the regional level. Stronger horizontal co-ordination of the range of policies affecting rural areas is essential, for effective planning and policy action. In addition, a stronger territorial planning framework, within which the interaction of different sectoral policies can be examined and regulated, could prove valuable in helping Italy’s regions to cope with rural change.

To support stronger inter-ministerial planning and a strategic approach to rural areas at regional level, there would be great value in an enhanced provision of cross-sectoral, territorial analysis and forward planning at the national level. In particular, a fuller understanding and analysis of the non-agricultural trends and demands affecting rural space and rural populations is necessary, in order to enable effective forward planning. In this way, stronger horizontal co-ordination can enable more productive vertical co-ordination (between regions and the centre) to promote greater cost-effectiveness in overall policy design and delivery, whilst still respecting the key role of the regions, in this process. We have identified good examples of this process within the sphere of Italy’s regional development policy (*e.g.* Box 3.4). Also the recently formed National Rural Network is well placed to take on some of these challenges (see Box 3.5).

Box 3.4. Centre-periphery institution co-operation supporting local development in southern Italy

Pilot actions in ITP (*Integrated Territorial Projects*) areas is a project launched in 2003 by *Studiare Sviluppo*, an agency of Italy's Department for the Development and Cohesion Policies (DDCP, part of the Ministry of Economic Development). The objective was to develop new forms of vertical co-operation between the centre and periphery, based on personal interaction and partnership in the implementation of ITPs, a complex policy instrument adopted in the 2000-06 programming period.

History of the project

The project idea was born in 2003, after a conference in Agrigento which identified the opportunity to support Objective 1 regions in the implementation of integrated projects. It was implemented in nine areas, selected jointly by the DDCP and the Regions: two each in Molise, Basilicata, Sardinia and Sicily, and one in Campania. The areas shared common features: they were rural marginal areas, with income sources concentrated in public administration, construction industry and transfers. They were all endowed with important natural resources (in some cases, protected by designated parks), and usually engaged in strategies to increase sustainable tourism.

Each pilot activity was under the responsibility of two people, a part-time senior person supported by a junior collaborator, the latter living in the intervention area or nearby, and carried out in three steps:

1. Analysis of the territorial context, through documents and data, but especially through an extensive campaign of interviews with local administrators, non-profit organisations, entrepreneurs, etc.
2. Identification, discussion and sharing of policy opportunities with local institutions, developing a plan for pilot action.
3. Implementation, monitoring and evaluation of changes in the local context, knowledge and learning.

The first stage lasted between 3 and 5 months; the second 1 month; the third up to 18 months.

Results/lessons

The pilot project had important positive effects. In many cases it strengthened horizontal partnerships, renewing the interest of local actors in the project's objectives. This stimulated positive interaction among local and supra-local (especially Regional) institutional levels. In some cases, the local level was able to inspire regional policy. It stimulated the opening-up of the "local" towards external networks, whenever local skills or confidence were insufficient, on their own. Local administrations improved their knowledge of the local context; at the same time their awareness of the value of collecting information and establishing relationships with actors in the local economy, has increased.

The relative success of this vertical institutional co-operation needs to be understood in the special context in which it was carried out: it was based on long-term personal interaction (and this may be costly) and it was strongly legitimated by authoritative central and regional institutions.

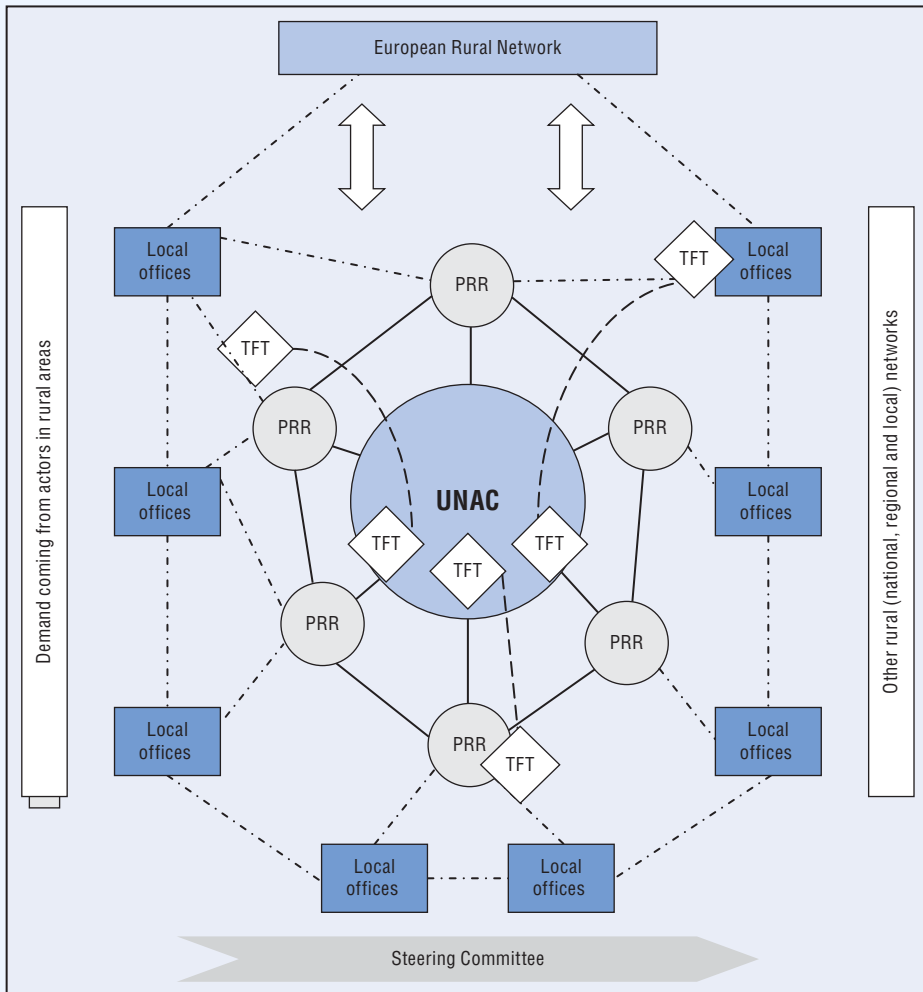
Source: Ministry of Economic Development of Italy, *Studiare Sviluppo* (www.studiasviluppo.it).

Box 3.5. The National Rural Network

The National Rural Network (NRN) was created to improve rural governance, operation and planning. It was established to overcome the “sectoral isolation” of the RDP by ensuring integration with other policies and encouraging a participatory approach. As a centralised co-ordinating and supporting body, the NRN is well positioned to consolidate institutional partnerships and introduce overarching management. It is part of the European Rural Network (promoted by the EU) and its central objectives include connecting different actors (including other Ministries), promoting rural development policies in Italy, strengthening the performance of measures, identifying and analysing good transferable practices, preparing training programmes for LAGs and providing technical assistance to local governments.

The NRN is managed by the Ministry of Agricultural of Italy but all organisations and administrations active in rural development at the, national, regional, and local level can become members. The organisational structure features a National Unit in charge of the Animation and Co-ordination (UNAC) – an internal unit of the MoA, with several network regional sites (PRR) that represent the local “interface” of the UNAC and ensure a connection between the UNAC and the institutional actors involved in managing the RDPs. UNAC has a task force on LEADER, Monitoring and evaluation and a Thematic group (TFT) to support the programme measures in the RDPs (see the figure below). There is also a Steering Committee that co-ordinates and guides all the activities in the Network. The NRN was implemented with a budget EUR 82.9 million divided equally between EARFD and the Italian government through the General Inspectorate for Relations with the European Union (*Ispettorato Generale per Rapporti con l’Unione Europea*, IGRUE).

In this context, to improve its capacity to co-ordinate sectoral policies in rural regions (rural proofing) the NRN could include other Ministries and regional government in the steering committee. Currently, the NRN has a strong bias towards the MoA, which chairs and manages the network. Experiences across different OECD countries evidence that a strong ownership and overrepresentation of one sectoral ministry in such multi-sectoral organisms might hinder engagement and involvement of other parties at the same administrative level. Therefore, it might be relevant to reconsider the composition and leadership of the commission to make it more balanced and better suited for cross-ministerial collaboration.

Box 3.5. **The National Rural Network** (cont.)

Source: Background Report: National Rural Network 2007-13 – *il FUTURO nella RETE*.

3.3. A well rounded, targeted policy approach should contain a stronger focus on sustainability

Italy's varied and beautiful landscape is undoubtedly one of its greatest rural assets, with much potential for further sensitive application in pursuit of RD goals (Chapter 1). However the environment is threatened by the intensification of land use, urban sprawl (in some areas), and increasing decline

and neglect (in others). This is a direct result of undervaluing the environment as compared to the economy, and exploiting natural resources in an insensitive and unsustainable way, in many parts of the country. The twin threats of the neglect and abandonment of high-nature value landscapes, including meadows and forests in the mountains and low-intensity traditional agricultural landscapes in the *Mezzogiorno*; and of pollution and encroachment upon vital water resources and ecosystems such as river deltas and the remaining undeveloped coastline, are very evident. In the future, it is clear that climate change and demography are likely to increase some of these pressures, while offering no immediate prospect of reversing current decline in marginal areas. Yet environmental assets will be increasingly important in underpinning the viability of economic and community development in rural Italy, as globalising markets necessitate a refocusing of competitive strategies upon the unique qualities and assets of particular territories. The development of key sectors including agriculture and forestry, tourism and leisure, should increasingly be attuned to this need. At the local level, in Italy, two good practice examples illustrate how environmental quality can be a central element within successful economic development, in rural areas (Boxes 3.6 and 3.7).

Box 3.6. **Creating a rural quality district Colliesini – S. Vicino LAG (Marche Region)**

The area

The case-study area is located in the centre-west hinterland of Marche region (central Italy), at the slopes of the Appennini mountains. The development process is here strongly linked to the institution of the LAG (Local Action Group) *Colli Esini S. Vicino*.

The LAG project

Colli Esini S. Vicino LAG was instituted in 1991, during the Leader I programme. It was confirmed and extended in the following Leader II and Leader+ initiatives. Today it covers 24 municipalities, and its capital (EUR 95 636) is provided by 94 members: 27 public (mainly municipalities, but also 2 Mountain Communities, a Trade Chamber [Camera di Commercio] and a Province) and 67 private entities (firms, associations and a bank).

During Leader I and the Leader II, projects were directed at the valorisation of local products, economic diversification, preservation and qualification of landscapes, but also service delivery and increases in agricultural productivity (reconverting crops, introducing technological innovation).

During the Leader+ programme the LAG focused on the creation of a “Rural Quality District” (as defined according to a national law, No. 228/2001) allocating to the project EUR 5.5 million. The objective was to integrate all local resources, products and facilities into a system, to reinforce and promote the territory’s identity. The RQD is a territorial quality label marking the area with its own image, that involves local firms and local products.

Box 3.6. **Creating a rural quality district Colliesini – S. Vicino LAG (Marche Region) (cont.)**

Besides creating and communicating a specific territorial image, the label aims at sharing objectives and strengthening the network of local actors. With these purposes the LAG introduced a code for the management of the label, indicating guide-lines and technical specifications required by businesses to participate in the district (i.e. qualifying the restaurant menu with the use of local products, regulating the production of the farm, reinforcing the integration between the networks of producers and sellers, etc.). The LAG has also realised actions to accompany the realisation of the RQD, such as, the valorisation of the landscape, the definition of the label communication strategy, and a project for RQD marketing which involves the organisation of events, direct promotion initiatives, a website, the equipment of a press office, etc.

Results

The RQD project increased tourist presence in the area by 11.5% in 2005; growth also took place in 2006. Operators joining the RQD moved from 36 to 104 members (tourist resorts, farms, craftsmen, shops) during the period June 2005-March 2006. The RQD project was also presented at the Saltsburg Conference on rural development as one of Italy's five "Rural Development Best Practices".

Lessons learned

Two main lessons can be learned from this case:

1. the "system approach" of the quality district informed the whole development process, from the planning, to the realization and promotion of the label (the entire Local Development Plan is focused on the constitution of the quality district);
2. the strong functional integration between the public and private components of the partnership and among the different local economic operators was the guarantee of co-operation among local actors in the project.

Source: LEADER "Colli Esini", www.colliesini.it/.

Decreasing the impact of organised crime in rural regions should become a priority

It is evident that organised crime can be a significant obstacle to effective rural development in some parts of Italy (Chapter 1). For instance, it undermines public confidence in participation in public-funded initiatives and leads to the abuse of external finance. This problem is discussed in the case-study region of Calabria. There are also examples of both positive and negative rural policy approaches to working effectively in this kind of environment. In essence, strategies are required which can build local social capital and the capacity to operate effectively and independently from

Box 3.7. Varese Ligure, the eco-village in the Apennines

Varese Ligure is in the North of the La Spezia province (Liguria), on the border with the provinces of Genova and Parma. It is part of the Alta Val di Vara Mountain Community, in the Apennines and hosts about 2 200 inhabitants (ISTAT, 2001). Its population has been in decline since the end of the XIX century, when it reached about 8 000 inhabitants.

In this area there was a long tradition of animal breeding. In order to combat de-population, in the 1990s, the municipality conceived a strategy to valorise economic activities linked to animal rearing, by encouraging conversion to organic agriculture. The initiative was very successful and within a short time, 95% of local agriculture was certified as organic. Two local co-operatives, for dairy products and meat processing, bought all the local products.

This success pushed the municipality to apply for the environmental certification ISO 14001 and EMAS, obtained in 1999. These certification schemes, especially EMAS, constituted an incentive to constantly improve, year on year, the environmental performance of the village. The first choice was to invest in renewable energy. Today, in Varese Ligure there is a wind plant, a thermal, photovoltaic solar installation and a small hydro-electric plant, which takes advantage of local topography and hydrology.

The most important development is the wind plant, which was originally started by the municipality in co-operation with a private entrepreneur. The plant is today managed by a multi-utility firm, ACAM, in which municipality of Varese Ligure participates. It has four turbines, with a power of 3 200 Kw and a yearly production of 6.5 GWh, enough for 10 000 users. In exchange for the energy produced, ACAM pays the municipality a yearly compensation of about EUR 30 000 and supplies it with various services for free, such as sorted waste and landfill site management. Citizens living in Varese Ligure have indirect benefits in that they pay lower municipal taxes. The village has also become a destination for eco-tourism.

This case shows how small municipalities in marginal mountain areas may have an important role in sustainable development, reversing dependency and becoming not only self-sufficient, but net sellers of energy. Through a long-term ecological programme it is possible to prevent the take-over of rural areas' energy supplies by multinational groups.

Source: Giovanni Carrosio (ed.), *I distretti rurali delle energie rinnovabili e la produzione locale di energia*. Equal Energia Solidale, Research Report, 2008.

criminal activity. This generally means working at a very local level and being willing to embrace a much wider agenda than might conventionally be regarded as legitimate rural development activity (see Box 3.8).

Box 3.8. An Integrated Filière Project: horticulture in greenhouses: The “Valle del Bonamico” co-operative in San Luca

In Calabria where the influence of the local mafia (called “ndrangheta”) is very strong, rural policy may combine social and economic objectives. The organisations designing and delivering rural policy initiatives seek to counter the dominance of “ndrangheta” within the local society and economy via a two-edged strategy. Some projects work directly and explicitly against organised crime, while others apply a strategy of “cultural contamination”, trying to involve members of the “ndrangheta” families who have been in jail and want to convert to a new life, in project activities. Mothers play a crucial role in this strategy, by persuading their children to change their way of life.

The Bonamico Valley social co-operative near San Luca, sadly famous as one of the centres of “ndrangheta” dominance, has adopted this second strategy. 35 farms managing about 40 ha are members of a co-operative which produces different kinds of berries for the chilled food chain. About 500 people, mainly young people and women, many of them wives, widows or relatives of “ndrangheta” families, are employed as seasonal workers, working for either 51 or 100 days a year. 2 000 quintals of fruit are produced annually. The co-operative has an agreement with a producers’ co-operative in Trentino, in the North of Italy, that buys the berries grown in greenhouses out of season, for processing and marketing. Technically innovative methods and new varieties are used to produce fruits that are not typical of the hot climate of Calabria. The initiative was financed as an integrated *filière* project (for the whole sector, within the region) under the 2000-06 Calabria Regional Operational Programme with EAGGF funding of EUR 20 million.

The project has been so successful that the co-operative is expanding its range of activities to include wine and livestock production, and other farms in the area are now trying to copy this model.

A local Bishop played a key role in securing the viability of the project. He provided contacts with the Northern co-operative and the public administration. This initiative highlights the key role of the Bishop in the creation of new opportunities for development for marginal and unemployed people, in a land plagued by organised crime. The same Bishop inspired the creation of many other social co-operatives in the area, associated into a consortium called GOEL (www.conorziosociale.coop/). The Bishop was very important as a mediator between local people, institutions, the market and the banks. Sadly, in 2007 he was moved away from Calabria, because his life was in danger.

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

3.4. Key priorities for Italy's rural policy include

Promoting a culture of efficient programming and territoriality

In the future, the key to Italy's rural competitiveness will lie in its enduring diversity and diversification – the wide variety of environmental and human assets, and cultural and social traditions across the country, as well as the linkages between urban and rural areas. In recognising this, there is a need for RD policies to go beyond a focus on the primary sector in isolation. Strategies for future success may be as much territorial as sectoral, highlighting innovation, sustainability and joined-up, territorially appropriate strategies.

What is required for effective rural policy in a country as diverse and dynamic as Italy, is an open and inclusive conceptual framework that is able to identify, on the one hand, different economic drivers other than agriculture, and on the other hand, the full range of “framework” conditions that are needed to enhance opportunity across the spatial and social landscape of Italy. These conditions should represent those public or collective goods that apply throughout rural territories, such as, a high quality environment, high levels of human and social capital, and ready access to resources for investment. The challenge then lies in identifying the specific interventions necessary to strengthen a range of key economic drivers, and those particular framework conditions that underpin these drivers, in each territorial context. In order to develop this analysis, it is important, to broaden the characteristics used in the definition of Italy's typology of rural areas, to embrace more non-agricultural indicators, and to consider future challenges in respect of demography, climate change and other major trends.

This can be a means to unlocking future development potential through recognition and enhancement of key social and territorial characteristics. A development strategy which takes into account such a multi-nodal pattern of existing assets and relationships has the potential to develop new economies, and to increase the interactions between multiple sectors. This will have beneficial effects upon economic competitiveness, as well as tapping latent economic potential, through a combination of three factors:

- international competitiveness, which depends on a mix of cost-based and quality-based advantage, drawing particularly on skills, motivation, know-how, and social participation;
- social inclusion, which reduces the cost of welfare as well as the risks, uncertainties, and hazards associated with crime and corruption; and
- building social capacity, through improvements in the quality of public goods and services and increasing opportunities for collective learning and exchange. This can unlock future economic potential by encouraging small-scale entrepreneurship, self-help, and a stronger focus on the environmental and social economy in rural areas.

In this way, RD policies can invest in developing a broader portfolio of goods that benefit the community as a whole, rather than favouring existing, established sectors which are perceived, often incorrectly, to be the central dynamic governing rural areas.

Encouraging the diversity of governance but with key components in place at each level

In this context, there are some promising options for improving national and local governance. Italy is home to a complex economic structure, which transcends the concept of sectors. Economic activities such as agriculture, manufacturing, and specific services (*e.g.* tourism, research and development, communications, etc.) are often intertwined within individual villages and even households, generating a multi-nodal pattern based on local value-chains. Further complexity is generated by strong urban-rural linkages, and by the significant differences in character between the north and the south of the country. It is likely that, in this context, existing theories of local economic development – especially those that do not grasp some of the key issues of interdependent “industrial districts” – will be challenged by the complexities of the Italian production framework.

In order to respond adequately to this complex rural development context, it is clear that effective policy delivery requires the existence at local level of key “linking” agents – organisations which are capable of taking a holistic view of development potential and needs and which can draw upon funding from a range of higher-level regional, national or EU sources in order to support integrated action. From the 3 regions that we visited, we saw effective examples of such agents which included the Provincial administrations in Emilia-Romagna, Local Action Groups (LAGs), Mountain Communities and the Conference of Mayors in Veneto, and LAGs and ITPs in Calabria. Such organisations need not have the same organisational identity, in different parts of Italy. What is important is that they each have the power and resources to act effectively in identifying and pursuing local (*i.e.* at a level below the region) RD actions. The existence of linking agents, such as these, is critical to achieving effective results from rural development funding.

Social challenges

As discussed in Chapter 2, outside the *Mezzogiorno*, the NSP pays relatively little attention to issues of rural disadvantage and access to basic services. Social needs and healthcare are not discussed, and there appears to be a general presumption that they are not significant for RD in many areas of rural Italy. Chapter 1 presented some clear evidence of wider socioeconomic pressures and challenges across rural areas which go beyond the specific needs of the primary sector. Education, healthcare, access to rural transport and services such as post

offices, and the ability of women in rural areas to participate in entrepreneurial activities, are social issues that appear to affect many territories and are not confined only to the most marginal RR DP areas, yet the RDPs generally afford these a much lower priority than primary sector investments. The situation is somewhat different in the south, where social issues are integral to a range of RD actions and service provision is a key priority within the regional development policies supported by EU structural funds. Here also, organised crime and the persistence of non-monetary economies appear particularly resistant to purely economic policy initiatives: money is used, but results persistently fail to accrue. As a result, those projects which work very much with a social, as well as an economic, focus appear to have much higher chances of success, in these environments. But there remains much more to be done, in this sphere. This is important because of the nature and extent of socioeconomic change in rural areas across the country, which will increase local demand for effective services, and because as the global economy faces a downward turn, quality of life issues and social exclusion are likely to become more of a central concern of policymakers in Italy, as elsewhere.

For these reasons, it appears that social issues may deserve greater attention as a critical ingredient of successful and sustained rural development, across rural Italy as a whole. Policy-makers should actively seek more information on the quality of life experienced by rural women, and other potentially disadvantaged groups living in rural areas, including the young, the disabled, the elderly and infirm, and immigrant workers. Foresight exercises, examining how rural populations appear to be changing and what they might look like in 20 years, and considering lifestyle expectations and implications, could be especially valuable in helping to identify and plan for emerging social needs, within rural policy planning, at national and regional levels. Undertaking such analysis and considering its implications for policy could be a good focus for joint working between Ministries of Agriculture and Economic Development, at national and regional levels.

As in Italy, rural regions across OECD countries are being reshaped; globalisation, migration trends and the emergence of new products and services pose new challenges and opportunities. Some member countries have reacted to these developments by repositioning service delivery in rural areas as an economic engine of growth. One way to unlock the competitive advantage of rural regions is to introduce integrated rural service delivery methodologies that link human capital development, social well-being and economic growth stimulation. For example in Japan a country that faces an ageing challenge comparable to Italy, the government adopted a “no national growth without rural growth” plan, with inter-ministerial programmes related to social capital featuring “bonding type” and “bridging type” aspects based on: respect and the use of regional ideas; developing regional human

resources; utilising tangible and intangible indigenous resources; stimulating international and inter-regional exchange; and fostering the conditions necessary for sustainable and autonomous development. This approach was followed by a package of different policy measures, including regional employment initiatives and programmes to foster rural innovation.

The study on rural Umbria by the MoED, noted that solving the problem of cost in providing services in rural areas means focusing on innovative service delivery solutions (Lucatelli *et al.*, 2006). This has been recognised in other OECD countries as well; innovative service delivery can have a positive impact on rural areas and member countries have taken valuable steps in this regard. Finland and Japan turned the high number of rural elderly into a resource, while Germany capitalised on local expertise and used it to build an innovative education scheme. Canada and Portugal devised different mechanisms to bring skills and training to rural areas. The United States repackaged rural health service delivery as a job creation tool and Ireland adopted an entrepreneurial approach to funding rural services, focusing on projects that yield social dividends like employment creation, childcare and elderly care. In England, policy has facilitated the multiple use of rural service infrastructure (*e.g.* village shops, bars and schools) in order to increase their benefits to resident populations (see Table 3.2 for some examples).

In Italy, the Friuli-Venezia Giulia LAG, which brought together all the education institutions in the area plus 26 communes to form a single network of education systems, has provided a foundation for building a more co-ordinated approach. As discussed in Chapter 1, this region is home to arguably one of the most effective education services in Italy. This depends partly on the good performance of the labour market so there is no shortage of jobs for those leaving education, but also upon a more complex dimension, which is the integration of the local schools within a shared system of values and priorities. The LAG capitalised on its regional assets and used a budget of EUR 120 000 (divided between the EAGGF EUR 45 000, Public EUR 45 000 and Private funds EUR 30 000) to promote the exchange of ideas and experiences and develop new pedagogical programmes that focused on knowledge and understanding of the territory. Considered a success by the EU, the LAG involved all school children in a new approach to help them discover their roots and promote a sense of belonging and interest in the territory. As another example, some experiments are promoting the use of ICT to improve the accessibility of rural health services in Italy (Box 3.9). What is perhaps important about this approach is that the success of the project is not simply a result of the adoption of new technology to overcome rural isolation, but also the result of a concerted effort by a partnership of different national and regional Ministries, to jointly address this particular need.

Table 3.2. **Innovative rural service delivery**
Examples from OECD Countries

Initiative	
Australia	In Australia, Rural Transaction Centres (RTC) part of the Australian Governments Regional Partnership programme help establish locally run units that introduce new services or bring back services to rural towns. Since the programme began in 1999 over 200 RTC have been approved for assistance. Services include: financial, postal and telecommunication access, federal, state and local government services, insurance and taxation.
Canada	In Canada, the Western Economic Diversification support skills in a manner that combines strengthening and growing the economy with industry involvement and provides training that fills specific gaps in the rural economy and encourages the involvement of underrepresented rural residents. It also supports an Entrepreneurship Learning Centre in Alberta, a video conferencing network that provides business information and interactive training opportunities. Since it was introduced in 2004, over 14 000 small business owners and entrepreneurs have been served.
Denmark	To improve the targeting of education provision, Aalborg University in northern Jutland Project Organised Problem Based Learning study programmes are organised around interdisciplinary project work to solve problem areas defined in co-operation with local firms organisation and public institutions.
Finland	In Finland , one remote region Kainuus turned its image of Senior Citizens village into a resource and created Senior Polis to promote itself as unique place for senior citizens to live. SeniorPolis has become a network that collects and promotes co-operation, on projects activities involving the elderly and a small enterprise culture active in everything from healthcare, real estate, transport, nutrition, entertainment, recreation and travel services. The Citizen Services Offices system in Finland allows for the provision of services to rural areas in a single outlet and is managed jointly by the municipal district court, tax and work administration, national pension institute and other regional and local authorities.
France	The innovative governance platforms of the Rural Competitiveness Pole's in France allow for strong public-private partnerships to develop and identify local competitive advantages in more than 300 French rural communities.
Germany	The Wendland-Elbetal region in Germany engaged in a diversified and specialised biomass energy production and became the leader in the field. The region capitalised on its local expertise and developed and innovative education services, like the Energy Agency and the Energy Academy. The AGnES program in Germany works to improve healthcare deliver in rural ares by encouraging the decreasing number of general physicians to delegate home visits, where appropriate, to qualified community medicine-nurses in rural areas.
Japan	The Tokushima business in Japan revitalised the local industry based on its local resources, its elderly population. The business based on leaf collection yielded a turnover of USD 2.5 million in 2006.
Netherlands	To retain high potential graduates in the region, the Fast Forward trainees receive tailored management training and undergo three month work assignment in different local or region companies and organisation. High potential graduates are matched with organisation with need innovative staff.
Portugal	The "Net on Wheels" project uses vans equipped with notebook computers to provide access to the Internet and profession training to marginal groups. Since inception, the project has reached over 26 000 users and provided over 250 courses with 860 basic ICT skills diplomas.
Spain	In Spain, the BANESPYME delivers tailor-made assistance to small and medium-sized rural enterprises enhancing their capacity to innovate. The strategic project on the Information Society of Extremadura which is based on the fundamental principles of connectivity and technological literacy have lead to the development of a powerful communications network capable of interconnecting and to provide broadband access to the 383 municipalities of Extremadura.

Source: OECD 2007 and 2008 Rural Development Conferences.

Box 3.9. E-health in isolated rural areas: EOLIENET Project (Sicily)

The area

EolieNet is an e-health project proposed by AUSL 5 (the public health unit of Messina province, in the North-East of Sicily). AUSL 5 offers its service in an area constituted by 108 municipalities (about 650 000 inh.). The project is dedicated to the most isolated of them, particularly to Eolie archipelago, constituted by 7 small islands of volcanic origin, with a strong tourism vocation (Alicudi, Filicudi, Salina, Lipari, Vulcano, Panarea and Stromboli): the population, 14 331 inhabitants during winter, reaches 80 000 units in the summer time.

The project history and structure

EolieNet aims to improve and strengthen the health system of Eolie islands through ICT, overcoming the typical difficulties suffered by small islands (long distance between health operators, lacking specialist competences, longer time for first aid operations). The project was launched on April 2006 by a partnership among public entities: Messina AUSL 5, Italy's Health Ministry, Italy's Technological Innovation Ministry, Sicily Region, ANSPI (Small Island Health National Association). It's founded by the two Ministries (EUR 2 million) and is managed and operated by AUSL 5 staff, under the advice and monitoring role of ANSPI.

Each health operator receives a password from the Technological Innovation Ministry to use a dedicated website (www.sanitapiccoleisole.it/) offering services as e-health consultation, e-diagnostics, patient case history management, transmission and acquisition of medical reports, e-learning, webchat, consultation of data banks.

The project consists of various modular items:

- E-cardiology; it is the first service launched. In case of heart disease it connects on line local health operators with Milazzo hospital. By a pc and GSM network or just home telephone line the local operator transmits the electrocardiogram to the hospital, which gives on line the medical report, therapeutic indications and eventually decides the transfer of the patient to the hospital in Messina, by a 118 air ambulance.
- Diagnostics of clinic pathologies through POCT (Point of Care Testing, also called Near Patient Testing) equipments, without any transfer of the patient to health centres.
- Diagnostics through images, which are transmitted on line from Lipari health district to Milazzo hospital (x-ray images can also be transmitted directly from user's house by a radiology technician using the OCR system).
- E-consultation service is offered by the website, allowing doctors to discuss about patient cases and exchange on line images and data (ECG, POCT results and any useful document).

Box 3.9. E-health in isolated rural areas: EOLINET Project (Sicily) (cont.)**Results**

The project is not completed. The expected results are a reduction of the diagnostic and treatment time and of people movements for health reasons; a better management of the emergency, uninterrupted assistance, permanent training for the health staff and contacts with doctors and experts operating in other areas.

Since 2006 EolieNet has produced important outcomes. Milan Polytechnic School of Management* has quantified some of them: through e-cardiology services many chronic heart diseases and arrhythmias have been treated reducing mortality in hospital from 30% to 7%; 4256 ECG transmissions have been done (4215 patients), 64.7% with positive results; 62% of the patients with heart disease symptoms treated with e-consultation services, have avoided hospital transfer and admission; there have been lower health costs for the National Health Service and for patients' families (for instance, a transfer on air ambulance costs EUR 1 200).

In 2006, the EolieNet project received a prize at Italy's Public Administration Forum, Health section.

Lessons

Logistic and organisational difficulties in the health system of isolated territories (mountain and island areas) can be reduced or overcome through ICT, good governance and horizontal and vertical institutional co-operation.

* Osservatorio ICT and CIO in Sanità, *ICT e Innovazione in Sanità: nuove sfide e opportunità per i CIO*, Politecnico of Milan, May 2008.

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Environmental resources – Recognising, protecting and promoting the environment

Italy has tremendous potential to develop more rural economic activity based upon the sustainable use and development of its natural and cultural resources, in the form of biodiversity, landscape and water protection and management. The value of well-maintained landscapes and nature for tourism and the increasing leisure and health economies of industrialised society should be recognised, and built into future development strategies. At the same time, it will be important to rise to the challenge of more sustainable energy generation using natural and renewable resources, many of which are found in rural areas. Sensitive and imaginative use of water, wind, solar and geothermal energy sources, as well as the production of energy from agricultural and forestry waste, should all be important aspects of future rural development in many of Italy's regions. Taken together, these developments could make a vital contribution to enabling Italy to withstand the challenges of climate change and increasing global competition for food and fuel

resources, in the future. At the local level, for instance, there are already some good examples that could be replicated elsewhere. For instance, the OECD delegation had the opportunity to see a clear positive example: the CISA project in the Apennines of Emilia-Romagna.

Economic challenges – diversification and valorisation of the rural economy

The multifunctional role of farming and forestry

As discussed in Chapter 1, the primary sector clearly plays a “multi-functional” role in rural areas, but its relationship to broader rural development activity differs, based on location. Some farming is very close to rural development and well integrated with local environmental characteristics and local social and cultural values, while some is much less integral to the wider rural economy and society – for example, where industrial and intensive agriculture produces low value outputs for export, and employs relatively few people. In the forestry sector, it seems that the current woodland resource is under-utilised and many forests are not actively managed, suggesting a specific need for policy attention. Clearly, significant RD resources are spent on primary sector beneficiaries. However, it is not clear that this investment always promotes rural development, particularly if it is used to fund greater capitalisation of farming and food businesses, or to promote the development of industrialised supply chains which are insensitive to local communities and cultural or environmental assets. Investment in agriculture or forestry should be clearly focused upon land management and supply chain systems that will bring broad and lasting benefits to rural territories and their populations. This may mean looking beyond the “principal farmer” to assess the benefits for farm households and other local residents, when assessing these projects. The current emphasis within RDP expenditure plans is clearly upon investment in farm structures and the food chain, whereas forestry and diversification beyond agriculture receive fewer resources.

Part of the hesitancy surrounding public investment in more pronounced non-farm rural diversification schemes in Italy seems to be linked to a perception that these options have limitations, in terms of their ability to spend funds efficiently. Many such projects require innovative thinking, time to develop appropriate partnerships and strategies and therefore do not represent “quick wins” for public investment. Policy makers and delivery agents may therefore be unwilling to support them because of the risk that they will not deliver clear outputs or guaranteed outcomes, within a few years. The analysis of RDP choices for 2007-13 suggests a relative lack of innovation in the kinds of measure that will be supported, with most funding earmarked for the same kinds of measures that already have a long history of RD policy

support, in Italy (e.g. modernisation of farms, adding value). Nevertheless, where agriculture supports a territorially-sensitive and culturally important element within the rural economy, it offers important potential for sustainable rural development.

Forestry potential appears to be appreciated in some areas but significantly under-emphasised in others. Although generally seen as a low-value product, the wood from mountain forests could be a very important renewable resource for small-scale, locally generated heat and power, reducing rural dependence upon imported energy sources and encouraging closer integration between different sectors, in rural areas, promoting innovation and self-reliance. Renewable energy is not yet a big focus of interest or policy activity, but there is clearly significant potential for the future, particularly if developed in a dispersed and small-scale fashion which is in keeping with the nature of rural resources. The stimulation of more active management of Italy's forests would also bring benefits for biodiversity and water management. The opportunities for the so-called "New Environmental Economy" are not clearly conceptualised at regional or national levels, although some very positive examples already exist at the local level (e.g. the CISA initiative in Emilia-Romagna region – see Box 3.10). Urban research on the potential for the "green economy" in Italy suggests that there is important potential to develop this sector in future: and we suggest that this conclusion could be equally relevant for rural areas.

The importance of working with financial and business institutions

Financial institutions can be important in supporting successful rural development. The role of banks can be a critical factor in local development e.g. for LAGs. Collective, non-profit partnerships seeking to stimulate local development require understanding and supportive financial backing from the private sector, to enable them to operate effectively, because they are not a standard or secure investment prospect. It appears that the stimulus of available EU co-funding during the 1990s stimulated, or worked alongside, a Corporate Social Responsibility ethic in Italy, encouraging banks to create charitable foundations to enable the co-financing of worthwhile RD projects. National and Regional rural policy should consider the scope to strengthen this role, in future. Taxation policies could merit some strategic consideration, in this context – for example, considering how fiscal regimes could encourage more private finance for RD activity (such as a tax that could be levied on certain environmentally-damaging forms of waste disposal, whose revenue would be "hypothecated" in order to support new rural environmental investment).

To increase the availability of private funding in rural areas, two policy options have been discussed in OECD countries. The first of these is the role of support to establish business networks, that can help build scale and reduce

Box 3.10. Pilot actions in the Bologna Apennine towards the renewable energy rural district

In 2005 CISA (*Innovation Centre for Environmental Sustainability*) is constituted, under the initiative of Bologna Province, in co-operation with the Carisbo Foundation (a bank Foundation) and the ISSI-Onlus (*Italian Sustainable Development Institute*). Cisa's objective was to implement a local development project based on energy saving and the utilisation of renewable energy sources in the Bologna Apennine. The project was co-financed by the EU structural funds (Objective 2, Axis 2 measure 2.2 "Valorisation of the mountain resource") and the bank Carisbo Foundation.

Through the realisation of this project a further objective was pursued: to diffuse in the mountain communities the knowledge on renewable resources and promote the utilisation of energy systems which allow the recuperation and valorisation of wood and other agro-forest residues, available in the territory.

A first project involved ten small municipalities, where advanced energy systems have been realised for use in public buildings (municipal centre for elderly people, schools, Park centres, etc.). A second project aims to build a co-generation plant system (also *combined heat and power*, or CHP) fed on wood in the municipality of Castel d'Aiano.

The diffusion of power systems based on the utilisation of wood could lead to the re-organisation of agricultural and forest *filières*, with positive effects on employment and valorisation of local resources in the Apennine. Biomass is in fact largely available in the mountain areas and is a renewable and environmentally friendly local resource. The balance in terms of greenhouse gas emission is zero, because the carbon dioxide (CO₂) produced in the energy production process is re-absorbed in the reconstitution of the initial stock of biomass.

The co-generation of energy and heat from biomass is seen as an integrated system linked to local development, since it would permit the utilisation of local underutilised resources, while respecting the obligations and requirements of the Kyoto Protocol. To this purpose, CISA has also started a research aiming to develop a method for the calculation of the CO₂ emissions and the availability of biomass in the Apennine forests.

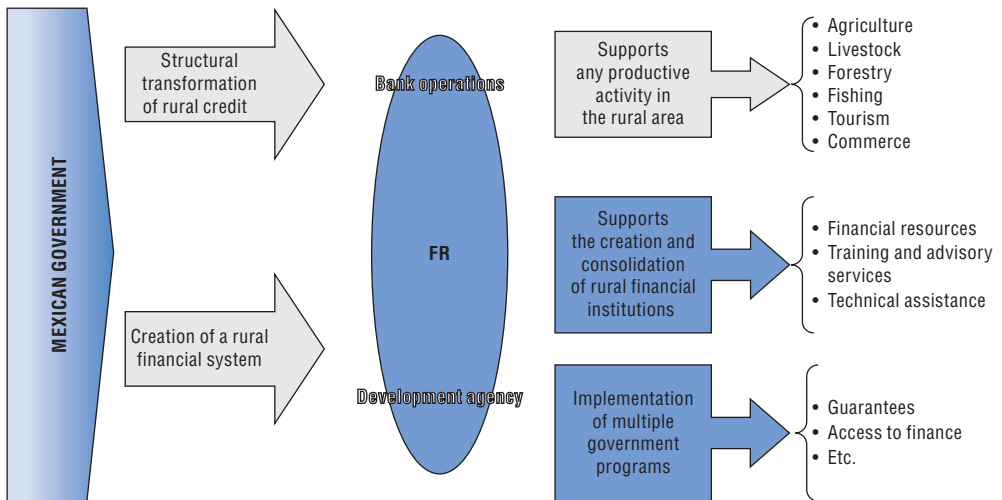
CISA promotes its activities with innovative communication strategies, based on artistic forms of expressions, like the theatre, directed to involve school children and the local population.

An important contribution to the diffusion of knowledge on renewable resources and energy savings comes also from the *EcoAppennino Expo*, a yearly fair organised in one of the Apennine municipality, Porretta Terme. In 2007 *EcoAppennino Expo* registered about twenty thousand visitors.

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

costs, develop information flows and trust mechanisms. Second, business development programmes can be funded, that focus on building the entrepreneurs’ skills-set and boost the number of viable rural start-ups. Examples from Mexico and Ireland are relevant to this point. Agriculture, forestry, fishing and agribusiness sectors contribute approximately 3.5% to Mexico’s GDP while 24 per cent of the population lives in rural areas. Faced with decreasing access to finance from commercial banks (due to high default rates, difficulties in recovering credit, and the small size of available loans in rural areas), Mexico created *Financiera Rural*, a development bank specifically for rural businesses. Established in 2003, FR replaced *Banrural* an agricultural-activities-only development bank. Since it began operations, FR has granted nearly 350 000 credits accounting for 15% of the total rural financing in Mexico. It has also disbursed close to USD 1 247 million in loans, 42% of which originated through other financial institutions. FR thus has a dual role; it is both development agency and bank: the former is focused on creating a rural finance system while the latter seeks to support any activity in rural areas (see Figure 3.2). In Ireland, the public regional development agency introduced an investment fund to support the entrepreneurial activity in rural areas. The aim was to encourage greater private sector involvement and increase the number of social enterprises in the region (see Box 3.11).

Figure 3.2. **Financiera Rural – Mexican Development Bank**



Source: Enrique De la Madrid Cordero, Presentation Cáceres, Extremadura (Spain) 2007.

Box 3.11. Enterprise development in rural Ireland

The Western Region is one of the poorest areas in Ireland and suffered steep population loss for a number of years (population fell from 2 million or 30% of the national population in 1841, to 700 000 or 18% by 2002). A predominantly rural area, it has a population density of 23.8 inhabitants per km² 80% of which live outside population centres of 10 000 and the largest population centre is Galway City with 72 000 inhabitants. Recently, the region benefitting from the economic turnaround in Ireland has experienced substantial immigration, both from overseas and from other parts of the island. Despite the influx, economically the area still under performs and lags behind in terms of productivity. For example, in 2004, the region had a Gross Value Added of less than 74% of the national average.

For a long time, rural entrepreneurs in the Western Region had difficulty accessing investment capital. The Western Development Commission (WDC) a public regional development agency charged with fostering and promoting the social and economic development for the region established the Western Investment Fund (WIF) to fill this equity gap by providing seed and venture capital. During this period (1990s) this was the first of its kind and approval was needed from the European Union State aid to operate the fund. The approval process was difficult but the experience served as the basis for the State Aid and Risk Capital Guidelines (SARC) which was drafted by the Commission and published in 2001.

As a rule, WDC provides the money for working capital only so funding is not attached to any particular spends or assets, but it is instead directed to help the initiative develop in accordance with the business plan. The agency works with the business to market products and often joins the company as a Non Executive Director. Since 2001 the fund has invested over EUR 27 million in 75 SMEs and social enterprises. Of the group, 72% are enterprises based outside major urban centres and the projects have created or sustained over 1 500 jobs, many of them at the graduate level. Notably, several of the companies have managed to secure strategic alliances with key global companies such as Boston Scientific, Johnson and Johnson, Bombardier and Hewlett Packard.

As a high risk fund, WDC mitigates the risk by operating in line with international best practice. They engage an investment staff from the private sector and have a Fund Advisory Panel which boast mostly entrepreneurs and business practitioners. The fund applies the investment and valuation guidelines of the European Venture Capital Association. The investments cover a range of sectors, from aquaculture to tourism. However, there is a particular focus on the knowledge economy and 80% of the funds invested target this sector with ICT (information and communication technologies) and life sciences being the most prominent.

Box 3.11. Enterprise development in rural Ireland (cont.)

The agency also seeks to attract more private sector involvement in the regions and increase the number of enterprises that impact quality of life. Thus far, the WDC through the fund has achieved a leverage effect of 1:3, for every EUR1 invested by the WDC another EUR 3 is leveraged into the region from angel investors, private venture capitalists, banks and other public sector bodies. This has translated into an additional EUR 100 million into the area. WDC also pays particular attention to supporting social enterprise's which typically struggle to access funding beyond public sector grants. For different reasons ranging from lack of security, commercial track record, or the "voluntary" nature of the organisations commercial banks have been slow to extend financial support to this sector. However, the WDC adopted a very different outlook they focused on the viability of the project and considered the voluntary nature of the organisations as strength a not a weakness as the volunteers bring expertise and experience. In turn, the agency works closely with the organisations to devise a deal structure that suits the needs of the project while ensuring repayment. Thus far not only have the number of social enterprises increased but due to the involvement of the WDC, social enterprises have managed to increase their ability to procure private loans.

Source: OECD, Rural Development Conference: *Innovative Service Delivery, Meeting the Challenges of Rural Regions*, Gillian Buckley, Chief Executive, Western Development Commission, Ireland (Cologne, Germany 3-4, April 2008).

Further potential for tourism

This sector presents varied issues, potential and RD solutions in most of Italy's regions. The diversity and richness of Italian landscapes and heritage across the territory represent a significant resource for different kinds of tourism and leisure activity. Most regions have the benefit of a coastline, mountains, a wealth of historic and architectural heritage and strong local cultural artefacts and productive traditions, all of which are central to effective development of sustainable tourism. There is a need for leisure and tourism strategies that adopt an integrated communication strategy to facilitate the access to amenities. Furthermore, a policy to improve tourism should ensure constant adaptation to changing market demands, and recognise and valorise local heritage, making links between the visitor and the character and culture of locality. These can offer a deeper and more satisfying experience of "place" which has the potential to stimulate repeat visits and the development of a sustainable client base. The Scottish Government grappled with constraints similar to those in the more remote areas of rural Italy, with respect to, relatively small farm sizes, declining soil conditions and distance from markets, that challenged notions of successful commercial agriculture. Scotland has, however, developed a strong tourism industry that successfully incorporates agro-tourism, hiking, bird and wildlife watching and other recreational activities linked to the landscape (OECD, 2008e). Another example of successful tourist industry in an isolated rural region is that of Kuusano, Finland (Box 3.12).

Box 3.12. Kuusamo, Finland

Kuusamo is a small town largely wilderness: lakes, hills and forests in Finland located in Lapland close to the Arctic Circle. A large very remote town with approximately 17 000 people 200 km from the nearest city, an hour by plane from the Capital Helsinki; Kuusamo has become one of the most popular travel destinations in Finland attracting millions of national and international visitors every year. In fact Ruka, a well known ski and holiday resort in Kuusamo hosts several international skiing events each year. In addition, Kuusamo has the most holiday homes in Finland and the town offers all public and private services equivalent to an urban area, including a hospital and large supermarkets.

Due to its size and limited development resources a meticulously designed and targeted plan was important. Kuusamo credits its success to four key areas: strategies, specialisation, expertise and networking. From the outset, a strategy was formulated based on the strengths of the region. The cornerstone of Kuusamo is nature; it is the source of food, housing, living and recreation. Therefore the choice was tourism based on the beauty of the natural environment, traditional wood and forestry. This was coupled with a focus on information technology to deal with the challenges that flow from being a remote location with long distances and sparing connectivity. Development work and co-operation between the private and public sector helped develop the travel industry. All the development and investments in the region were undertaken with care to preserve and protect the natural resources and the wildlife, as well as the culture, local know-how and traditional local knowledge. The regional development programme works closely with the regional development agency Naturpolis Ltd and they guide local business strategies and regional development. Naturpolis, the business centre with its centre of expertise on the ecological use of natural resources, is part of a Northern Multipolis – network, a network of several different centres of expertise (e.g. Aviapolis, Technopolis, Snowpolis).

Widely regard as a success, Kuusamo has received numerous awards ranging from:

- Town with the Best Image 1995, 1996 and 2005.
- Finnish Town of the Year 2001.
- the Award for the best economical skills in 2003 (granted by Taxpayers Association of Finland).
- one from the European Commission in 2001 and 2004 for best practices in the Information Society.

Source: OECD (2008), *Rural Policy Reviews: Finland*, OECD Publishing, Paris.

A number of efforts are underway to enhance the tourism potential of rural regions in Italy. The Italian government considers tourism as a priority in its regional development strategy. In particular, this strategy aims at improving regional attractiveness by promoting cultural and natural amenities. These should also represent “public goods” producing positive externalities for private business. The importance of tourism within the overall development strategy is confirmed by the considerable amount of resources earmarked to the sector between 2006 and 2013 throughout Italy (Table 3.3).^{*} The funds were allocated according to an integrated approach, by taking also into account the potential of territories to attract visitors, as measured by an “attractiveness index” based on the availability of cultural and natural amenities in a given area (Figure 3.3). Following the analysis, ITPs were used to integrate amenities at the local level and to create an integrated cluster of tourism activities. This has translated into numerous local development interventions that enhance tourism potential, while adopting a “beyond sectors” approach: merging local cultural and environmental heritage, food, wine and customs into one package.

As demonstrated by the ITPs, there is a critical role for local municipalities – public bodies with the best appreciation of local needs and culture – within this process. However, intermediary institutions acting at a larger scale with the ability to attract (public and private) funds to support the valorisation process need to help. At present, the combination of relative wealth/opportunity and fiscal issues lead to a paradox: where, rich rural areas endowed with a large number of local amenities are able to spend high proportions of public money, and attract more tourists in their territories, while other areas with equal natural assets but diminished financial resources are not able to do the same. Moreover, funds allocated through the EAGGF to ITPs could contribute to support tourism, together with Structural Funds, in the current programming period (2006-13). In application, these funds could target specific interventions to support tourism in predominantly (and remote) rural communities within ITPs.

Fostering effective manufacturing and services

In terms of rural manufacturing, Italy clearly has good experience in some regions, to demonstrate how a buoyant and innovative manufacturing sector, dispersed across the territory, can provide employment and a good

^{*} It is difficult to quantify the total amount of public funds devoted to promote tourism. This is due to two reasons. First, many interventions to support tourism are actually inter-sectoral, so it is difficult to understand which policy will benefit local attractiveness. Second, a large number of public authorities are involved in promoting action to support/promote tourism. Moreover, it is impossible to quantify money earmarked specifically to rural regions, since allocation of public funds does not follow any particular territorial classification, a part of the convergence/competitiveness dichotomy.

Table 3.3. Total resources allocated to support tourism in Italy in the programming period 2006-13

Million of euro and percentage

	EU funds ¹	Percentage allocated	National funds	Percentage allocated	Total	Percentage allocated
Piedmont	881.95	84.5	244.72	62.0	1 126.67	79.6
Valle d'Aosta	23.91	100.0	–	–	23.91	100.0
Lombardy	231.71	79.7	27.35	22.5	259.06	73.7
Trentino A.A.	88.31	77.7	3.35	61.1	91.66	77.1
Veneto	303.51	85.0	101.65	39.4	405.16	73.5
Friuli-Venezia Giulia	289.55	80.8	36.30	27.5	325.85	74.9
Liguria	491.44	78.0	57.05	41.6	548.49	74.3
Emilia-Romagna	205.22	88.4	12.16	38.3	217.38	85.6
Tuscany	568.81	69.0	217.35	43.6	786.16	62.0
Umbria	302.19	73.6	81.73	35.8	383.92	65.6
Marche	144.49	55.5	30.02	35.7	174.51	52.1
Lazio	594.60	74.0	182.11	35.7	776.71	65.0
Abruzzi	272.21	72.5	170.66	49.1	442.87	63.5
Molise	71.80	88.0	135.79	26.7	207.59	47.9
Campania	2 772.02	66.5	827.91	41.6	3 599.93	60.8
Puglia	1 080.62	66.2	960.40	32.5	2 041.02	50.4
Basilicata	312.58	82.9	306.84	37.1	619.42	60.2
Calabria	1 090.24	80.9	716.86	25.8	1 807.10	59.1
Sicily	2 204.78	57.6	1 677.03	21.4	3 881.81	42.0
Sardinia	1 301.17	67.1	496.86	30.4	1 798.03	57.0
Italy	13 231.11	70.4	6 286.15	32.2	19 517.26	58.1

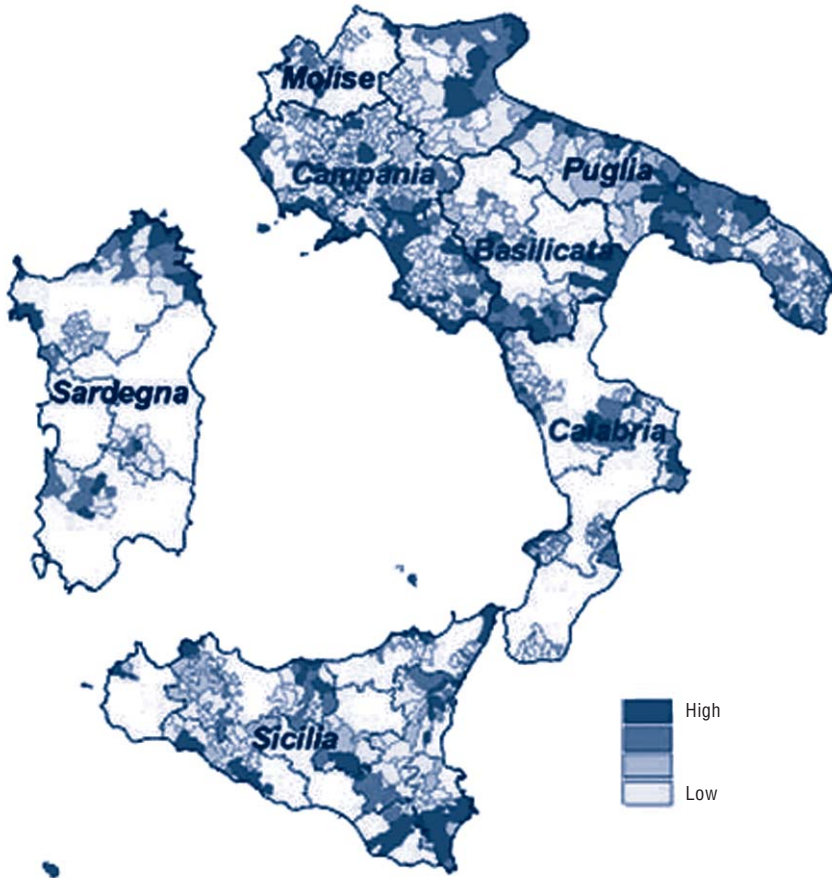
Note: The European Agricultural Guidance and Guarantee Fund (EAGGF) total contribution to tourism was of some EUR 1 200 million (9% of the total).

1. The Structural Funds contribution to tourism presented in the table does not take into account funds earmarked by the ESF.

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

quality of life in intermediate and even some relatively marginal rural areas (e.g. Belluno, in Veneto region). The growing focus on working with supply chains and strategic planning in respect of the primary sector reflects increased understanding that demand-led RD investment can all too easily fail to deliver added value, in respect of the primary sector (see the previous section on policy design). However, it is not clear if the same understanding applies beyond agriculture. For instance, there is mixed evidence from Veneto regarding the opportunity, and the need, to link local private sector business interests, in order to raise awareness of the value of investing in collective local assets (e.g. heritage and landscape). It may be that small-scale, thriving family manufacturing businesses have particularly low levels of awareness of environmental issues and the value of conserving local culture and heritage. Yet the quality of life and range of economic opportunities available to them in future could suffer, if these assets are neglected.

Figure 3.3. **Opportunities for tourism index**
2005



Note: The analysis divides the territories into four categories, ranging from the municipalities with high attractiveness (21% of the total) for tourists, to the municipalities with low attractiveness (54% of the total). However the analysis does not differentiate between rural and urban areas.

Source: Mercury (2005), XIV Rapporto sul turismo in Italia, Cabinet of the Prime Minister, Rome.

Service clusters have not really been considered within RDP, due to the view that they are not really part of RD activity, as discussed above. Nevertheless, local need for collective service provision is clearly there, in some rural areas (e.g. Veneto Orientale LAG and Conference of Mayors, where their particular situation as a “transit zone” between Venice and Trieste leads to a lack of adequate provision for local services and infrastructure). Economic development in Italy’s rural areas is very diverse, with great contrasts in the relative roles of the primary sector, manufacturing and service provision, between regions and sub-regions. Within this range of situations, there are

Box 3.13. The Valle Del Crati Lag, Calabria

The Area

The territory of the Valle del Crati LAG comprises 30 municipalities in the internal northern area of Calabria. It is a typical Calabrian marginal area, characterised by high unemployment, especially youth unemployment, de-population and internal migration toward the coastal areas. Production systems are marginal, the structure of productive firms is fragmented, and there is low use of quality brands, low diffusion of co-operative action, poor information on development and rural programmes, no activism among local institutions and no awareness of local identity.

The LAGs history

The LAG “Valle del Crati” was constituted in 1996 under the Leader II community initiative. During the implementation of the LEADER II Local Action Plan, the Valle del Crati LAG supported 120 initiatives centred around the valorisation and promotion of the area through tourism and agro-tourism, agro-food and artisan activities and cultural activities.

In 2003, the LAG’s Local Development Plan (LDP) was financed by LEADER+. The LAG membership increased and the area of intervention was extended to 30 municipalities. The LDP was still focused on the valorisation of local resources and the promotion of the territory, but special emphasis was placed on the co-operation and networking of local actors. During both LEADER II and LEADER+, the LAG participated in trans-national co-operation projects.

In 2000, a pilot project for the promotion of the “Cosenza Fig” *filieres* was started and was carried out by the LAG, using different funding instruments, either managed directly by the LAG (e.g. funding from LEADER+, CIMPA, MIDA) or in co-operation with other partners (e.g. for RAIP and FIP). The project achieved important goals, especially the networking of small farmers and agro-food industries, the establishment of a Slow Food Presidium and the application for a PDO (Protection of Designation of Origin) for the area.

In 2003-04 it was partner in two INTERREG III B projects: Medocc – CIMPA (Cibi Meridiani Monumenti Paralleli), and Archimed MIDA. Medocc-CIMPA was concluded with an important international event in the area, which gave visibility to the LAG and its methods and was a driver for other territorial initiatives, like the “Gran festa del pane” in the municipality of Altomonte.

The LAG was also the promoter of a Rural Area Integrated Project (RAIP) for six small municipalities, based on support to agricultural *microfilieres*, the diversification of agricultural activities, the restructuring of the rural patrimony and improving agricultural infrastructure. It provides the area with important services and manages a website for the promotion of the area.

Results/lessons learned

The LAG has contributed to create new employment opportunities, to stabilise existent jobs, to consolidate many firms and farms operating in the territory. It has created and consolidated a local identity. The application of the Leader method to a more extensive development activity supported by different programmes, the wide co-operation with local public and private actors, the opening of the area to international events has allowed the LAG to operate beyond the Leader initiative and to become a recognised development agency in the territory.

Source: OECD (2008), *Background Report: Italy*, unpublished internal document.

Box 3.14. The production of renewable energy in rural areas: Fortore-Energia

The area

Fortore Energia SpA operates in the territory of two Mountain Communities, which comprehend 28 municipalities in two bordering regions of the Centre-South of Italy: Fortore Mountain Community (Benevento province, Campania region) and Northern Dauni Mountain Community (Foggia province, Puglia region). The two Communities share the same economic and social problems: unemployment, depopulation, ageing population, a weak economic system based on agricultural activities. They share also the same morphological features, in particular windy mountains and hills.

The case-study history and its initiatives

Fortore Energia was instituted in 2001 by the two Mountain Communities. Today it's a public company whose capital is owned almost totally by private operators (especially energy producers and extra-local agro-food firms, such as Amadori, Conserve Italia, Orogel).

Fortore Energia SPA started its mission in opposition to the strategy of multinational enterprises, which are investing in the production of wind energy without benefiting the territory. Its objective was instead to produce small energy plants from renewable sources (wind, biomass, solar and water) as a driver for the sustainable development of the area. Development focuses on training and hiring local professionals and valorising endogenous resources and traditional production sectors (agriculture, handicrafts and tourism).

The society was created for the installation of wind turbines; today it is realising many projects:

- *Le Fattorie del vento* ("Wind farms") aim to link local agricultural vocation with the increasing renewable energy production in the area. Wind and solar energy equipments are installed in the farms and the energy produced is both, used in the farms and sold.
- *Le strade del vento* ("Wind roads"), through which tourists can visit the wind farms, but also archaeological and historical sites, while enjoying the landscape and the traditional cuisine.
- *Eco-distretto* ("Eco-district") aims to create and certificate a territorial integrated supply system with distinctive features to be promoted externally.
- *Qual buon vento* (*What good wind..*), a local animation and social responsibility initiative financed by Banca Popolare Etica and managed in co-operation with a social rehabilitative community, where a wind tower has been built.
- *CLAY* ("Co-operative Learning by Environmental Activity"), an inter-territorial co-operation event aiming to raise awareness and knowledge on environmental sustainability

Box 3.14. The production of renewable energy in rural areas: Fortore-Energia (cont.)

Results/lessons

The area is gradually turning in an energy rural district: a small firm producing components for the installation of wind turbines has been created; through a consumer consortia a small energy chain is arising. The occupational results are relevant if we consider the economic context and the short time elapsed since the beginning of the initiative: 80 young graduate work in Fortore Energia SpA and about 200 people work in activities related to the wind production.

The experience show how an integrated, territorial approach to renewable energy can benefit rural areas and small communities.

Source: Fortore Energia SPA (www.fortoreenergia.it).

clearly somewhere rural economies are over-dependent upon just a few sectors and outputs. This in turn exposes them to the risk of significant problems if these sectors and outputs should decline as a result of external factors, in future.

Rural areas with a strong dependence on agriculture will face economic and social problems as employment in the sector continues to decline in response to increased competition in markets and the decoupling of support. At the same time, rural areas which are currently heavily dependent upon particular specialist kinds of manufacturing are vulnerable to trends and changes in these markets. And areas which survive largely from tourism are exposed to the fluctuation in demand and visitor expectations that arise from wider economic and lifestyle trends. Thus in order to develop resilience within rural areas and communities, their economic base should ideally be spread across a number of different sectors. This highlights the potential value of policies which seek actively to diversify the rural economy and stimulate new kinds of economic activity.

In sum

Italy needs to devote continued effort to developing a more comprehensive and integrated rural policy vision which brings together different sectoral Ministries, at both national and regional levels. Stronger horizontal co-ordination on rural policy issues will facilitate more effective vertical co-ordination and more cost-effective use of resources in rural and regional development programmes. Regional governments need to ensure that sub-regional delivery of policies is tailored to local needs via the fostering and support of effective “linking agents” at this level: organisations within

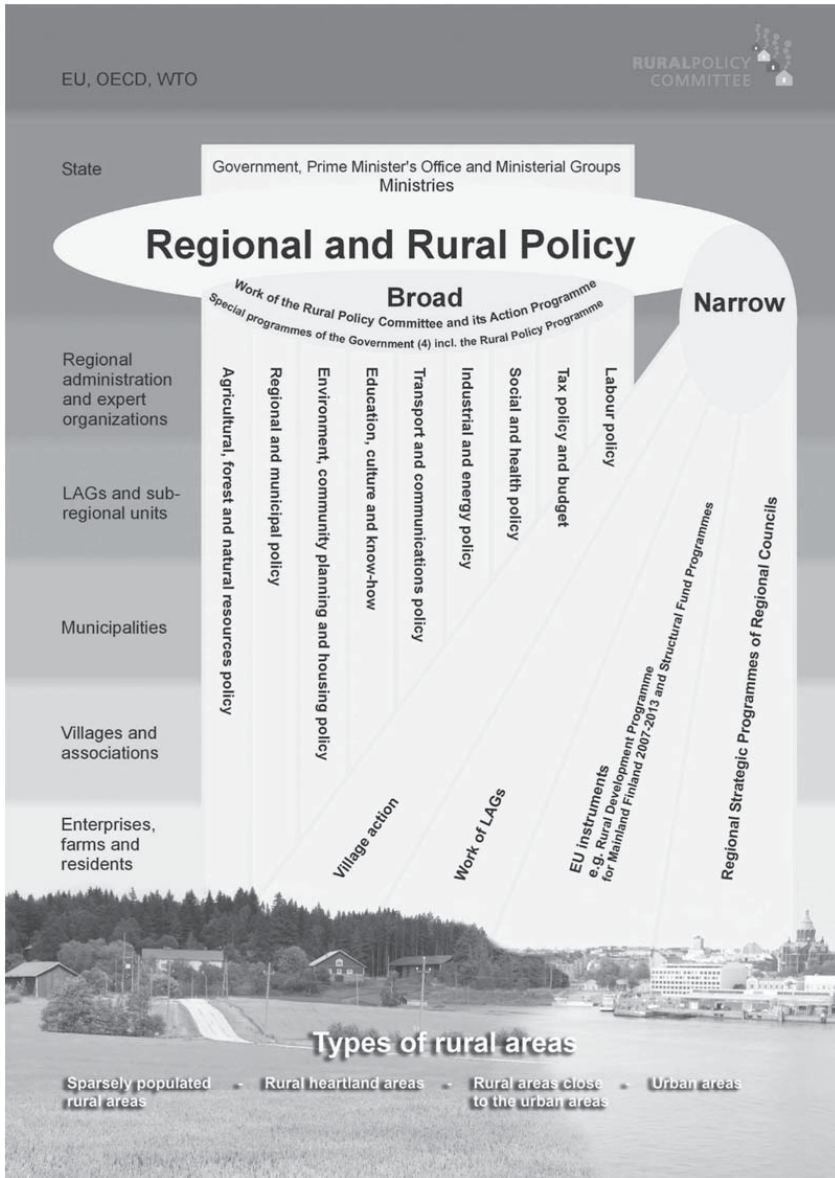
which public and private interests can work together to plan and implement a shared development programme for the locality. Strong partnerships will be essential to overcome some of the remaining significant barriers to successful rural development at the local level, which include threats to environmental resources, demographic challenges, and the influence of organised crime.

Key priorities for future rural policy should include a focus upon stronger territorial analysis, and more emphasis upon rural quality of life and enhanced access to services, particularly for women, young people and the elderly. More investment in the environment and the “new environmental economy”, particularly to exploit sustainable forest management and to promote renewable energy generation in rural areas, is warranted. In respect of economic development, multi-sectoral and territorially-embedded strategies appear to offer more scope for the future than single-sector models. Therefore, new effort to provide underpinning, cross-sectoral support frameworks would seem worthwhile, including the effective involvement of financial institutions, the fostering of collective action by municipalities (*e.g.* for tourism and service planning), and the provision of advice and training in entrepreneurship and innovation, for all areas of rural business activity.

ANNEX 3.A1

Rural Policy Framework in Finland

Figure 3.A1.1. **Finland RDP framework**



Source: RPC (2007a), A Viable Countryside – Ministries’ Responsibilities and Regional Development, Special Rural Policy Programme 2007-10, September 2007.

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Évaluation et recommandations

Le PIB par habitant des zones rurales italiennes est supérieur à celui de la moyenne des zones rurales de l'OCDE, grâce à leur proximité avec les centres urbains...

En moyenne, les régions à *prédominance rurale* (RPR) italiennes affichent l'un des PIB par habitant les plus élevés des régions rurales de l'OCDE. Ainsi, les régions d'Aoste et de Belluno, RPR les plus riches d'Italie, se classent respectivement à la troisième et à la septième place des RPR de l'OCDE en termes de PIB par habitant. Les bons résultats des zones rurales italiennes peuvent s'expliquer par la forte densité de la population et par le fait que beaucoup de régions rurales sont bien reliées aux pôles urbains et aux réseaux d'agglomérations de petite et moyenne taille. L'Italie est, en fait, l'un des pays les moins ruraux de l'OCDE. À partir de ces données, on observe une corrélation positive et solide entre le nombre de travailleurs des secteurs manufacturier et tertiaire, indicateur de la diversification économique, et le niveau du PIB par habitant en 2003. La diversification économique multiplie les possibilités d'emploi dans les zones rurales. Le taux de chômage dans les RPR est faible en moyenne, voire inférieur à celui des zones urbaines dans certains cas. Ainsi, le taux de chômage des régions de Belluno et d'Aoste est inférieur à 5 % et celui de Sienne à 3 %.

... et a un tissu économique diversifié

Les RPR et les régions rurales intermédiaires (RRI) englobent des régions où le développement est étroitement lié à la culture locale, aux traditions et aux ressources naturelles. L'agriculture continue de fournir un certain nombre de services, notamment dans le domaine de l'environnement (gestion du territoire, biodiversité, etc.) et des ressources (paysages, loisirs à la campagne, etc.), en dépit de la contraction du volume de production depuis 1990 parallèlement à celle des surfaces utilisées par les activités du secteur primaire. L'agriculture représente aussi une *référence culturelle* qui soutient un certain nombre d'activités économiques florissantes, comme l'industrie alimentaire. La nourriture traditionnelle en Italie comprend plus 170 produits

(ministère de l'Agriculture italien, 2008) répartis dans deux catégories ou régimes de l'UE, les *Indications Géographiques Protégées (IPG)* et les *Appellations d'Origine Protégée (AOP)*. En 2007, on comptait plus de 80 000 entreprises impliquées dans la production de produits alimentaires certifiés IPG et AOP, soit 20 % de plus qu'en 2006 lorsque leurs exportations se chiffraient à EUR 3.5 milliards (ISMEA, 2006). Le tourisme représente une autre industrie prospère, qui s'appuie sur les richesses locales. La richesse du territoire italien en termes de côtes, plaines et montagnes offre à chaque région rurale de nombreuses opportunités touristiques. En fait, en 2006, l'Italie rurale abritait près de 17 000 maisons d'hôtes, soit 9.3 % de plus qu'en 2005. Enfin, l'industrie manufacturière représente une part importante de l'économie rurale italienne. En 2003, 12 % des sociétés manufacturières italiennes (541 000) étaient localisées en RPR. Lorsque la zone rurale est reliée à un réseau dense de petites et moyennes agglomérations, la concentration des entreprises prend la forme de *districts industriels marshalliens : industrialisation diffuse à petite échelle*, assortie d'un cadre de production fortement relié à la collectivité locale et d'une division très marquée du travail parmi les entreprises.

*En dépit de bonnes performances en moyenne,
la division territoriale complique la situation*

Les performances des zones rurales varient d'une région italienne à l'autre. Les régions situées dans les zones montagneuses et dans certaines zones du sud présentent les mêmes problèmes de développement. Ce rapport s'appuie sur la classification OCDE des zones rurales et sur celle du Ministère de l'Agriculture italien (MA). Bien que la définition du MA puisse être améliorée sur le plan technique (elle ne prend pas en compte l'accessibilité/l'éloignement régional par exemple), elle présente toutefois deux points positifs. Premièrement, elle repose sur un consensus entre l'administration centrale et toutes les régions. Deuxièmement, elle jette les bases territoriales permettant de légiférer. Ce rapport prend aussi en compte les distinctions faites entre les régions « compétitives » du nord et la « convergence » des régions du sud, composées de cinq régions administratives : Campanie, Pouilles, Calabre, Sicile et Basilicate (cette dernière étant abandonnée progressivement). En général (et malgré quelques exceptions), les performances de l'Italie du Nord surpassent celles de l'Italie du Sud pour les indicateurs socio-économiques clés. À titre d'exemple, le PIB moyen par habitant des régions du sud s'élevait à 17 436 USD (PPA) en 2005, soit 61.7 % de celui de la région centre-nord (28 246 USD PPA). En 2001, le taux de chômage moyen dans les RR PD du sud atteignait 21.7 %, ce qui est supérieur de 13 % à celui des RR PD du nord. La division nord-sud semble constituer un phénomène structurel. Il est probable que cet écart se creuse dans le contexte

actuel de la crise du crédit. L'impact sur les petites entreprises des zones rurales du sud qui dépendent fortement des crédits bancaires et affichent des niveaux de notation du crédit faibles pourrait être particulièrement sévère.

De nombreuses régions rurales font face à des défis structurels, notamment liés au vieillissement de la population et au dépeuplement, ce qui pourrait nuire à la prestation des principaux services publics

La concentration des habitants âgés de plus de 65 ans est très forte dans les zones rurales et augmente avec le temps. Le vieillissement de la population est une tendance nationale. En 2006, le rapport entre la population âgée de plus de 65 ans et celle de moins de 15 ans s'établissait à 141/100, soit le troisième plus haut ratio de la zone OCDE derrière le Japon et l'Allemagne. Le pourcentage de retraités est passé de 15.5 % en 1992 à près de 20 % en 2006. L'augmentation du nombre de seniors va de pair avec la pauvreté. Selon l'institut ISTAT, en 2001, 45 % des foyers vivant sous le seuil de pauvreté comptaient un membre de plus de 65 ans. Le vieillissement de la population est encore plus marqué dans les zones RR PD, où les personnes de plus de 65 ans représentaient 22 % de la population en 2006 : cette concentration a augmenté de 21 % depuis 1992. Dans les RR PD dites de « convergence », le vieillissement de la population s'accompagne du dépeuplement. Dans cette partie du pays, les RR PD ont perdu 6 % de leur population entre 1992 et 2006.

i) la baisse du nombre de jeunes dans les zones rurales remet en question la pérennité des services scolaires

Le vieillissement de la population et le dépeuplement remettent également en cause la pérennité du système éducatif actuel. Dans les RR PD, et malgré un nombre d'écoles stable, le nombre d'élèves inscrits en primaire et en secondaire a chuté respectivement de 1.7 % et 7.1 % entre 2003 et 2006. Le nombre d'élèves inscrits dans les écoles primaires et secondaires a baissé respectivement de 3.7 % et 10.4 % dans les zones RR PD de « convergence ». Si cette tendance se poursuit, il est fort probable qu'elle aboutisse à une augmentation des fermetures d'établissements dans un proche avenir, mettant ainsi en péril la pérennité des collectivités rurales. De plus, et plus particulièrement pour le secondaire, les élèves doivent parcourir de grandes distances pour se rendre à leur établissement. Ceci pourrait avoir un impact sur les taux d'abandon scolaire, particulièrement élevés en Italie.

ii) la concentration des personnes âgées renforce les pressions sur le système de santé public

Autre catégorie de services affectée par les tendances démographiques dans les zones rurales : la santé publique. La concentration des personnes âgées a renforcé la demande en matière de *services de santé*. Cependant, la majeure partie des hôpitaux et des établissements de santé est située dans des zones urbaines (57 % du total, soit plus de 60 % des lits d'hôpitaux, selon la définition du mot « rural » du MA). La mise en place de *districts de santé* pour rationaliser l'offre de soins ne s'est pas déroulée de manière homogène sur le territoire. Dans certaines régions, les centres de soins ne sont pas organisés selon une logique « territoriale » et dans beaucoup de régions du sud, une forte proportion d'hôpitaux n'est pas équipée pour fournir des services de premier ordre. Résultat : les personnes âgées tendent à migrer vers les centres urbains afin d'avoir accès à des services de santé de bonne qualité.

Le dépeuplement et le vieillissement de la population sont en partie compensés par l'arrivée de travailleurs étrangers, dont l'intégration s'avère toutefois problématique

Si l'immigration est généralement considérée comme un phénomène urbain, au cours de la dernière décennie, la part des travailleurs étrangers résidant en zone rurale n'a cessé d'augmenter. En 2003, on comptait en moyenne 23.5 immigrants pour 1 000 habitants dans les zones à prédominance rurale (contre une moyenne nationale de 34.4). Les plus fortes concentrations, comprises entre 55 et 50, ont été enregistrées dans les provinces de Pérouse, Arezzo et Sienne. Au cours de la même période, la concentration moyenne des immigrants dans les zones rurales intermédiaires s'établissait à 30 pour 1000 habitants, tandis que certaines régions comme Mantua, Macerata et Plaisance, affichaient une concentration proche ou supérieure à 60. Les travailleurs étrangers se concentrent dans les zones rurales pour différentes raisons. Premièrement, les immigrants travaillant dans les centres urbains, mais n'ayant pas les moyens de vivre en ville, peuvent choisir de vivre dans des zones rurales intermédiaires. Deuxièmement, les travailleurs étrangers sont absorbés par les secteurs primaire et secondaire, fortes consommatrices de main-d'œuvre et situées dans les zones rurales. Enfin, sous l'effet du vieillissement de la population et du dépeuplement, les zones rurales attirent les immigrants travaillant dans le secteur de l'aide à la personne (*badanti* en italien), qui offrent des services de soins aux personnes âgées. Les immigrants offrent la possibilité de repeupler et d'enrichir les zones rurales grâce à

l'apport de différentes cultures. Cependant, si elle est mal gérée, la concentration de populations étrangères peut aussi susciter des tensions au sein de communautés rurales traditionnelles et souvent très homogènes. Des exemples de ces problématiques d'intégration sont déjà visibles dans certaines régions intermédiaires du pays.

Dans les zones rurales voisines, l'étalement des villes et l'absence de moyens de transport publics génèrent embouteillages et pollution

La forte expansion des zones urbaines aboutit à des externalités négatives dans certaines parties des zones rurales. Sur les trente dernières années, l'étalement des agglomérations italiennes s'est déroulé de manière quelque peu anarchique. Plus précisément, le rythme du développement de grands ensembles d'habitations et de l'implantation de nouvelles zones dédiées à l'activité entrepreneuriale a surpassé celui de la création d'infrastructures de transport. Un tel contexte a favorisé la multiplication de divers phénomènes, comme la saturation du trafic, la pollution, l'augmentation du coût de la vie et les problèmes sociaux liés à la concentration de travailleurs étrangers (par exemple, certaines « enclaves » d'immigrants sont localisées en dehors des centres urbains où ils fournissent de la main-d'œuvre étrangère). Les problèmes liés à la gestion des déchets se sont également multipliés. L'augmentation des déplacements quotidiens contribue aussi aux émissions de gaz à effet de serre, qui sont solidement orientées à la hausse en Italie. Les déplacements en véhicule privé génèrent environ 20 % des émissions totales de gaz à effet de serre. Sous l'effet de l'étalement des villes et du manque de transports publics (utilisés par 16 % de la population) dans les zones rurales, l'Italie est trop dépendante des transports routiers. En 2005, on comptait environ 35 millions de voitures en Italie. On dénombre 60 voitures pour 100 habitants, un chiffre qui place l'Italie en tête des pays européens avec la plus forte concentration de véhicules privés.

La pollution de l'eau et des sols nuit aux ressources naturelles des zones rurales

Les ressources naturelles représentent un atout majeur pour le développement local. Toutefois, dans beaucoup de zones rurales, l'environnement est sous-évalué, utilisé à mauvais escient, voire menacé. Après une longue orientation négative, les zones agricoles irriguées ont commencé à diminuer en 2003, date à laquelle l'Italie se classait à la 6^e place de la zone OCDE en termes de mètres cubes d'eau utilisés pour les activités du secteur primaire (OCDE, 2008). En Italie,

l'agriculture pollue aussi lourdement les eaux de surface : elle génère en effet plus de 60 % des nitrates et plus de 30 % des phosphores contenus dans les eaux de surface. La dégradation des sols représente un problème environnemental majeur et très étendu, sans qu'il existe de données pour évaluer cette tendance. Environ 70 % de toute la surface court le risque d'une érosion accélérée des sols. La surface forestière augmente régulièrement mais une large proportion des zones montagneuses italiennes demeurent vulnérables face aux glissements de terrain. Avant 1970, l'Italie comptait relativement peu de zones protégées. Depuis, le nombre de ces zones a progressivement augmenté et couvre maintenant près de 10 % du territoire. Malgré cette expansion, beaucoup de zones marécageuses importantes à l'échelle internationale sont toujours menacées et en concurrence directe avec les activités agricoles et l'urbanisation.

*Le crime organisé influe sur l'efficacité
des politiques, particulièrement dans les zones
rurales les plus reculées du sud*

Du fait de l'existence de réseaux de crime organisé, certaines régions rurales isolées du sud de l'Italie affichent un taux de criminalité comparable à celui des centres urbains. Dans les pays de l'OCDE, le monde rural est généralement considéré comme plus sûr que les centres urbains : le taux de criminalité élevé observé dans les zones rurales italiennes représente donc une exception. Néanmoins, la situation s'améliore. En effet, les mesures prises par les pouvoirs publics (police et services de renseignement), couplées à l'engagement des ONG, des institutions religieuses et du secteur privé dans l'élaboration et l'exécution d'interventions visant à réduire ou éradiquer les activités criminelles en zone rurale, ont permis d'atteindre des résultats significatifs. Mais le crime organisé exerce toujours une influence sur les interventions publiques et il est donc nécessaire de renforcer les expériences locales qui ont permis de la réduire. Certaines interventions ont, par exemple, permis de reconvertir certains actifs appartenant autrefois à des criminels, soit en « biens collectifs » au service des collectivités locales, soit en entreprises concurrentielles. Ces interventions ont aussi offert des opportunités d'emploi à de jeunes citoyens, leur conférant ainsi une haute valeur symbolique. La multiplication de ces mesures permettrait d'augmenter l'entreprenariat au niveau local et d'améliorer l'attachement au lieu et à la communauté, valeurs largement minées par l'existence du crime organisé.

La stratégie de l'Italie en matière de développement rural est largement inspirée des politiques régionales et agricoles de l'UE...

En Italie, les politiques explicites en faveur du développement rural et durable dépendent à la fois des politiques agricoles et des politiques régionales de l'UE. Ce cadre d'action s'appuie sur trois composantes distinctes : 1) le cadre agricole de l'UE ; 2) le cadre des Fonds Structurels de l'UE pour le développement régional et social ; et 3) le cadre national, qui complète les deux autres et propose une aide ciblée aux régions en retard. Cette structure tire son essence du cadre actuel de l'UE (2007-13) – c'est-à-dire la politique de développement rural, partie intégrante de la Politique Agricole Commune (PAC), soutenue par le Fonds Européen Agricole pour le Développement Rural (FEADER), et la politique régionale soutenue par le Fonds européen de développement régional (FEDER) et le Fonds Social Européen (FSE). Deux documents (rendus obligatoires par le nouveau cadre législatif de l'UE) guident le développement de la politique rurale : le *Plan stratégique national (PSN)*, émanant du ministère de l'Agriculture (MA) et regroupant les actions prévues dans le cadre des nouvelles politiques de développement rural (PDR) dans le cadre du second pilier de la PAC, et le *Cadre stratégique national (CSN)*, produit par le ministère du Développement Économique (MDE), qui régit à travers toute l'Italie les programmes opérationnels des Fonds Structurels de l'UE (FEDER et FSE) et du Fonds en faveur des zones sous-utilisées. Bien que séparés d'un point de vue institutionnel, le PSN et le CSN se tiennent mutuellement informés ; ils coordonnent et guident respectivement les Plans de développement rural (PDR) et les Programmes opérationnels régionaux (POR). Le PSN et le CSN constituent une première tentative pour atteindre une dynamique institutionnelle intégrée, regroupant au niveau central des liens horizontaux solides, comme en témoignent la planification coordonnée et les procédures d'engagement de multiples participants mis en œuvre pour compiler ces deux documents stratégiques.

Le PSN constitue le document de référence en matière de politique rurale, puisqu'il définit la stratégie nationale d'ensemble pour le secteur agro-alimentaire et les zones rurales. Il reflète les trois objectifs principaux de la politique de l'UE : i) améliorer la compétitivité du secteur agricole et forestier ; ii) valoriser l'environnement et la campagne par l'intermédiaire de l'aménagement du territoire ; et iii) améliorer la qualité de vie dans les zones rurales et favoriser la diversification des activités économiques. Le CSN, quant à lui, reflète la politique régionale de l'UE et s'articule autour de deux objectifs principaux, qui doivent être atteints grâce à un maximum de coordination entre la politique régionale et la politique de développement rural : i) améliorer les conditions actuelles pour faciliter le développement des

activités commerciales liées à l'agriculture ainsi que d'autres activités économiques capables de garantir un revenu de substitution ; et ii) améliorer l'attractivité des zones rurales grâce à la diversification de l'économie et à l'amélioration de la qualité de vie.

... et est essentiellement conçue et mise en œuvre par les autorités régionales

L'Italie a décentralisé ses institutions et les autorités régionales sont en charge de concevoir et mettre en œuvre les interventions dans les zones rurales, et ce dans le cadre des PSN et CSN. Les autorités régionales ont acquis des pouvoirs législatifs et administratifs, plus particulièrement dans les domaines de l'agriculture, du commerce, de la santé publique, du tourisme et des travaux publics en vertu d'une série de lois entrées en vigueur au milieu des années 90 et, surtout, de la réforme constitutionnelle de 2001. Les réformes budgétaires associées ont aussi accordé aux régions une plus grande maîtrise sur les ressources et un plus grand rôle dans les décisions en matière de dépenses, ce qui s'est traduit par une réduction progressive de leur dépendance à l'égard du financement public central au profit d'un financement adapté aux ressources budgétaires de chaque région (Banque d'Italie, 2006). Ainsi, chaque autorité régionale conçoit ses propres interventions dans les zones rurales par l'intermédiaire d'un PRD pour le FEADER et de deux POR pour les fonds structurels liés à la politique de développement régional. L'interaction entre les 19 régions, les 2 provinces autonomes de Trente et Bolzano et le MA est si importante que, comme énoncé ci-dessus, même l'actuelle classification des régions rurales italiennes est le fruit d'un long processus de coordination entre les deux niveaux de gouvernement.

Malgré ces défis importants, la stratégie adoptée par l'Italie en matière de développement rural par le biais du ministère de l'Agriculture demeure principalement axée sur la production primaire...

L'approche italienne vis-à-vis du développement rural semble négliger les problématiques sociales urgentes des zones rurales, en se concentrant presque exclusivement sur l'agriculture. Par exemple, l'instrument central de la politique de développement rural, le PSN, s'est fixé pour priorités : *la promotion de la compétitivité dans l'industrie agricole et le secteur forestier et la professionnalisation de l'agriculture et l'augmentation de sa production*. Le cadre budgétaire reflète cette position. En fait, sur les 8 292 milliards EUR de ressources affectées au développement rural en Italie, moins de 30 % sont dédiés aux mesures qui ciblent

l'économie rurale et la société au sens large au-delà de l'agriculture et de l'exploitation forestière (Axes III et IV). Aux termes du FEADER, tous ces programmes doivent consacrer au moins 10 % des fonds alloués par l'UE au programme d'Axe III, en vue de soutenir la diversification de l'économie rurale et d'améliorer la qualité de vie dans les zones rurales. Cependant, dans la pratique, il semble n'y avoir, dans nombre de ces programmes, que peu de connaissances des politiques économiques ou sociales larges, et pas d'objectifs clairs pour répondre aux besoins sociaux. Les efforts sont largement concentrés sur l'emploi du FEADER d'Axe I et II afin d'améliorer la compétitivité de l'agriculture et des activités forestières et de modérer leur impact sur l'environnement, même au sein des régions les plus riches d'Italie où le secteur agricole enregistre déjà de bons résultats. Par exemple, si l'on considère l'indicateur « intensité des dépenses » par habitant employé dans le secteur primaire, la région d'Emilie Romagne (une des plus riches d'Italie) recevra 1 738 EUR par an de la part du budget PDR de l'UE, alors que la Calabre (la plus pauvre du pays) recevra 1 821 EUR par an, sur la période 2007-13. La fourchette d'intensité des dépenses par habitant dans le secteur primaire est comprise entre 1 800 et 3 900 EUR par an pour les régions du sud de l'Italie et entre 1 400 et 10 000 EUR par an pour les régions du nord et du centre. Cependant, les PDR sont conçues à l'échelon régional de sorte que la forte orientation en faveur du secteur agricole et l'équilibre financier observé dans les chiffres nationaux reflètent largement le choix des régions.

À l'inverse, l'initiative LEADER, fondée sur une approche plus globale du développement rural par le biais d'initiatives locales comme les Groupes d'action locale (GAL) et les Projets territoriaux intégrés, est généralement peu soutenue, bien qu'elle ait le potentiel nécessaire à la promotion du développement et de la diversification des collectivités rurales. Bien qu'il existe des preuves de son efficacité en tant qu'outil de la politique du développement rural, particulièrement lorsque le territoire d'un GAL est correctement défini et représenté par une collectivité intégrée, les financements accordés aux GAL dans les zones rurales restent modestes (ISFOL, 2005). Les Projets territoriaux intégrés (PTI) qui renforcent l'importance de l'approche décentralisée intégrée, en multipliant les accords publics et privés et en réduisant le rôle de l'administration centrale, souffrent aussi d'un manque de ressources.

... alors que pour la politique régionale, l'impact des programmes sur les problématiques rurales spécifiques est limité par un mandat de développement régional plus large

En Italie, la politique régionale est fondée sur le principe de cohésion mais l'impact des programmes sur les problématiques rurales spécifiques est limité par une mission de développement régional plus large, qui comprend les

interventions urbaines et transversales. L'objectif principal de la politique régionale italienne, appuyé par les fonds du FEDER et du FSE, ainsi que par les fonds nationaux et régionaux, est de réduire les disparités entre les régions et d'améliorer la compétitivité et la productivité du pays. Ainsi, dans le cadre des mesures de développement régional, la composante rurale varie sensiblement, à la fois entre les régions et au sein des régions. Le MDE a analysé les mesures et ressources mises en œuvre dans les programmes régionaux pour la période 2007-13, en y incluant les programmes cofinancés par les Fonds européens de développement régional et les Fonds sociaux européens, ainsi que les programmes inter-régions. Cette analyse a mis en évidence que, au total, 6 % des dépenses étaient clairement destinées aux interventions rurales, alors que 51.6 % étaient destinées aux mesures sans référence géographique, 38.8 % aux interventions potentiellement situées soit en zone urbaine soit en zone rurale et 3.7 % pour des interventions exclusivement urbaines. On estime donc qu'en Italie, 15 % des fonds octroyés dans le cadre de la politique régionale sont explicitement dédiés aux zones rurales.

Les objectifs restrictifs de la politique rurale semblent nuire au développement rural durable, particulièrement dans les zones en retard, et ne parvient pas à valoriser les avantages concurrentiels des zones rurales...

La planification stratégique à long terme pour les zones rurales devrait envisager d'apporter davantage de soutien aux régions qui en ont le plus besoin. Plutôt que de suivre le « principe de cohésion » de l'UE, la politique de développement rural de l'Italie (supervisée par le MA) privilégie les zones et situations offrant les meilleures opportunités, particulièrement en matière d'agriculture. Cette stratégie pourrait s'expliquer par des « pressions » politiques et sectorielles sur les modalités de répartition des ressources de DR. Bien qu'elle puisse sembler attrayante au premier abord pour préserver la croissance économique et la viabilité des zones rurales, une stratégie de développement rural centrée sur la compétitivité économique à court terme d'un seul secteur risque de ne pas être viable à long terme. Ainsi, en ciblant l'aide sur la réalisation d'économies d'échelle, la réduction des coûts et une politique tarifaire plus compétitive dans le secteur agricole, en vue de concurrencer d'autres parties de l'Europe ou du monde, on pourrait entraîner un tarissement de la main-d'œuvre rurale, une perte des actifs et des traditions du monde rural sur le plan de l'environnement et de la culture et donc un appauvrissement des ressources indispensables au développement rural au sein d'un même territoire. Loin de favoriser le développement rural, ces phénomènes sont au contraire contre-productifs.

... et compte tenu du caractère incertain des fonds de l'UE, elle reste vulnérable face aux chocs extérieurs

La dépendance des cadres d'action nationaux pour le développement rural en Italie (DR-agriculture et région) par rapport aux cadres et fonds européens les rend vulnérables aux changements externes, comme la prochaine révision budgétaire européenne de 2009-10 et le « bulletin de santé » de la PAC. Il n'est pas garanti qu'au-delà de 2013, l'Italie continuera de recevoir une aide importante de la part de l'UE pour son développement rural, particulièrement au vu des besoins urgents des nouveaux états membres de l'UE et d'autres pays candidats. Plus important encore, la forme que prendra la politique européenne après 2013 reste incertaine et ne sera décidée qu'une fois la révision budgétaire achevée. À l'heure actuelle, les régions italiennes ont obtenu la garantie d'obtenir de l'Europe le même niveau de financement pour le DR pour la période allant de 2007 à 2013 que ce qu'elles avaient collectivement obtenu de 2000 à 2006. Bien que ces financements soient revus à la hausse entre 2009 et 2013, suite aux propositions formulées à l'issue du « bulletin de santé » de la PAC, il est probable que le montant total du financement de la PAC aux 15 pays de l'UE sera réduit au-delà de 2013.

Dans le cadre actuel de gouvernance de la politique rurale, le rôle de l'administration centrale n'est pas clair et il semble difficile de contrôler l'efficacité des politiques mises en œuvre au niveau rural, ce qui nuit à leur évaluation

Si le nouveau modèle de gouvernance régionalisé a globalement permis d'améliorer la qualité et la transparence des politiques locales, il semble également limiter la capacité de l'administration centrale à coordonner et faciliter les actions des autorités régionales en matière de politique rurale. Le manque de liaisons entre les différentes politiques nationales mises en œuvre à l'échelon régional n'est qu'un exemple parmi tant d'autres. L'administration centrale n'est en outre pas en mesure de contrôler l'efficacité des politiques mises en œuvre au niveau rural. En fait, la réforme du système de santé public, qui repose sur la création de *districts de santé*, n'est pas intégrée aux autres politiques locales et ne se concentre pas spécifiquement sur les collectivités rurales, qui ont pourtant des problèmes particuliers de mise en œuvre. De plus, les différents modèles de gouvernance rurale à l'échelon régional représentent une innovation intéressante mais rendent complexe l'évaluation des interventions dans les zones rurales. La nature extrêmement hétérogène des modèles de gouvernance infranationaux en matière de politique de DR rend difficile l'analyse de l'impact réel de ces politiques et de leur valeur ajoutée.

Il est donc nécessaire de développer en Italie une politique de développement rural distincte et intégrée, qui soit adaptée aux caractéristiques et aux besoins nationaux

L'Italie gagnerait à la mise en place d'une stratégie de développement rural plus « globale » (ou « vaste »). L'approche actuelle de la politique rurale est largement centrée sur les cadres européens de la PAC pour le développement rural et des politiques de cohésion/Fonds structurels. Un nouveau cadre pourrait permettre d'y inclure les perspectives du Nouveau modèle rural de l'OCDE et les expériences des autres pays membres de l'OCDE. Les politiques de l'UE et les instruments de financement pourraient aussi être intégrés dans ce cadre plus large, sans pour autant définir l'étendue de la pensée politique rurale italienne. Ainsi, si on le compare à la situation actuelle, ce cadre plus large devrait refléter l'évolution de la demande en ressources rurales, souligner la grande diversité du potentiel rural en Italie, en liaison étroite avec les perspectives territoriales et multisectorielles applicables à toutes les régions italiennes et pas uniquement au sud. À l'inverse, l'adoption d'une politique globale permettrait de tester les politiques sur le terrain rural. La politique rurale italienne devrait inclure un plus grand nombre d'acteurs ruraux issus de différents milieux économiques, sociaux et environnementaux, et devrait être conçue et mise en application par le biais de partenariats renforcés et actifs entre tous les ministères des secteurs concernés. Cela revêt une importance cruciale tant sur le plan national que régional de la gouvernance. La vision incarnée par cette politique devrait inclure à la fois la politique « additionnelle » et les politiques « traditionnelles » en matière de services publics (santé, éducation, protection sociale et protection de l'environnement), car chacun de ces facteurs exerce une influence critique sur le développement économique et social et sur la qualité de vie des zones rurales.

Un nouveau cadre stratégique pour la politique rurale devra être soutenu par des institutions publiques et un système de gouvernance adaptés. À l'échelon local (infra-régional), il sera important de s'assurer de la présence et du fonctionnement efficace d'un corps de « liaison » capables d'identifier les opportunités et besoins locaux et de faire appel à un mélange de programmes et fonds communautaires, nationaux et régionaux pour y répondre de manière intégrée. Beaucoup de ces organisations existent déjà, mais l'importance de leur rôle n'est pas toujours reconnue ou soutenue par les politiques régionales ou nationales. À l'échelon régional et national, une analyse et une vision d'ensemble plus large d'une série d'indicateurs et de données sociales, économiques et environnementales, offrant une analyse territoriale plus claire de l'Italie rurale, pourraient favoriser une meilleure compréhension commune des enjeux, tendances et opportunités actuels du monde rural. Par ailleurs, une approche plus large pourrait aussi simplifier le cadre complexe qui définit

actuellement les interventions rurales en Italie. Le mélange actuel des politiques de développement à l'échelon régional, au niveau du secteur agricole/rural et sur le plan national, chacune opérant en parallèle avec une série d'autres politiques fondamentales ciblant les zones rurales (santé, transports, énergie, éducation, logement, communications), dresse un tableau très complexe à partir duquel il faut essayer d'analyser les besoins et les opportunités des territoires ruraux italiens.

Une stratégie rurale permet aux programmes ciblés d'améliorer les « conditions-cadres » régionales et la diversification des économies régionales

En Italie, il serait important, plutôt que de définir des politiques sectorielles spécifiques, d'améliorer la qualité des biens collectifs et publics locaux afin de renforcer la compétitivité de tous les secteurs sur une zone géographique donnée. Pour y parvenir, il est nécessaire d'identifier la totalité des *conditions-cadres* capables de favoriser les opportunités au niveau territorial et social. Ces conditions devraient représenter les biens publics ou collectifs que l'on retrouve dans tous les territoires ruraux, tel qu'un environnement de très haute qualité, des ressources humaines et sociales très qualifiées et un accès direct aux ressources d'investissement. Le défi consiste alors à identifier les interventions spécifiques nécessaires pour renforcer un ensemble de moteurs économiques clés, et les conditions-cadres particulières qui sous-tendent ces moteurs dans chaque territoire. Pour développer cette analyse, il serait important d'élargir les caractéristiques utilisées pour définir la typologie des zones rurales italiennes, afin d'intégrer davantage d'indicateurs non agricoles et de prendre en compte les défis à venir en termes de démographie, de changement climatique et d'autres tendances clés. Autrement dit, une utilisation plus efficace (et indépendante) des analyses territoriales est nécessaire pour concevoir les politiques.

Plus spécifiquement, une politique rurale intégrée devrait : i) favoriser la cohésion sociale à travers toute l'Italie...

Le renforcement des efforts destinés à favoriser la cohésion sociale en améliorant l'efficacité de la prestation des services publics dans toutes les régions du territoire serait bénéfique à l'Italie. Il s'agit d'un point important compte tenu de la nature et de l'étendue des changements économiques et sociaux observés dans les zones rurales, qui devraient se traduire par une augmentation de la demande locale pour des services efficaces. Par ailleurs, au fur et à mesure que l'économie mondiale devra faire face à un ralentissement, les problèmes de

qualité de vie et d'exclusion sociale s'installeraient probablement au centre des préoccupations des pouvoirs publics italiens, comme partout ailleurs. Dans ces conditions, une plus grande prise de conscience de l'importance des caractéristiques sociales indispensables à un développement rural durable et intégré est donc nécessaire. Pour y parvenir, la communication inter-ministérielle devrait être renforcée, ainsi que la recherche sur les enjeux liés aux services sociaux et à la qualité de vie dans le monde rural, sur leur influence sur la viabilité économique rurale (y compris la compétitivité agricole) et sur la protection de l'environnement. D'autres ministères pourraient jouer un rôle important en apportant leur aide au ministère de l'Agriculture, notamment pour comprendre et traiter ces enjeux. Ainsi, les interventions en milieu rural pourraient s'appuyer sur les compétences du ministère du Développement économique, qui a acquis de l'expérience dans le domaine de l'analyse territoriale fondée sur une approche multi-sectorielle (services de santé, éducation, tourisme et développement local).

... ii) promouvoir la planification fonctionnelle afin de faire face à la saturation du trafic et aux autres externalités négatives...

Autant que faire se peut, des services spécifiques devraient être fournis pour améliorer les liens fonctionnels entre les régions urbaines et rurales. Certaines régions rurales sont intégrées dans des régions plus vastes qui incluent des centres urbains. Dans ces régions, le développement du logement n'est souvent pas coordonné avec la politique de planification des transports, ce qui aboutit à un parc immobilier mal employé. Il en résulte un trafic intense des zones rurales vers les zones urbaines, accentuant les pressions qui pèsent sur les infrastructures de transport et l'environnement (en Italie, les transports représentent environ 20 % du total des émissions de gaz à effet de serre). Pour y remédier, il est possible de mettre en place une planification à un échelon territorial plus large, afin de prendre en compte les *régions fonctionnelles*. Par exemple, les infrastructures de transport pourraient être conçues de manière à optimiser le flux des déplacements quotidiens des travailleurs. Les transports publics municipaux pourraient être élargis à certaines régions en périphérie des villes. La planification spatiale pourrait aussi permettre aux autorités nationales et régionales d'évaluer précisément les schémas d'immigration dans les zones rurales.

... iii) permettre d'élaborer des politiques sociales ciblées en faveur des immigrants...

La présence de travailleurs étrangers est en augmentation constante dans les zones rurales. Toutefois, il n'existe pas en Italie de stratégie globale qui

s'appuierait sur l'immigration pour faire contrepoids aux tendances actuelles du vieillissement de la population et du dépeuplement. Les immigrants constituent une main-d'œuvre abondante et relativement peu coûteuse qui, si elle correctement intégrée dans l'économie locale, pourrait devenir un facteur de croissance économique. Pour déclencher ce processus, il est important de faciliter leur intégration dans les collectivités locales. Par exemple, les familles d'immigrants pourraient se voir attribuer des logements sociaux (en utilisant ainsi le vaste parc de logements disponibles) et d'autres services clés pour renforcer leur attachement au lieu et à la communauté. Il est à noter que l'absorption d'une partie du flux des travailleurs étrangers par les zones rurales réduirait la pression sur les centres urbains, où la concentration des immigrants est forte, favorisant ainsi un mode d'immigration plus durable dans l'ensemble du pays.

... iv) soutenir la diversification de l'économie rurale en encourageant les potentiels industriels et touristiques...

Les investissements publics visant à améliorer l'intégration des PME locales avec l'agriculture à temps partiel ou les activités de gestion de l'environnement ou de la culture pourraient s'avérer plus rentables que des investissements dans la « compétitivité » indifférenciée du secteur primaire. Ces interventions devraient refléter la production spécialisée des zones rurales. Elles pourraient renforcer la spécialisation agro-alimentaire dans les produits à forte valeur ajoutée, ainsi que les regroupements et réseaux de PME. La politique de DR peut aussi permettre de soutenir les activités touristiques de manière intégrée. Il serait notamment très important d'augmenter la visibilité des sites et services touristiques sur le marché international et ce, de manière mieux coordonnée, et de reconnaître et valoriser l'héritage local, en créant des liens entre le visiteur et le charme et la culture de la localité visitée. Le rôle des municipalités locales dans ce processus est évidemment crucial, puisque ce sont les organismes publics les mieux placés pour apprécier la culture et les besoins locaux. Cependant, elles doivent être aidées par les institutions intermédiaires agissant à plus grande échelle, et pouvoir s'appuyer sur d'autres fonds (publics et privés), afin d'améliorer la visibilité et de soutenir le processus de valorisation requis. À l'heure actuelle, la conjugaison des richesses relatives/opportunités et des problèmes budgétaires peut aboutir à un paradoxe selon lequel les zones rurales riches consacrent des fonds publics importants au développement de cette forme d'activité économique rurale, alors que des régions possédant des ressources naturelles équivalentes mais des soutiens financiers plus limités ne sont pas en mesure de le faire.

... et v) protéger et valoriser les ressources naturelles

Les paysages magnifiques et variés de l'Italie constituent sans conteste l'un de ses plus grands atouts ruraux et offrent beaucoup de potentiel pour poursuivre la mise en œuvre des mesures destinées à atteindre les objectifs du développement rural. L'appréciation et l'évaluation des services relatifs à l'écosystème naturel au sein des zones rurales italiennes ne sont pas encore développées. La nature représente une ressource précieuse, qui, dans certaines zones, est liée à un certain niveau de prise de conscience culturelle. L'Italie a à son actif un énorme potentiel pour développer plus avant les activités économiques rurales fondées sur le développement et l'utilisation durables de ses ressources naturelles et culturelles, sous la forme de la biodiversité, des paysages et de la gestion et de la protection de l'eau. La valeur de paysages et d'une nature bien entretenus pour le tourisme, ainsi que la croissance des secteurs économiques de la santé et des loisirs au sein de notre société industrialisée, devraient être prises en compte et intégrées dans les futures stratégies de développement. Parallèlement, il sera important de relever le défi de la génération d'énergie plus durable, en se servant des ressources naturelles et renouvelables, dont la plupart se situent dans les zones rurales. Une utilisation intelligente et créative des sources d'énergie hydraulique, éolienne, solaire et géothermique, ainsi que la production d'énergie issue des produits de dégradation agricoles et forestiers, devraient être autant d'aspects essentiels du développement rural futur dans nombre de régions italiennes. Au total, ces développements pourraient apporter une contribution vitale permettant à l'Italie de faire face aux défis du changement climatique et du renforcement de la concurrence mondiale pour les ressources alimentaires et en combustibles.

En résumé

En moyenne, les zones rurales italiennes affichent l'un des PIB par habitant les plus élevés des régions rurales de l'OCDE, ce qui s'explique par un tissu économique très diversifié. L'industrie manufacturière et les services se taillent la part du lion dans cette économie rurale, alors que les activités agricoles ont diminué à la fois en termes de production (volume) et de surface utilisée entre 1990 et 2004. Cependant, l'absence d'approche globale en matière de développement rural expose les zones rurales à un certain nombre de tendances négatives qui peuvent compromettre leur pérennité dans un avenir proche. L'Italie doit donc continuer à consentir des efforts pour développer une vision politique rurale plus globale et plus intégrée,

permettant d'associer différents ministères, tant à l'échelon national que régional. Une coordination horizontale plus forte sur les problèmes de politique rurale facilitera une coordination verticale efficace et une utilisation plus rentable des ressources dans les programmes de développement ruraux et régionaux. Les autorités régionales doivent s'assurer que les politiques infrarégionales sont adaptées aux besoins locaux, grâce au soutien fourni à ce niveau par des « agents de liaison » : organisations réunissant des intérêts publics et privés qui travaillent ensemble pour planifier et mettre en œuvre un programme de développement commun pour la localité. Des partenariats solides seront essentiels pour surmonter certains des principaux obstacles à la réussite du développement rural, qui subsistent au niveau local (menaces sur les ressources environnementales, défis démographiques et, dans certaines régions isolées, influence du crime organisé).

Une nouvelle approche de la politique rurale en Italie pourrait améliorer l'efficacité des investissements publics, réduisant ainsi les besoins en matière de fonds publics à l'avenir. Les principales priorités des futures politiques rurales doivent inclure une amélioration de l'analyse territoriale et un accent accru sur la qualité de vie en milieu rural et l'accès aux services, plus particulièrement pour les femmes, les jeunes et les personnes âgées. Un renforcement des investissements dans l'environnement et la « nouvelle économie environnementale », particulièrement pour tirer parti de la gestion durable des forêts et promouvoir l'énergie renouvelable dans les zones rurales, est nécessaire. Dans le domaine du développement économique, les stratégies multisectorielles et ancrées sur le territoire semblent plus prometteuses que les modèles mono-sectoriels. Ainsi, il serait utile de consentir des efforts pour élaborer des cadres de soutien intersectoriels, fondés sur l'implication des institutions financières, la promotion des actions collectives par les municipalités (tourisme et planification des services) et les conseils et formations dans les domaines de l'innovation et de l'entreprenariat pour toutes les zones ayant une activité économique rurale.

En résumé, la stratégie de l'Italie en matière de développement rural devrait :

- 1) promouvoir à la fois les moteurs économiques et les « conditions-cadres » à travers toute l'Italie ;
- 2) garantir la pérenité de l'environnement, y compris l'utilisation des ressources naturelles à de nouvelles fins, comme la génération d'énergie et l'économie des loisirs ;
- 3) promouvoir la planification aux niveaux fonctionnels plutôt qu'administratifs en vue d'améliorer les liens entre les milieux ruraux et urbains ;
- et 4) favoriser un processus d'évaluation plus collaboratif au sein des différents échelons de l'administration, qui serait axé sur les besoins territoriaux et attribuerait les ressources en conséquence.

Sintesi del Rapporto OCSE sulla Politica Rurale dell'Italia

L'Italia rurale produce un PIL pro capite più alto della media delle regioni rurali dell'OCSE, grazie alla prossimità con le aree urbane...

Il PIL pro capite delle « aree prevalentemente rurali » (APR) Italiane è, in media, tra i più alti tra le APR dell'OCSE. Per esempio, le province di Aosta e Belluno, le più ricche APR del Paese, si collocano rispettivamente al terzo e settimo posto tra le APR dell'OCSE in termini di PIL pro capite. La buona performance dell'Italia rurale potrebbe dipendere dal fatto che il Paese è densamente popolato e le aree rurali sono ben connesse con network di città medie e piccole. L'Italia, in effetti, è uno dei paesi meno rurali dell'OCSE. I dati mostrano anche che c'è una correlazione positiva tra il numero di addetti nei settori manifatturiero e terziario, grandezze usate come « proxy » della diversificazione economica e il livello del PIL pro capite nel 2003. La diversificazione economica moltiplica le opportunità di impiego nelle aree rurali. Le APR hanno, in media, bassi tassi di disoccupazione, in alcuni casi inferiori a quelli delle aree urbane. Nelle province di Belluno e Aosta il tasso di disoccupazione è al di sotto del 5%, mentre nella provincia di Siena, il tasso di disoccupazione è al di sotto del 3%.

... e ad una base economica diversificata

Le APR e le aree rurali intermedie (ARI) comprendono alcune aree nelle quali lo sviluppo economico ha forti legami con la cultura locale, le tradizioni, e le amenità naturalistiche. Nonostante il volume dell'output si sia ridotto sin dal 1990, così come la superficie di terra utilizzata dalle attività primarie, l'agricoltura continua a fornire servizi all'ambiente (gestione del suolo, tutela della biodiversità) e alle attività di svago (manutenzione del paesaggio e delle aree campestri attrezzate per il tempo libero). L'agricoltura rappresenta, inoltre, un patrimonio di saperi e culture a supporto di un'ampia gamma di attività di successo come, ad esempio, l'industria alimentare. In Italia, i prodotti alimentari tradizionali comprendono 174 prodotti (MIPAAF, 2008) che

fanno parte delle due categorie, o regimi, della UE: Indicazione Geografica Protetta (IGP) e Denominazione d'Origine Protetta (DOP). Le aziende coinvolte nella produzione di cibi e bevande IGP o DOP erano più di 80 mila nel 2007, il 20% in più che nel 2006 quando l'esportazione totale del comparto aveva raggiunto i 3.5 miliardi di euro (ISMEA, 2006). Un altro settore fiorente è il turismo che basa la propria competitività sulle risorse paesaggistiche e naturali. Il ricco patrimonio di coste, pianure e montagne, offre alle aree rurali numerose opportunità di sviluppo. L'Italia rurale nel 2006 ospitava circa 17 mila strutture agrituristiche, il 9.3% in più di quelle registrate nel 2005. Infine, il manifatturiero rappresenta una parte importante dell'economia rurale in Italia. Nel 2003, il 12% delle imprese manifatturiere italiane (541 mila) era localizzato nelle APR. Nelle APR connesse a reti di città medie e piccole la concentrazione di imprese manifatturiere prende spesso la forma del *distretto industriale Marshalliano*, che rappresenta un tipo di industrializzazione leggera e diffusa, basata sull'intensa divisione del lavoro tra le imprese, e con una struttura produttiva fortemente integrata alla comunità locale.

Malgrado le buone performance, la realtà locale è più complessa a causa dei possibili divari territoriali

In Italia le performance delle aree rurali variano in base alla loro localizzazione. Quelle localizzate nelle aree montane e in alcune aree del meridione scontano un ritardo di sviluppo. Questo rapporto usa la classificazione rurale dell'OCSE insieme a quella elaborata dal Ministero delle Politiche Agricole, Alimentari e Forestali (MIPAAF) d'Italia. Sebbene la definizione del MIPAAF potrebbe essere migliorata (per esempio essa non considera l'accessibilità e l'isolamento delle aree rurali), ha almeno due aspetti positivi. Primo, è il frutto della collaborazione tra il governo centrale e i governi regionali. Secondo, fornisce alle politiche una dimensione territoriale. Il rapporto considera anche la distinzione tra le regioni « competitive » del nord e le regioni meridionali in « convergenza »: Campania, Puglia, Calabria, Sicilia e Basilicata (quest'ultima in transizione). In generale (a parte alcune eccezioni), l'Italia settentrionale ha valori superiori negli indicatori socio-economici chiave. Per esempio, il PIL pro capite medio nelle regioni meridionali era di USD (in PPP) 17 436 nel 2005, 61.7% del valore registrato nel centro-nord (USD PPP 28 246). Nel 2001, la media del tasso di disoccupazione nelle APR del meridione era 21.7%, pari al 13% in più delle APR settentrionali. Inoltre, il divario tra il nord e il sud del paese sembra rappresentare un fenomeno strutturale. La crisi finanziaria potrebbe persino allargare il divario attuale. Le piccole imprese localizzate nel Mezzogiorno sono, infatti, più esposte alla stretta finanziaria a causa della loro forte dipendenza dal credito bancario e del basso rating.

Le aree rurali affrontano delle sfide strutturali, in particolare l'invecchiamento e lo spopolamento che potrebbero minare la sostenibilità di alcuni servizi pubblici di base

La concentrazione di abitanti con più di 65 anni è molto alta nelle aree rurali, ed aumenta nel tempo. L'invecchiamento della popolazione è un trend nazionale. Nel 2006, in Italia, il rapporto tra la popolazione con più di 65 anni e quella inferiore ai 15 era di 141/100, il valore più elevato nell'OCSE dopo Germania e Giappone. La percentuale di pensionati è cresciuta dal 15.5% nel 1992 a circa il 20% nel 2006. La concentrazione di anziani va di pari passo con la povertà. Secondo l'ISTAT, nel 2001, il 45% delle famiglie al di sotto della linea di povertà aveva un membro con più di 65 anni. L'invecchiamento è persino più intenso nelle APR, dove la popolazione con più di 65 anni costituiva il 22% della popolazione nel 2006, con un aumento della concentrazione pari al 21% dal livello registrato nel 1992. Nelle APR in « convergenza », il fenomeno dell'invecchiamento si è accompagnato allo spopolamento. In questa parte del Paese – tra il 1992 e il 2006 – le APR hanno perso il 6% della popolazione (il 7% in Calabria).

i) La diminuzione dei giovani nelle aree rurali minaccia la sostenibilità dei servizi educativi

Invecchiamento e spopolamento minacciano anche la sostenibilità dell'attuale sistema scolastico. Nelle APR, tra il 2003 e il 2006, nonostante il numero costante di scuole, il numero degli studenti iscritti alla scuola media inferiore e superiore è diminuito rispettivamente del 1.7% e del 7.1%. In particolare, nelle APR nelle regioni in « convergenza », il numero di studenti iscritti alla scuola media inferiore e superiore è diminuito rispettivamente del 3.7 e del 10%. Se tale tendenza dovesse continuare, il risultato probabile è che alcune scuole saranno chiuse nel prossimo futuro, minacciando la sostenibilità delle comunità rurali. Inoltre, specialmente nel caso delle scuole medie superiori, gli studenti devono affrontare lunghi spostamenti. Questo potrebbe avere un impatto sul fenomeno dell'abbandono scolastico, che in Italia è particolarmente alto.

ii) La concentrazione degli anziani incide sui costi del servizio sanitario pubblico

Un altro servizio pubblico particolarmente esposto alle conseguenze dell'invecchiamento della popolazione è quello sanitario. La concentrazione di

anziani ha aumentato la richiesta di servizi sanitari e cure mediche. Tuttavia, la maggior parte degli ospedali e delle strutture sanitarie sono localizzate nelle aree urbane (57% del totale – più del 60% dei posti letto negli ospedali – secondo la classificazione territoriale del MIPAAF). L'introduzione dei distretti sanitari per razionalizzare l'offerta di servizi sanitari, non si è evoluta in maniera omogenea nel Paese. In alcune aree, le strutture sanitarie non sono organizzate secondo una logica « territoriale » e in molte regioni meridionali c'è una densità elevata di ospedali che non sono equipaggiati per fornire assistenza di qualità. Il risultato è che la popolazione locale tende a migrare verso i centri urbani per accedere a servizi sanitari di qualità.

Spopolamento e invecchiamento sono parzialmente alleviati dall'arrivo di lavoratori stranieri, ma la loro integrazione pone alcune sfide

Sebbene l'immigrazione sia generalmente considerata come un fenomeno urbano, durante l'ultimo decennio, la percentuale di lavoratori stranieri che vivono nelle aree rurali è costantemente aumentata. In media, nel 2003 c'erano 23.5 immigrati per 1 000 abitanti nelle APR (la media nazionale era di 34.4). Le più alte concentrazioni, tra 55 e 50 immigrati per 1 000 abitanti, sono state registrate nelle provincie di Perugia, Arezzo, e Siena. Durante lo stesso periodo la concentrazione media nelle aree rurali intermedie era di 30 immigrati per 1 000 abitanti, e alcune provincie come Mantova, Macerata, e Piacenza erano sopra o vicine ai 60 immigrati per 1 000 abitanti. I lavoratori stranieri si concentrano nelle regioni rurali per differenti ragioni. In primo luogo, gli immigrati che lavorano nei centri urbani possono decidere di vivere in aree rurali intermedie perché non in grado di affrontare i costi connessi con la scelta di abitare in città. In secondo luogo, i lavoratori stranieri sono assorbiti da attività ad alta intensità di lavoro nel settore primario o secondario, localizzate nelle aree rurali. Infine, a causa dell'invecchiamento della popolazione, le aree rurali attraggono lavoratrici straniere dedicate alla cura degli anziani (*le badanti*). Gli immigrati rappresentano un'opportunità per ripopolare le aree rurali e per arricchirle con culture differenti. Tuttavia, una concentrazione di popolazione straniera, se non propriamente gestita, potrebbe anche creare un attrito all'interno di comunità tradizionali e solitamente omogenee, come quelle rurali. Casi in cui la presenza di una comunità di immigrati genera tensioni sono già visibili in alcune regioni rurali intermedie.

In Italia l'urbanizzazione incontrollata e la mancanza di infrastrutture di trasporto generano congestione ed inquinamento nelle aree rurali

L'urbanizzazione incontrollata che ha avuto luogo in aree molto estese genera esternalità negative nel « milieu » rurale. Le regioni metropolitane italiane sono cresciute con un limitato controllo durante gli ultimi trent'anni. In particolare, lo sviluppo di insediamenti urbani e la localizzazione di nuove aree industriali non è stata accompagnata dallo sviluppo di infrastrutture di trasporto adeguate. Ciò ha provocato la congestione dei flussi di traffico, l'aumento dell'inquinamento, del costo della vita, e l'intensificazione dei problemi sociali connessi alla concentrazione di lavoratori stranieri (per esempio, alcune « enclaves » di immigrati sono localizzate appena fuori dai centri urbani dove gli immigrati lavorano). Lo sviluppo urbano incontrollato potrebbe anche aggravare i problemi relativi allo smaltimento e alla gestione dei rifiuti. Il crescente pendolarismo è tra i fattori che incidono negativamente sull'emissione di *gas serra*, che è in continua crescita in Italia. Nello specifico il trasporto privato tramite automobili genera circa il 20% dei *gas serra* in Italia. A causa dello sviluppo incontrollato delle città e della mancanza di servizi di trasporto pubblico (utilizzati solo dal 16% della popolazione nazionale) nelle regioni rurali, il Paese dipende fortemente dal trasporto su strada. Nel 2005 c'erano 35 milioni di automobili in Italia, e la proporzione tra automobili ed abitanti ha ormai raggiunto il valore 60/100, ciò rende l'Italia il paese europeo con la più alta concentrazione di automobili. Inoltre, nel 2005, 8 milioni di veicoli commerciali hanno trasportato 188 miliardi di tonnellate di merci, in altre parole il 75% del trasporto commerciale totale (Ambiente Italia, 2007; Rapporto ISSI, 2007). Questo comparato al 15% del trasporto marittimo, e al 10% del trasporto commerciale ferroviario. Questi dati illustrano un serio problema di sostenibilità ambientale.

L'inquinamento del suolo e delle acque minaccia le amenità naturalistiche

Le amenità naturalistiche rappresentano una risorsa fondamentale per lo sviluppo locale, ma in molte aree l'ambiente è sottovalutato, usato in maniera impropria, o minacciato. Nell'agricoltura prevalgono le tecniche intensive, che riducono la sostenibilità delle attività primarie. Dopo una crescita costante, la superficie irrigua ha cominciato a diminuire solo nel 2003, quando l'Italia era al sesto posto tra i trenta paesi OCSE in termini di consumo di metri cubi d'acqua impiegati nell'agricoltura (OECD, 2008). Le attività primarie inoltre contribuiscono all'inquinamento delle acque superficiali. L'agricoltura origina

più del 60% dei nitrati e più del 30% del fosforo presenti nelle acque di superficie (OECD, 2008). Si riscontrano, inoltre, alti rischi di perdita del suolo nelle zone coltivate a elevata meccanizzazione. La degradazione del suolo è un problema ambientale diffuso nel Paese, ma non ci sono dati per valutarne correttamente l'evoluzione. Circa il 70% del territorio italiano è soggetto al rischio di erosione accelerata del suolo. L'area coperta da foreste è in costante aumento, ma una larga porzione di territorio montagnoso è esposta a smottamenti. Prima del 1970, l'Italia aveva un numero relativamente esiguo di aree protette. Da allora, si è assistito ad un costante aumento e oggi le aree protette coprono quasi il 10% del territorio nazionale. Tuttavia, nonostante l'espansione, alcune aree umide (paludi e lagune), di importanza internazionale, sono minacciate e competono con il radicamento dell'agricoltura e con l'urbanizzazione.

Il crimine organizzato influisce sull'efficacia delle politiche nelle aree rurali meridionali più isolate

A causa della presenza del crimine organizzato, alcune aree rurali isolate del Mezzogiorno mostrano livelli di criminalità comparabili a quelli delle aree urbane. Nei paesi OCSE, il contesto sociale « rurale » è generalmente considerato molto più sicuro rispetto a quello urbano, dunque gli alti tassi di criminalità di alcune delle regioni rurali italiane rappresentano un'eccezione. Tuttavia, la situazione in Italia sta migliorando. L'azione (di polizia e di intelligence) dello Stato, unita all'impegno di ONG, organizzazioni religiose, e del settore privato nella definizione e attuazione di interventi per ridurre o sradicare le attività criminali nelle regioni rurali, ha raggiunto importanti risultati. Tuttavia, la criminalità organizzata rappresenta ancora una forte distorsione per l'attuazione delle politiche e c'è bisogno di intensificare le esperienze locali che sono riuscite a ridurre questa distorsione. Per esempio, alcuni interventi hanno convertito beni appartenenti ad esponenti della criminalità in « beni collettivi » al servizio della comunità locale, o in attività economiche competitive. Questi interventi hanno anche fornito opportunità d'impiego con un alto valore simbolico ai giovani del posto. Moltiplicare tali esperienze in queste aree consentirebbe sia di favorire l'imprenditorialità, sia di migliorare l'attaccamento della popolazione ai luoghi e alle comunità (capitale sociale), fattori che sono attualmente compromessi dalla presenza del crimine organizzato.

La strategia di sviluppo rurale italiana deriva dalla politica regionale e agricola dell'UE...

In Italia le politiche che supportano esplicitamente lo sviluppo e la sostenibilità delle aree rurali dipendono sia dalla politica regionale che dalla politica agricola. La struttura di politica economica che ne deriva si basa su tre componenti concettuali differenti: 1) il quadro agricolo dell'UE; 2) lo schema dei fondi strutturali per lo sviluppo regionale e sociale dell'UE; e 3) il quadro nazionale, che integra gli altri ed offre un supporto mirato alle aree in ritardo di sviluppo. Questa struttura riflette i punti fondamentali dell'attuale quadro di programmazione dell'UE (2007-13) – cioè la Politica di Sviluppo Rurale, parte della Politica Agricola Comunitaria (PAC), supportata dal Fondo europeo agricolo per lo sviluppo rurale (FEASR), e la Politica Regionale supportata dal Fondo europeo di sviluppo regionale (FESR) e dal fondo sociale europeo (FSE). Due documenti (che derivano dal nuovo schema legislativo dell'UE) guidano la politica di sviluppo rurale, il Piano Strategico Nazionale (PSN), redatto dal MIPAAF che riguarda il funzionamento delle nuove politiche di sviluppo rurale (PSR) nell'ambito del secondo pilastro della PAC, e il Quadro Strategico Nazionale (QSN), redatto dal Ministero per lo Sviluppo Economico (MISE), che fornisce una strategia unitaria per lo sviluppo regionale del Paese e che guida i programmi operativi dei fondi strutturali europei (FESR e FSE) e i programmi del fondo per le aree sottoutilizzate (FAS). Il PSN e il QSN si coordinano a vicenda, pur rimanendo istituzionalmente separati. Il PSN coordina i Piani di Sviluppo Rurale (PSR), mentre il QSN coordina i Programmi Operativi Regionali e i programmi finanziati dal FAS. Il PSN e il QSN rappresentano un primo tentativo di arrivare ad una dinamica istituzionale integrata con forti relazioni istituzionali orizzontali al livello centrale, come evidenziano i processi di coordinamento e di coinvolgimento di diversi attori per definire le priorità in questi due documenti strategici.

Il PSN rappresenta, « *de facto* », il documento della politica rurale visto che definisce la strategia nazionale per il settore agro-industriale e per le aree rurali. Il PSN rispecchia i tre principali obiettivi della politica dell'UE: i) aumentare la competitività del settore agricolo e forestale; ii) valorizzare l'ambiente e la campagna attraverso la gestione del territorio; iii) migliorare la qualità della vita nelle aree rurali e favorire la diversificazione delle economie locali. Il QSN, a sua volta, seguendo la politica regionale europea, fissa due principali obiettivi da raggiungere attraverso il coordinamento tra la politica regionale e la politica di sviluppo rurale: i) migliorare le condizioni di contesto per facilitare lo sviluppo del settore agroindustriale e delle altre attività economiche in grado di garantire redditi alternativi; e ii) migliorare l'attrattività delle aree rurali attraverso la diversificazione dell'economia e il miglioramento della qualità della vita.

... ed è in gran parte progettata e implementata dai governi regionali

L'Italia ha una struttura istituzionale decentrata e i governi regionali sono responsabili per la programmazione e l'attuazione degli interventi nelle aree rurali secondo gli schemi del PSN e del QSN. Le riforme effettuate negli anni novanta e, in particolare, la riforma costituzionale del 2001 hanno conferito ai governi regionali ampi poteri legislativi e amministrativi, in particolare nei campi dell'agricoltura, commercio, sanità, turismo, e lavori pubblici. Le concomitanti riforme fiscali hanno, inoltre, garantito alle regioni un controllo maggiore sulle risorse e un ruolo più importante per quanto riguarda le decisioni di spesa che si è tradotto in una progressiva riduzione della dipendenza dal finanziamento centrale e un maggior affidamento di finanziamenti consoni alle capacità fiscali di ogni regione (Banca d'Italia, 2006). Di conseguenza, ogni governo regionale disegna le proprie politiche nelle aree rurali attraverso un PSR per il FEASR e i POR per i fondi strutturali legati alla politica di sviluppo regionale. L'interazione tra il governo centrale e le 19 regioni e le 2 province autonome di Trento e Bolzano, è così importante che, come discusso sopra, anche l'attuale classificazione territoriale delle aree rurali italiane sviluppata dal MIPAAF deriva da un lungo processo di interazione tra i due livelli di governo.

Nonostante l'ampiezza delle sfide da affrontare, l'approccio generale dell'Italia allo sviluppo rurale nel caso del MIPAAF continua ad essere troppo focalizzato sul settore primario...

L'approccio italiano allo sviluppo rurale sembra trascurare i pressanti problemi sociali nelle aree rurali in favore di un approccio fortemente settoriale in favore dell'agricoltura. Per esempio, il focus sul settore primario è presente in alcune delle priorità elencate dallo strumento di politica nazionale per lo sviluppo rurale, il PSN, che si propone di: *promuovere la competitività nel settore agroindustriale e della silvicoltura*; e *promuovere le qualità professionali e la produzione in agricoltura*. L'allocazione delle risorse finanziarie rispecchia tale posizione: degli 8 292 miliardi di euro stanziati per lo sviluppo rurale in Italia, meno del 30% è dedicato a misure economiche e sociali di ampio respiro che vanno oltre l'agricoltura e la silvicoltura (Assi III e IV). Secondo il quadro FEASR, tutti questi programmi sono tenuti a impegnare un minimo del 10% delle risorse UE sull'Asse III – per supportare la diversificazione dell'economia rurale e il miglioramento della qualità della vita nelle aree rurali. Tuttavia, nella pratica, in molti di questi programmi si nota l'assenza di una vera consapevolezza delle politiche sociali o

economiche in senso più ampio, e mancano chiari obiettivi per soddisfare i bisogni sociali. La politica si concentra sull'utilizzo dei fondi degli Assi I e II del FEARS per migliorare la competitività dell'agricoltura (e della silvicoltura), e per ridurre l'impatto ambientale, anche nelle aree più ricche del Paese, dove il settore agrario ha già performance molto positive. Per esempio, se si misura l'intensità della spesa pro capite nel settore primario nel periodo 2007-13, l'Emilia-Romagna (tra le più ricche regioni d'Italia) riceverà 1 738 euro all'anno dal budget PSR dell'UE, mentre la Calabria (la regione più povera del Paese) riceverà 1 821 euro l'anno. La variazione dell'intensità della spesa pro capite è tra 1.8 e 3.9 mila euro all'anno per le regioni meridionali e tra 1.4 e 10 mila euro per le regioni settentrionali e centrali. Ad ogni modo, i PSR sono progettati al livello regionale e pertanto il forte accento sull'agricoltura e l'equilibrio finanziario che si osservano nei dati nazionali riflettono in realtà le scelte delle singole regioni.

L'iniziativa comunitaria LEADER, che permette un approccio olistico allo sviluppo rurale attraverso iniziative locali come i Gruppi di Azione Locale (GAL), e i Progetti Integrati Territoriali (PIT) non trovano un adeguato spazio all'interno dei programmi, sebbene abbiano il potenziale per promuovere lo sviluppo e la diversificazione economica delle aree rurali. Nonostante i Gal si siano dimostrati un proficuo strumento di politica di sviluppo rurale, specialmente quando il loro territorio di azione è propriamente definito e rappresentato da una comunità integrata, l'allocatione di risorse finanziarie ai GAL continua ad essere bassa (ISFOL, 2005). Similmente, i PIT che rafforzano l'importanza dell'approccio integrato dal basso tramite un aumento degli accordi tra il settore pubblico e i privati, dando un ruolo marginale al governo centrale, risentono di un'allocatione insufficiente di risorse. Anche questi strumenti evidenziano buoni risultati, specialmente dove un'organizzazione locale (privata), come per esempio un sindacato o associazione di industriali, è coinvolta nel processo di formazione e gestione del PIT.

... mentre nel caso della Politica Regionale, l'impatto dei programmi su temi specificatamente rurali è limitato da un mandato di sviluppo regionale più ampio

La politica regionale adotta il principio di coesione ma l'impatto dei programmi su temi specificatamente rurali è limitato dall'ampiezza del mandato per questo genere di politiche, che comprende temi urbani e interventi orizzontali. Il principale obiettivo della politica regionale, ora supportata dal FESR, dal FSE e da fondi nazionali e regionali, è di ridurre le disparità esistenti tra le regioni e di migliorare la competitività e la produttività nazionali. In tal modo, nel contesto della politica di sviluppo regionale, la componente rurale è altamente diversificata, sia tra le regioni ed

anche all'interno di esse. Il MISE ha condotto un'analisi delle categorie di spesa all'interno dei programmi regionali tra il 2007 e il 2013, riclassificandole secondo criteri territoriali e considerando i programmi co-finanziati dal FESR e dal FSE, e anche quelli inter-regionali. Dall'analisi è emerso che solo il 6% della spesa era specificatamente rivolto ad interventi rurali, mentre il 51.6% riguardava interventi non territoriali, il 38.8% interventi potenzialmente localizzati in aree urbane o rurali e il 3.7% interventi esplicitamente urbani. In Italia, quindi, circa il 15% dei fondi inerenti alla politica regionale è esplicitamente devoluto alle aree rurali.

Il ristretto focus della politica rurale sembra incidere sulla sostenibilità dello sviluppo rurale specialmente in aree in ritardo di sviluppo e non riesce a valorizzare i vantaggi competitivi delle regioni rurali

Una pianificazione rurale strategica dovrebbe considerare la possibilità di offrire maggior supporto alle aree in evidente difficoltà. Tale strategia potrebbe mettere al riparo la politica rurale da pressioni politiche e settoriali sull'allocazione delle risorse, che attualmente tendono a concentrare l'investimento nelle zone più ricche. Se a prima vista concentrare le risorse dove i rendimenti sono più elevati può sembrare una prospettiva attraente per mantenere la crescita economica e le opportunità nelle aree rurali, c'è il rischio che una strategia di sviluppo focalizzata sulla competitività di breve periodo di un solo settore non sia sostenibile nel lungo periodo. Per esempio, indirizzare il sostegno delle politiche verso il raggiungimento di economie di scala, bassi costi di produzione e prezzi più competitivi nel settore agricolo, per competere con altre parti d'Europa o del mondo, potrebbe portare all'impoverimento della forza lavoro, a una perdita delle ricchezze e delle tradizioni ambientali e culturali del mondo rurale e, dunque, a un impoverimento generalizzato dei fattori alla base dello sviluppo nelle aree rurali. Queste dinamiche non concorrerebbero allo sviluppo delle aree rurali, ma potrebbero contrastarlo. In particolare quest'approccio potrebbe risultare poco lungimirante, se si considera il progressivo accesso al mercato europeo di produttori di paesi con economie meno sviluppate e costi di produzione inferiori.

... inoltre, vista l'incertezza legata ai fondi UE, lo schema italiano è vulnerabile a shock esterni

Il fatto che i quadri nazionali della Politica di Sviluppo Rurale in Italia (intesa come la somma della politica agricola per lo sviluppo rurale e della parte di politica regionale rivolta alle aree rurali) dipendano dal contesto delle politiche e dei finanziamenti europei, la rende vulnerabile ai cambiamenti esterni, come per esempio la prossima revisione del bilancio 2009-10 dell'UE e la verifica dello « stato di salute » della PAC. Non ci sono garanzie che oltre il 2013, l'Italia continuerà a ricevere un livello significativo di supporto per le regioni rurali dall'UE, specie se si considerano le pressanti esigenze dei nuovi paesi membri e dei futuri paesi candidati. In particolare, rimane l'incertezza sulla struttura della politica UE dopo il 2013, che sarà definita solo dopo il completamento del processo di revisione del bilancio dell'Unione. Al momento, le regioni Italiane si sono assicurate un livello di fondi per lo sviluppo rurale (SR) per il 2007-2013 che è simile a quello che hanno ricevuto complessivamente nel 2000-06. Mentre tali fondi aumenteranno tra il 2009 e il 2013 in funzione delle decisioni scaturite dalla verifica dello « stato di salute » della PAC, è anche probabile che l'ammontare complessivo dei finanziamenti PAC per i paesi dell'UE-15 si riduca dopo il 2013.

Nello schema di governance attuale, il ruolo del governo centrale non è chiaro; ciò riduce la possibilità di attuare il « rural proofing »

Se il processo di devoluzione è spesso criticato perché ritenuto costoso e inefficiente, il principale problema del nuovo modello di governance potrebbe derivare dalla limitata capacità del governo centrale di coordinare e facilitare le azioni dei governi regionali in materia di sviluppo rurale. La mancanza di legami funzionali tra le politiche nazionali implementate a livello regionale ne è un esempio. Similmente, la capacità del governo centrale di garantire che tutte le politiche implementate non abbiano un impatto negativo sulle aree rurali (il cosiddetto *rural proofing*) è ugualmente limitata. Per esempio, la riforma del sistema sanitario nazionale, basato sulla creazione dei distretti sanitari, non si integra con altre politiche locali, e non presta particolare attenzione alle comunità rurali, dove spesso usufruire dei servizi sanitari è più difficile. Inoltre, i differenti sistemi di governance a livello regionale rappresentano un'interessante innovazione e un elemento di complessità per la valutazione degli interventi nelle aree rurali. A causa della elevata eterogeneità della governance sub-nazionale nella politica di sviluppo rurale, è molto difficile la valutazione degli impatti e dei risultati delle politiche.

Di conseguenza in Italia c'è bisogno di sviluppare una politica rurale separata e integrata, che si adatti alle caratteristiche e alle esigenze nazionali

L'Italia trarrebbe beneficio da una strategia di sviluppo rurale più ampia. L'attuale approccio alla politica rurale è fortemente focalizzato sullo schema della strategia di sviluppo rurale interna alla PAC e sulle politiche relative ai fondi strutturali/politiche di coesione. Un nuovo schema potrebbe ispirarsi a quello proposto dall'OCSE nel « Nuovo Paradigma Rurale » e alle esperienze di altri paesi membri dell'OCSE. Le politiche e gli strumenti di finanziamento dell'UE dovrebbero collocarsi all'interno di uno schema nazionale più ampio. In particolare, tenendo conto delle attuali tendenze nelle aree rurali, questo schema « ampio » dovrebbe poter riflettere i cambiamenti della domanda di risorse rurali, dovrebbe anche enfatizzare la diversità dell'Italia rurale, e dovrebbe essere legato più da vicino ad una prospettiva multi-settoriale adottata in tutte le regioni d'Italia e non solo in quelle del Mezzogiorno. Una politica olistica creerebbe l'opportunità per verificare che le politiche adottate in ambito nazionale siano compatibili con lo sviluppo delle aree rurali (rural proofing). La politica rurale italiana dovrebbe coinvolgere un numero più elevato di attori locali provenienti da differenti settori dell'economia, della società civile, e dell'ambientalismo. La politica dovrebbe essere pianificata attraverso la collaborazione attiva di tutti i Ministeri che si occupano di materie che potrebbero essere collegate allo sviluppo delle aree rurali. Questo è importante sia a livello nazionale sia a livello regionale. La « visione » di questa politica dovrebbe contenere sia politiche « straordinarie », sia « ordinarie » e, quindi, sanità, educazione, welfare e protezione ambientale, poiché tutti questi settori influenzano lo sviluppo dell'economia, della società, nonché qualità della vita nelle aree rurali.

Occorrerà sostenere un nuovo schema strategico per la politica rurale, tramite un supporto specifico delle istituzioni esistenti e adeguati meccanismi di governance. A livello locale (sub-regionale), sarà importante assicurare la presenza e l'efficacia di meso-istituzioni (o istituzioni intermedie) capaci di identificare i bisogni e le opportunità locali, utilizzando un insieme di fondi e programmi UE, nazionali e regionali, per rispondere ai trend locali, in maniera integrata. Questo tipo di istituzioni sono già presenti in molte aree, ma l'importanza del loro ruolo non è sempre riconosciuta o supportata nella politica regionale o nazionale. Per quanto concerne i livelli nazionale e regionale, una più attenta e approfondita analisi dei dati inerenti alle condizioni economiche, sociali, ed ambientali delle aree rurali – ovvero una analisi territoriale dettagliata dell'Italia rurale – potrebbe aiutare a raggiungere una comune comprensione delle sfide che le aree rurali devono affrontare, dei trend e delle opportunità. Inoltre un approccio di più ampio respiro potrebbe semplificare il complicato

schema attuale che definisce la politica rurale in Italia. Il mix attuale di politiche di sviluppo regionali, di politiche rurali agricole, e di politiche nazionali, ciascuna delle quali opera in parallelo ad altre politiche settoriali che interessano le aree rurali (sanità, trasporti, energia, educazione, pianificazione urbana, comunicazioni), dà origine a una situazione molto complessa che non facilita la comprensione dei bisogni e le potenzialità reali delle aree rurali.

Una strategia rurale permetterebbe una programmazione mirata per migliorare le condizioni di contesto e promuovere la diversificazione delle economie rurali

In Italia, piuttosto che definire specifiche politiche settoriali, sarebbe importante migliorare la qualità locale dei beni collettivi e pubblici per aumentare la competitività di tutti gli attori all'interno di una data area. Per raggiungere questo obiettivo c'è bisogno di identificare tutte le condizioni di contesto in grado di accrescere le opportunità nel panorama sociale ed economico. Tali condizioni dovrebbero rappresentare quei beni collettivi e pubblici, propri dei diversi territori rurali, quali la qualità dell'ambiente, alti livelli di capitale umano e sociale e facile accesso al capitale (capacità di investimento). La sfida dunque risiede nell'identificazione degli interventi specifici necessari a rafforzare una serie di fattori economici chiave, nonché le particolari condizioni di contesto che sottostanno a questi fattori, in ogni ambito territoriale. Per sviluppare tale analisi, sarebbe importante migliorare la classificazione territoriale usata nella definizione delle aree rurali italiane, e includere un maggior numero di indicatori non necessariamente agricoli e considerare le sfide future relative ai cambiamenti demografici, climatici e ad altre importanti tendenze. In altre parole, c'è bisogno di un migliore (e indipendente) uso dell'analisi territoriale nella fase di definizione delle politiche.

In particolare, una politica rurale integrata dovrebbe: i) rafforzare la coesione sociale in Italia...

L'Italia potrebbe trarre beneficio da un maggior impegno sulla coesione sociale attraverso l'erogazione di servizi pubblici in tutte le aree. Si tratta di un aspetto rilevante, vista la natura e la portata del cambiamento socio-economico che investe le aree rurali di tutto il Paese e accrescerà la domanda locale di servizi efficaci, e giacché l'economia mondiale sta fronteggiando una fase di recessione. In questo contesto la qualità della vita e l'inclusione sociale diverranno probabilmente un problema centrale per i decisori politici in Italia come altrove. La prima necessità è quella di creare una maggiore

consapevolezza dell'importanza dei fattori sociali che supportano uno sviluppo sostenibile ed integrato. Questo obiettivo dovrebbe essere raggiunto tramite una interazione più intensa dei ministeri e più ricerca su temi inerenti ai servizi sociali nelle aree rurali e qualità della vita e loro relazione con lo sviluppo economico rurale (compreso la competitività dell'agricoltura) e protezione dell'ambiente. Altri ministeri potrebbero giocare un ruolo importante e aiutare il MIPAAF a comprendere e affrontare correttamente questi temi. Per esempio, gli interventi nelle aree rurali potrebbero trarre beneficio dall'esperienza del MISE, che ha esperienza nel campo dell'analisi territoriale con un approccio multisettoriale (si prendano i casi dei servizi sanitari, educazione, turismo e sviluppo locale).

... ii) promuovere la pianificazione territoriale a livello funzionale per far fronte a problemi legati alla congestione ed ad altre esternalità negative...

Servizi specifici dovrebbero essere forniti per migliorare il legame funzionale tra le regioni urbane e rurali. Alcune regioni rurali sono integrate all'interno di aree più ampie che includono centri urbani. In queste regioni, la costruzione di alloggi spesso non è coordinata con la pianificazione dei trasporti, e gli stock esistenti di alloggi non sono utilizzati in maniera corretta. Questo genera un intenso pendolarismo dalle aree rurali a quelle urbane che mette sotto pressione le infrastrutture di trasporto e la qualità ambientale (come già evidenziato il trasporto privato in Italia rappresenta circa il 20% del totale delle emissioni dei gas serra). Una soluzione possibile è sviluppare la pianificazione ad un livello territoriale più ampio, tenendo conto delle *aree funzionali*. L'infrastruttura di trasporto, per esempio potrebbe essere progettata per ottimizzare i flussi di pendolari. Il trasporto pubblico municipale potrebbe essere esteso ad alcune aree peri-urbane. La pianificazione territoriale potrebbe anche permettere alle autorità nazionali e regionali di gestire l'immigrazione nelle aree rurali in maniera più efficiente.

... iii) sviluppare politiche sociali mirate per gli immigrati

La concentrazione di lavoratori stranieri è aumentata costantemente nelle aree rurali, tuttavia l'Italia non ha ancora sviluppato una strategia esplicita che massimizzi i benefici dell'immigrazione per riequilibrare i trend attuali di invecchiamento e spopolamento. Gli immigrati rappresentano una manodopera abbondante e relativamente economica che, se ben integrata all'interno dell'economia locale, potrebbe diventare un fattore di crescita economica. Per

generare questa dinamica sarebbe importante facilitare l'integrazione degli immigrati nelle comunità locali. Per esempio, si potrebbero fornire case popolari (usando il grande stock di case abbandonate) e altri servizi chiave alle famiglie immigrate per facilitare lo sviluppo di un senso di appartenenza al luogo e alla comunità che le ospitano. Va, inoltre, notato che l'assorbimento di parte del flusso dei lavoratori stranieri nelle aree rurali potrebbe ridurre la pressione sui centri urbani, dove gli immigrati sono presenti in elevate concentrazioni, promuovendo così un modello di immigrazione più sostenibile nell'intero Paese.

... iv) sostenere i processi di diversificazione della economia rurale, favorendo il potenziale produttivo e turistico

Gli investimenti pubblici per migliorare l'integrazione delle PMI locali con le attività part-time di agricoltura o di gestione degli asset naturali e culturali potrebbero risultare più redditizi rispetto alla corrente allocazione di fondi a sostegno di investimenti in una generica « competitività » del settore primario. Gli interventi dovrebbero rispecchiare la specializzazione produttiva delle aree rurali. Dovrebbero anche supportare l'ulteriore specializzazione del settore agro-industriale su prodotti ad alto valore aggiunto, e su cluster e network di PMI. Anche i nuovi settori dell'economia, come la « Nuova Economia Ambientale », potrebbero essere sostenuti dall'investimento pubblico, facendo tesoro di alcune esperienze locali di successo (per esempio l'iniziativa CISA per lo sviluppo di energia rinnovabile in Emilia-Romagna). La politica di sviluppo rurale potrebbe anche supportare attività turistiche con un approccio integrato. In particolare, sarebbe molto importante aumentare la visibilità sul mercato internazionale delle amenità e dei servizi disponibili nelle aree rurali, tramite una comunicazione coordinata, e riconoscere e valorizzare le tradizioni locali, creando legami tra il visitatore e il carattere e la cultura locali. I comuni hanno ovviamente un ruolo essenziale all'interno di questo processo, poiché essi rappresentano le istituzioni pubbliche che meglio conoscono i bisogni e la cultura locali. Al tempo stesso, i comuni hanno bisogno di aiuto da parte delle istituzioni intermedie che operano su una scala più ampia, e devono poter attingere ad altri fondi (privati e pubblici) per aumentare la propria visibilità e supportare il necessario processo di valorizzazione. Al momento, l'esistente combinazione tra livelli di ricchezza raggiunti e risorse disponibili, e questioni collegate alla ripartizione delle risorse fiscali, possono condurre al paradosso che proprio le aree rurali più ricche spendano ingenti quantità di denaro pubblico per lo sviluppo rurale, mentre le altre aree dotate di analoghe amenità naturalistiche, ma inferiori risorse finanziarie, non possono farlo.

... e v) proteggere e valorizzare le amenità naturalistiche

Per la sua varietà e bellezza, il paesaggio rurale italiano è senza dubbio una delle più importanti risorse del Paese, con ulteriori potenzialità in vista degli obiettivi di sviluppo rurale. Tuttavia i servizi legati agli ecosistemi naturali non sono correttamente sviluppati nelle aree rurali. La natura è un patrimonio prezioso, e in alcune aree questo aspetto si collega al livello di consapevolezza delle risorse culturali presenti nel territorio. L'Italia ha un grande potenziale per sviluppare un maggior numero di attività economiche basate sull'uso sostenibile e lo sviluppo delle risorse naturali e culturali, nella forma di biodiversità, paesaggio, e protezione e gestione delle acque. Il valore del paesaggio e di uno spazio naturale ben conservato per il turismo e per l'industria del tempo libero e della salute che si sviluppano sempre di più nelle società industrializzate, dovrebbe essere riconosciuto e incorporato nelle strategie future. Allo stesso tempo sarà importante rispondere alla sfida della produzione di energia sostenibile, tramite l'utilizzo di risorse naturali e rinnovabili, molte delle quali possono essere trovate nelle aree rurali. L'utilizzo sensibile e innovativo delle fonti energetiche idriche, eoliche, solari e geotermiche, così come la produzione di energia dagli scarti dell'agricoltura e silvicoltura dovrebbero rappresentare importanti aspetti della futura politica di sviluppo rurale in molte regioni italiane. Complessivamente, questi fattori potrebbero contribuire in modo sostanziale a far sì che l'Italia possa fronteggiare in futuro le sfide del cambiamento climatico e della crescente competizione globale per il cibo e gli idrocarburi.

Concludendo

Le regioni rurali d'Italia hanno, in media, un PIL pro capite più elevato delle regioni rurali dell'OCSE. Questo è dovuto alla loro base economica diversificata. Il settore manifatturiero e i servizi giocano un ruolo chiave all'interno delle economie rurali, mentre tra il 1990 e il 2004 l'agricoltura si è ridotta sia in termini di prodotto (in volume) sia di superficie utilizzata. Tuttavia, nonostante questo, sul piano delle politiche la mancanza di un approccio inclusivo verso lo sviluppo rurale espone le regioni rurali ad un numero di trend negativi che potrebbero comprometterne la sostenibilità nel prossimo futuro. Pertanto, l'Italia ha bisogno di sviluppare una visione della politica rurale più « allargata » e integrata che metta assieme differenti Ministeri e Assessorati. Un coordinamento orizzontale più forte su temi della politica rurale faciliterà un più efficace coordinamento verticale e un uso più efficiente ed efficace delle risorse nei programmi di sviluppo rurale e

regionale. I governi regionali devono fare in modo che l'attuazione a livello sub-regionale delle politiche sia condivisa (tra differenti assessorati) e adeguata alle esigenze locali, favorendo e sostenendo efficaci istituzioni di raccordo a questo livello. Forti *partnership* saranno essenziali per superare alcune delle barriere tuttora esistenti per un efficace sviluppo rurale a livello locale. Questi ostacoli includono le minacce alle risorse ambientali, i problemi legati alle tendenze demografiche, la mancanza di servizi alle persone e alle imprese, e, in alcune aree rurali del Mezzogiorno, l'influenza del crimine organizzato.

Un nuovo approccio alla politica rurale in Italia potrebbe migliorare l'efficacia degli investimenti pubblici, riducendo così il bisogno complessivo di risorse. Le priorità chiave per la futura politica rurale dovrebbero focalizzarsi su una più approfondita analisi territoriale e concentrarsi sulla qualità della vita nelle aree rurali e sull'accessibilità ai servizi, in particolare per le donne, i giovani e gli anziani. Si rendono necessari più investimenti nell'ambiente e nella « nuova economia ambientale », per lo sfruttamento della gestione forestale sostenibile e per promuovere la produzione di energia rinnovabile nelle aree rurali. Per quanto riguarda lo sviluppo economico, strategie multi settoriali e inserite nel territorio dovrebbero offrire più opportunità per il futuro, rispetto alle politiche uni-settoriali. Perciò, sembra opportuno promuovere lo sviluppo di uno schema multi-settoriale, nel quale siano coinvolte le istituzioni finanziarie, azioni collettive perseguite dai comuni (come ad esempio quelle realizzabili nel campo del turismo e della pianificazione dei servizi), la fornitura di servizi di formazione nel campo dell'imprenditoria e delle strategie di innovazione, nei diversi segmenti di imprenditoria rurale.

In breve, la strategia italiana per lo sviluppo rurale dovrebbe: 1) Promuovere sia i driver economici sia le « condizioni di contesto » in tutto il Paese; 2) Assicurare la sostenibilità ambientale, e usare le risorse naturali come input per l'industria del tempo libero, e per generare energia rinnovabile; 3) Promuovere la pianificazione territoriale a livello funzionale, anziché amministrativo, per migliorare i legami tra ambiente urbano e rurale; 4) Facilitare, ai diversi livelli di governo, processi di valutazione inclusivi, con una particolare attenzione ai bisogni delle diverse aree e alle corrispondenti allocazioni di risorse.

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OECD Rural Policy Reviews

ITALY

On average, rural regions in Italy have some of the highest GDP per capita among the OECD countries, yet unexploited potential remains. The Italian decentralised rural governance structure, with its influential regional governments, is well equipped to capitalise on this potential. Analysis of rural Italy reveals heterogeneous economic conditions, an increasing elderly population and a diminished focus on environmental concerns. This suggests the need for a broader rural policy approach that reflects the changing demands upon rural resources and that considers other aspects of rurality including health, education and quality of life.

Diffused entrepreneurship, accessibility, a skilled labour force, and great natural and cultural amenities are the drivers of rural economies in Italy. However, the Italian approach to rural policy is relatively complex and reflects different conceptions of “rural”, which continue to be influenced by EU agricultural and regional development policy. To take maximum advantage of its potential, Italy’s strategy for rural development should both promote economic drivers and consider social and quality of life conditions across Italy. It should also support environmental sustainability, including the use of natural resources for new purposes such as energy generation and the leisure economy. There should be more focus on improving urban-rural linkages through planning at functional rather than administrative levels, as well as facilitating better collaboration among different levels of government.

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