



POSSIBLE TRAJECTORIES OF INSTITUTIONAL POLICY FOR LOCAL DEVELOPMENT

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SUMMARY

Relationships between the actors sharing a territory are very important when one wants to conduct an analysis centered on local development and its sustainability. In fact, these actors - and the social relationships they build and support - choose the most appropriate resources to enable development mechanisms. At the same time, the actors decide what are the costs of sustainable development and who should participate in the efforts to stimulate growth and share successes. In other words, local development policies require a strong and high-profile intervention by the public actor, even when their realization necessarily involves collaboration with private actors. Based on these statements the aim of this paper is - from one side - to highlight the strategies that enable actors to support institutional development and growth of their area, with particular reference to the implementation of invisible factors such as social capital, the construction and socialization of new knowledge, the good practices of territorial management based on the principles of good governance. On the other hand, we want to show - more closely and specifically - what are the correlations (we hope the positive ones) between the work of the Public Administration and the development level of an area, whereas the current system's complexity requires that the structural measures of the Public Administration should be guided by the objective of pursuing higher levels of efficiency.

Keywords: *sustainability, governance, good governance, public administration, development*

INTRODUCTION

This paper aims to reflect on the importance of good governance as an enabling tool for territorial development. The experience of Italian local development is also well known in the international literature, due to issues related to corruption, illegality, or what Banfield in 1958 called *amoral familism* (Polazzi, 2022; Bagnasco, 2022; Mocetti, & Rizzica, 2021). Over the years, many legal instruments and regulations have been adopted (such as the Transparency and Anti-Corruption Act); however, much is also being done to improve efficiency and transparency in public administration to promote citizens' trust and active involvement in the management of public affairs, which fosters accountability and fairness in decisions.

Evidently that the analysis of economic development and sustainability in different European countries shows significant differences in the policies adopted. For example, while Spain focuses on innovation and strengthening the tourism sector to foster economic growth, or Romania shows more significant interest

in attracting foreign investment for infrastructure development, Italy focuses on exporting high-quality products and sustainable agriculture. These very brief observations indicate that these approaches directly influence the local population, leading to different economic opportunities and levels of well-being (Fava et al., 2021; Zaharia et al., 2021; D'Adamo, 2023).

Therefore, we believe that the Italian experience can offer important implications and applications for other European countries regarding good governance. Through the legislative and institutional reforms implemented over the years, Italy has demonstrated that it can successfully address challenges such as corruption and conflicts of interest. Lessons learned can be used as best practices to improve transparency and accountability and promote integrity in the public sector in other European contexts, thus helping to strengthen citizens' trust in institutions (Campelli & Golem, 2023; Butera, 2023).

LITERATURE REVIEW

The institutional issues have been attracting the attention of local development scholars since the early days when this type of studies has established. Institutional issues have attracted the attention of local development scholars from the earliest days when this type of study emerged. Since then, experiential approaches and endogenous development have been based on a bottom-up view through processes of local resource enhancement.

In this context, new development models begin to relate more and more to the systemic optic, aware of the close ties between business and the local environment, so that the local specificities become the key factor for the location of the enterprises and development forecasts. On the other hand, the local system is required to adapt to the changes coming from the external environment, while maintaining its originality (which is only partly and not always to be understood as original identity), to use it as a strategic factor for the production of new values, new knowledge and innovation (Becattini & Rullani, 1993).

From this perspective, the task of the local political process is to activate the promotion of local resources and support local enterprises in their attempts to innovation and development. "The development model that results from all of these beliefs is focused on the enhancement use of local resources, environmental and social sustainability, institutional capacity building and the logic based on the net-working and on the concepts of consultation and socio-economic partnership (in this direction should be all the tools provided by the EU for regional development)" (Vespasiano & Martini, 2008, p. 12).

The fate of local development seems to be in the hands of the actors who "make relationships" and want to achieve a common interest. "The development must be understood as the result of collective action made possible by the sharing of own territory and by the idea of development envisioned for it. Among other things, sharing also facilitates the reflection on the selection of resources that must be mobilized to initiate and support the development"¹ (Vespasiano & Martini, 2008, p. 34).

In this perspective, for example, the Italian National Sustainable Development Strategy (UN Agenda 2030, <https://www.agenziacoesione.gov.it/>) is based on a multidimensional method to overcome economic, environmental and social inequalities and thus pursue sustainable, balanced and inclusive development. This approach implies a wide range of instruments, including budgetary policies and structural reforms.

But the *main actors of development are those who live in the territories*. They are the ones who know the needs

and expectations; the availability for change and also the resistance to it; the strength of the traditional identity and the weaknesses of the daily conflict (Vespasiano, 2005: 46).

However, in explaining the success of some areas and the decline and stagnation of other ones, the mechanisms of creation and transmission of knowledge played a crucial role; next to the calculation of the conveniences of actors and companies, one has also begun to consider the existence of invisible factors (variously known as: embedded, submerged, tacit, implicit) that the production system of a certain territory shares often without being aware of it.

The local production systems development literature has documented many different conditions in which these invisible factors appear. It is so spoken about external economies, benefits of cooperation in the context of stable and repeated relationships, trust as the glue of a local division of labor, community spirit in the relationships between economic operators who share the same vision of things and the same story; of increasing returns triggered by localized dynamic learning; of sharing knowledge, professional practices and rules of social behavior.

International literature describes this system of not reproducible local conditions with the term (not easily translatable) of *milieu*, which is formally defined as the set of internal conditions and resources that defines the characteristics of a territory and can determine the majority of possible changes and the concrete spreading of the development² (Governa, 1999).

The key to understanding the potential of an area arises from the assumption that, before the accumulation of capital, the decisive factor is represented by knowledge (Brusco, 1994, p. 68) and, in particular, the mix between codified knowledge, knowledge and local (or localized) knowledge (Rullani, 1989, p. 137) - capable of supporting innovative long-term processes. This localized knowledge is the differential based not on economies of scale, but on economies of culture³.

The competitive advantage of a territory and of a system of companies that knows how to build networks is given by the possibility of organizing learning forms and knowledge dissemination collective forms on a local basis: moving from one company to another, from a competitor already on the market to a new-company, from a worker to another one, the same knowledge is used frequently, without additional cost and with an increase of the value of the product.

¹ For a review of the debate, see Becattini (1989a, 1989b), Becattini & Rullani (1993), Grabher (1993).

² Therefore milieu is characterized not only by territory but also by the role of individuals within it and by the relationships they have with the outside: these elements constitute the identity of the system because they generate local living conditions and potential resources that are formed and layered over time and can not be produced or reproduced at will, and even transferred from a local system to another one.

³ In fact, the analysis of local interests increasingly emphasizes that the success of an enterprise depends not only on the interaction with other enterprises in the local-area, but also - and perhaps decisively - on the interactions with the socio-cultural and institutional context.

This mechanism is called the *multiplier effect of knowledge* and with it the learning rate of the local system can become a criteria by which to read the competitive differentials.

In relation to this aspect, it is known that in the current processes of globalization and internationalization, the meaning that sees the territory as a physical or geographical location moves towards an approach that considers and values the intangible resources that flow from it, such as knowledge, design, art, style and creativity (we think about the indispensable synergy between territoriality and Made in Italy).

- ✓ becoming a depository of localized knowledge, that is dependent on the experience of those who work or live in the local context, and is shared by various stakeholders;
- ✓ acting as a catalyst for externalities, locally produced due to physical proximity, sharing of the local context, symbols, and codes that are implicit in the experience localized.

The local systems are capable of exercising more productive and innovative capacity if they create a continuous and more intensive interaction between the two spheres of knowledge and can activate their own substrate of values, knowledge, traditions, and institutions. In this perspective, the competitive advantage is outside of enterprises and must be attributed to the location of its units.

With this in mind, one becomes aware that society contaminates the economic actors of the market, leaving an imprint on the way they make choices and actions, but at the same time, society provides them with additional resources useful in the competition. In such a vision, the environment is not a simple container but a structured space. Through the social capital, the action of the actors is contextualized, and the context is transformed into the active force and productive resource.

Following this approach, the local dimension is stated as a key factor in the evolution of the system because the fundamental process of conversion and regeneration of knowledge takes place locally; a local system, thus understood, is not a closed system but a loop of continuous learning.

Particularly, its active role in the incremental process of knowledge useful for development increases substantially along two lines (Rullani, 2004):

It is evident that the capital is not an item transferable from one area to another (this is possible with the financial, physical and human capital); as already argued, in fact, social capital is presented in a “situational way” because each area is different from another one and has its own characteristics that differentiate and distinguish it and that keeps the capital in a state of latency for a long time, or putting it in slow motion or immediately (Bonfanti, 2008).

To conclude, the cognitive process of a territory is socialized and collective, founded on a relational organization between the actors. In this way, the local context becomes an open system of interactions for the production and dissemination of its own social capital which becomes the real differential of the territory and its entrepreneurship (Martini et al., 2024).

DATA SOURCES AND USED METHODS

THE ROLE OF INTERMEDIATE INSTITUTIONS

Institutions play a central role in any development process and in the production of public policies, at least for two reasons. They represent the channels by which one can make forms of policy integration that constitute the distinctive element of local development policies. The territory that receives such policies is neither a geographical area, a conglomerate of enterprises, an administrative authority, nor a cultural enclave, but an institutional construct whose boundaries are delineated through political, organizational, and administrative decision-making processes. (Lanzalaco, 2009, p. 37).

Without “local development agencies and organizations” as Pichierri Angelo (2002, p. 107) defined them- that is, districts, territorial agreements, strategic plans, local action groups, local tourist systems, etc. - there are no territories and territorially defined entities. The territories coincide with these institutions, and it is for this reason that the institutional dimension is constitutive of the same territory. In this sense, the institutions incorporate the interdependencies and the idiosyncratic ties that are created between the citizens, enterprises, families and estates (economic, environmental, cultural, etc.) (Pasqui, 2005, pp. 31-42, 127-134).

Secondly, the local development policies are integrated policies, which are based on coordination between different policy areas - agriculture, urban planning, tourism, infrastructure, cultural heritage, etc. - within a territory. And, again, the policy integration processes are through policy institutions, activating forms of inter-sectoral coordination between administrative organizations that already exist, but also creating new ad hoc institutions with the specific aim to reduce fragmentation and increase the degree of consistency between the various sectorial policies (Lanzalaco, 2009, p. 37).

Particularly, the intermediate institutions or meso-institutions have an important role in the process of territory building (Martini & De Luca Picione, 2022). These are institutions and organizations located at the micro and macro level. The main function of intermediate institutions is to generate intermediate forms of *idiosyncratic standardization* of economic and social behavior. On the one hand, they generate compliance and consistency in order to share development projects; on the other hand, they do not impose universalistic rules but generate different local regulatory orders and are strongly rooted in the territory (Martini & De Luca Picione, 2022, p. 38).

The intermediate institutions - those that Pichierrri (2002) calls the local development organizations - have three distinctive features that are linked together and that are the result of a process of institutional stratification and sedimentation that occurred in the last two or three decades. The first one is to gravitate together, and in a not programmed way, on the same territory. The second one is that the relationships between these overlapping institutions are joint, that is they are not inserted into a hierarchy of authority: their regulatory activities interfere with each other, in a chaotic way. The third one is that these institutions have different boundaries and areas: the territory is defined and constituted in different ways generating a form of polycentrism as "variable geometry" (Lanzalaco 2009, p. 38).

However, these distinctive features of the institutions for local development may generate a series of not always positive effects and require a rethinking of these same tools of government and local development policies.

Particularly, we are witnessing a kind of hyper-local projects, that is the exponential growth of institutions and development projects (local, tourism, rural, urban, sustainable) that overlap each other without any perceptible total design. Therefore, while the intermediate institutions push towards forms of

standardization and homogenization (idiosyncratic), the perverse effect generated by the conjunction of all these pressures is the shattering of a development model in a myriad micro-localist projects. This creates a double problem of institutional sustainability (Lanzalaco, 2009, p. 39).

On one hand, it generates an overload of frantic decision-making activities (that in the medium or long term may not be sustainable in terms of both time and skills) for both politicians and officials and for representatives of associations representing. On the other hand, the plurality of decision-making places leads to the fragmentation of decision-making and administrative processes. This also creates confusion among the public and private actors, eroding the unity and homogeneity of development paths, which is the main threat to the institutional identity of a territory.

There is a high risk of project dissonance, so the actors operating in a given territory should be subject to inconsistent patterns between them. In this scenario forms of territorial disintegration of development projects can emerge tacitly - and, above all, in a non-governed and non controlled form⁴.

The disruption of spatial development patterns can erode the social order on which these production systems are reproduced because it ignores the interdependencies between sustainability and the different dimensions of development.

The output of all this is that there is a systematic bias (although with some significant exceptions) of the local development policies: polycentrism has replaced the narrow localism, the culture of quality has taken over the exhibition of luxury and the exaltation of local folklore, absence of a tourism policy compensates an ineffective mixture of heterogeneity of the area as a distinctive mark of it.

In short, the fragmentation of territorial identity is the other side of the dispersion of local development projects in countless streams of financial disbursements.

In the analysis of local development policies and factors of their success / failure one must ask what is the role and the influence of the features of the system of institutions, organizations and agencies responsible for the development and implementation of local development policies. In this regard, Lanzalaco (2009, p. 41) identifies at least two lines of institutional policy for local development, in order to contain the possible negative effects.

⁴ All this is a big problem for areas characterized by the presence of small and medium-sized enterprises for at least two reasons. First, these enterprises depend both on the decisions and strategies developed by public decision-makers for the environment in which they are constrained idiosyncratically. The project dissonance creates uncertainty and drastically reduces the possibility of rationally directing entrepreneurial activity based on clear and predictable development paths. Secondly, because if it is true that the development is a multidimensional concept reducible to the single economic dimension (Borghi & Chicchi, 2008), this is especially true in particular for the areas of small and medium enterprises in which the family friendship networks, and associative structures have a key role.

POSSIBLE TRAJECTORIES OF INSTITUTIONAL POLICY FOR LOCAL DEVELOPMENT: FROM GOVERNANCE TO GOOD GOVERNANCE

First of all, given the scarcity of financial resources for local institutions - particularly since 2013, when the abundant and generous donations of funds ended - the primary objective is to save money and avoid waste of resources in the expensive institution, building process (inefficient and, above all, ineffective). In other words, one must put a stop to the process of indiscriminate proliferation of projects and agencies whose primary purpose is to provide funding "to give to just anyone and anywhere" rather than promote focused and consistent projects.

To prevent these forms of institutional opportunities, one can move into directions arising *from* and being added *to* the first line that we have just identified. One can think about a drastic simplification of the system of institutions and organizations of local development with the dual purpose of saving resources and creating homogeneous development projects. This process should not necessarily lead to forms of centralized planning, but one might be in search of unitary and unifying design forms that minimize fragmentation and dispersion of resources and policies.

The second line of action consists of the strengthening of integration processes between the different policies (policy integration) to reduce the weight of economic and distribution size and to give, instead, the appropriate importance to the other dimensions of local development (the environmental and landscape protection, welfare, policies for immigrants, for the family, the labor market, vocational training, for the enhancement cultural heritage and protection of professionalism) to give to the political and development process a real multidimensional character. To conclude, the institutional sustainability of local development policies seems to establish itself as a determining factor for their effectiveness. In fact, the power of policies is expressed not only through their prescriptive will but also through legislative ability. For this reason, the one who has the power to "define" and enforce policy becomes a crucial figure because they also have the power to legitimize a specific way of looking for the reality on which one wants to operate (Orlandini, 2010, p. 131).

For these reasons, it is important to reflect on the concept of governance (described as a form of execution of power) and even more of his political imperative: "good governance" that has acquired a major role, as a part of development policies (Martini & Serluca, 2012; Serluca & Martini, 2023).

The concept of governance is not new. It is as old as human civilization. Simply speaking, "governance": refers to the processes of decision-making and decision implementation (if done).

On the base of these considerations, analyzing governance means analyzing formal and informal actors involved in decision-making and decision implementing process, and the formal and informal structures that are created to implement those decisions.

The other actors involved in governance vary depending on the level of government under discussion. In rural areas, for example, other actors may include influential land lords, associations of peasant farmers, cooperatives, NGOs, research institutes, religious leaders, finance institutions political parties, the military. etc. The situation in urban areas is much more complex. Figure 1 provides the interconnections between actors involved in urban governance. At the national level, in addition to the actors, mentioned above, media, lobbyists, international donors, multi-national corporations, etc. may play a role in decision-making or in influencing the decision-making process.

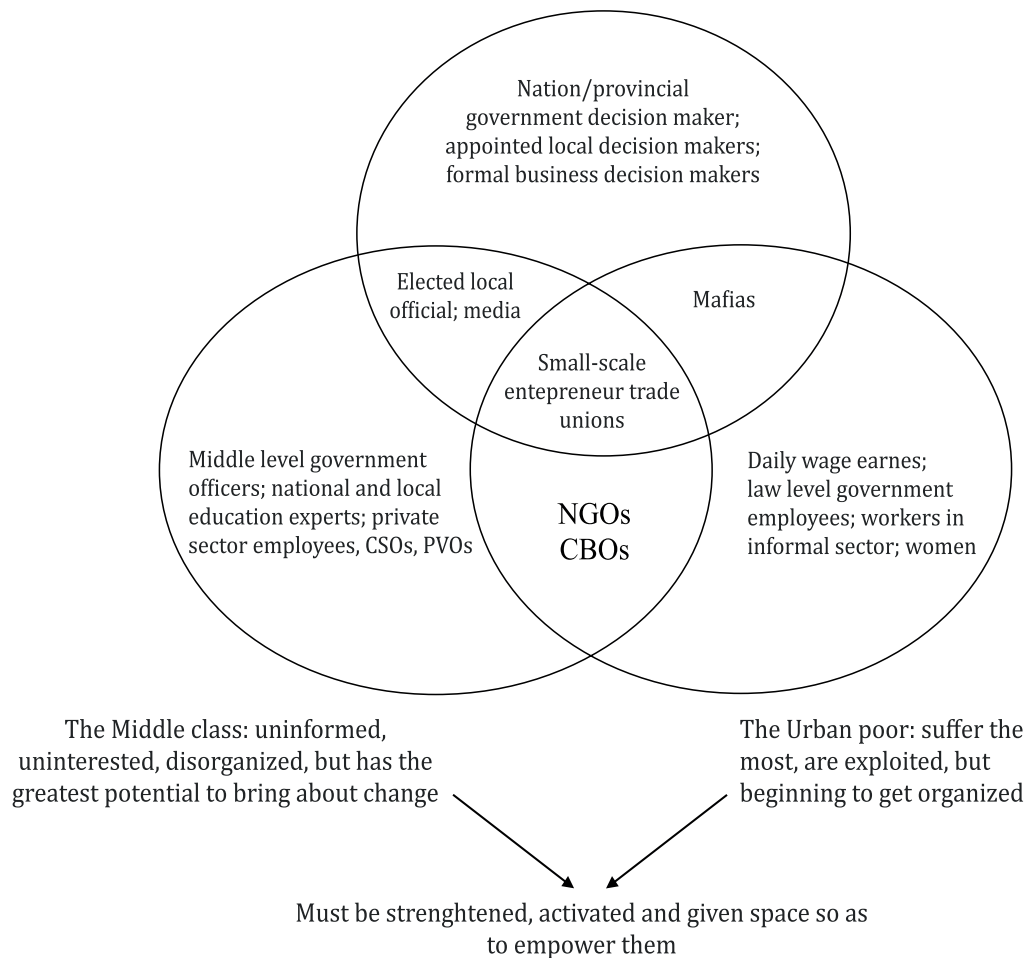
All these actors are grouped together as part of the civil society. In some countries in addition to civil society, organized crime syndicates such as the land mafia may also influence decision-making, particularly in urban areas and at the national level. In some rural areas locally, powerful families may make or influence decision-making.

Informal decision-making is often the result of corrupt practices or leads to corrupt practices (UNESCAP, 2009).

The complexity of the figure suggests that the governance mechanism needs to run a constant interconnection between the actors and the management of their power forms. It may happen that often, the discursive practices and the rhetorical processes of decision-making vehicledirects (within the local plan) the ideas and ideologies developed at the international level. This highlights not only the transnationality of the formation of an ideology and the policies of good practice but also the ambivalences and paradoxes of a transnational context and the hegemony of the forces not easily controlled by the local environment (Minicuci & Revanello, 2011, p. 33). A situation of this type can occur as a synonym for a crisis of governance.

Not surprisingly, the concept of good governance was used for the first time in 1989, that is the year of the publication of the report of the World Bank in Africa, where the lack of development of the continent was attributed to a crisis of governance, which in this case, it became a problem to analyze and to try to solve. From here emerged in all its normative force the policy of good governance that in the nineties became the new paradigm of development (Orlandini, 2011, p. 131).

The Urban elite: shape the city; formally and informally; is well organized.



LEGENDA

CSOs: Civil society Organizations

PVOs: Private Voluntary Organizations

NGOs: Not Governmental Organizations

CBOs: Congressional Budget Offices

Fonte: UNESCAP, 2009. <https://www.unescap.org/resources/what-good-governance>

The policy of good governance:

- emphasizes the role of public managers in providing high-quality services,
- supports the enhancement of managerial autonomy,
- measures individual and organizational performance.

It also recognizes the importance of providing the resources and technologies that managers use to achieve their institutional goals, and the importance of being “receptive to competition and a philosophy of openness”

whereby public officials should “make” their own purposes (differentiating them from those of the private sector) (Agere, 2000, p. 1).

From this new paradigm a range of perspectives serve to frame a government structure that has been the focus of debate in the political arena in both the academic, are and outside:

1. the relationship between governments and markets;
2. the relationship between governments and citizens;
3. the relationship between governments and private and voluntary sectors;
4. the relationship between elected representatives (politicians) and appointed (civil servants);
5. the relationship between local government institutions and residents of urban and rural areas;
6. the relationship between the legislative and executive power;
7. the relationship between nation states and international institutions.

By analyzing these prospects, many theorists and practitioners of public management from academia have formulated several different processes and procedures to obtain the so-called good governance and defined the principles and assumptions that underlie the same (Agere, 2000, p. 1).

Participation

Participation by both men and women is a fundamental feature of good governance. Participation could be either direct or through legitimate intermediate institutions or representatives. It is important to point out that representative democracy does not necessarily mean that the concerns of the most vulnerable in society would be taken into consideration in decision-making. Participation needs to be informed and organized. This means freedom of association and expression on the one hand and an organized civil society on the other hand.

Predictability

Good governance requires fair legal frameworks that are enforced impartially. It also requires full protection of human rights, particularly those of minorities. Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force.

Transparency

Transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those affected by such decisions and their enforcement. It also means enough information is provided via easily understandable forms and media.

Responsiveness

Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe.

Consensus oriented

There are as many viewpoints as there are actors in the society. Good governance requires mediation of the different interests in society to reach a broad consensus in society on what is in the best interest of the whole community and how this can be achieved. It also requires a broad and long-term perspective on what is needed for

Particularly, the concept of good governance must be based on eight fundamental principles: participation, consensus orientation, accountability (responsibility), transparency, responsiveness, effectiveness and efficiency, equality and inclusiveness, predictability (state of law) (UNESCAP, 2009):

sustainable human development and how to achieve the goals of such development. This can only result from an understanding of the historical, cultural and social contexts of a given society or community.

Equity and inclusiveness

A society's well-being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups, but particularly the most vulnerable, to have opportunities to improve or maintain their well-being.

Effectiveness and efficiency

Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal. The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment.

Accountability

Accountability is a key requirement of good governance. Not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders. Who is accountable to whom varies depending on whether decisions or actions taken are internal or external to an organization or institution. In general, an organization or an institution is accountable to those who will be affected by its decisions or actions. Accountability cannot be enforced without transparency and the rule of law.

In this scenario, there are three actors involved in the management of good governance: government, civil society, and the market.

The government must provide citizens with the services promised and play an appropriate role in the economic management of the country; the market ensures the mobility of factors of production, competition, and

the free exchange of information, and citizens are the passive recipients of an institutional environment where they can best interact with each other and with the government.

The interaction among these three entities ensures the minimization of corruption, the consideration of minorities, the participation of the weaker in decision-making and therefore sustainable human development. Thus, good governance implies an efficient state,

a mobilized civil society, and a productive market. In other words, good governance is facilitated by effective governments that create a legal and political environment conducive to economic growth and to equitable distribution of wealth. This in turn depends on a “lively” civil society, which should be able to mobilize communities and groups, facilitate political and social interactions, and generate social capital and cohesion (Agere, 2000, p. 10).

WHAT IS THE ROLE OF PUBLIC ADMINISTRATION TO PROMOTE DEVELOPMENT

Public Administration (PA) plays a crucial role in economic and social local development. Law on local authorities (Testo Unico sugli Enti Locali) gives local communities, municipalities, and provinces the task of promoting development⁵.

As a result of the administrative decentralization policy, the municipality decides on the allocation of public funds collected, the levels of taxation and redistribution of wealth, and the efficiency of services offered (Ricci et al., 2010, p. 207). However, if one needs to focus on public policies (Howlett & Cashore, 2020; Ramazzotti, 2021) and interventions at the local level, PA defines macro-strategic directions and supports other decentralized entities (Brusconi & Vecchi, 2009).

The concept of a public administration system⁶, not only at a national level but also integrated into international cooperation and coordination, has become increasingly urgent and binding in recent years to rapidly identify bold, credible and effective policies.

PA can be understood in a structural dimension concerning the system of institutions that make up the State; these institutions are governed by standard rules and standardized homogeneous ways of operation. However, institutions are assigned a function that is institutionally aimed at satisfying the public needs⁷, which emerges from the territorial reality.

Three different types of policies to achieve its goals can be attributed to PA (D'Alessio et al., 2008, p. 35):

- *development policies* to ensure a level of quality of life adequate growing demand for the well-being of citizens;
- *policies of redistribution* of wealth to ensure the interests of all classes of the community are managed;
- *stabilization policies* when economic imbalances are created (inflation, unemployment, financial crises, political instability), those same imbalances that characterize the performance of our economy.

The close correlation between the activity of the PA and the growth (and development) of an area led the PA to seek the best conditions to maximize their objectives, which are not essentially new (development and promotion of macroeconomic reforms, strengthening the framework legislative, definition and implementation of policies for the companies, strengthening of the efficiency, accountability and internal accountability, etc.). However, different logics should guide today: the economic context (crisis), the social context (attention and pressure of public opinion), the political context (the consent form of parties and political movements), the institutional context (approval of reforms) (Borgonovi, 2010, p. 173) impose structural measures, in order to pursue higher levels of efficiency together with the containment requirements of public expenditure (Amatucci, 2000; Rebora, 2019; Cucciniello et al., 2018).

In the context of limited resources, the Public Administration (PA) must apply the brakes on certain expenditures, such as personnel expenses and the purchase of goods and services. At the same time, the PA must step on the accelerator for those same expenses that stimulate economic development, urban renewal or the revitalization of degraded areas, and the creation of social capital (Borgonovi, 2010, p. 174) fielding actions to define the necessary conditions to support the local development, the attraction of investments, and direct resources in the area.

In setting priorities to consider in defining local policies and guidance at the national level, the framework is the Quadro Strategico Nazionale 2007-2013⁸ (QSN 2007-2013) (Ministry of Economic Development, 2007). The document proposes a comprehensive strategy aimed at the integration of the different actors involved in the promotion of paths to innovation, competitiveness and economic, social and territorial cohesion (Chamusca et al., 2024).

⁵ Legislative decree n. 267/2000 – Art. 3 - Autonomy of provinces and municipalities:

- Local communities (municipalities and provinces) are autonomous.

- The municipality is the local authority that represents their community, looks after the interests and promotes development.

- Province, a local intermediate authority among municipality and region, representing their community, looks after the interests, promotes and coordinates the development.

⁶ “...highlighting precisely articulation, the abundance, diversity, and specificity of thousands of government and local authorities, functional bodies, agencies, and firms characterized by different legal forms and degrees of organizational and economic autonomy”. See Borgonovi E., 2010, pag. 173.

The national strategic framework identifies four broad objectives:

1. to develop knowledge networks;
2. to enhance the quality of life, safety and social inclusion in the territories;
3. to enhance the productivity of sectors, services and competition;
4. to internationalize the economy, society, and governments.

They are the points of reference for the selection of action most appropriate and effective, available in priorities, goals, and targets. Based on these statements, the question that arises concerns the levers on which the PA should act:

1. New techniques of the government of the PA

The process of introducing standards and business principles, e.g., efficiency, effectiveness and economy, began several years ago (Legislative Decree no. 29/1993, Leg. 286/1999) and made the necessary use of tools and techniques typical of private companies, even if the scenario is different and more complex (Ricci, 2005, p. 20). “The concept of government of the PA must be rethought from the perspective of governance not only innovative but in a broader sense of governance (or good governance, as mentioned previously). [...] We must move from an administration focused on the acts and proceedings to a “people-oriented” administration” (Borgonovi, 2010, p. 176). This means clear programming and the ability to oversee management processes and procedures, measuring the impact and effectiveness of decisions and actions. Planning entails establishing goals before setting out, evaluation criteria, and alternative proposals, appraising the consequences of each alternative and selecting the best alternative, to be used (Manjo, 2024, p. 110)

2. Increasing levels of transparency and quality of information through appropriate accountability systems

Accountability means “giving account” of the use of public resources about the results achieved and the social needs of the community (AIDEA, 2008; Ricci, 2005) because PA uses resources that come from the contribution of citizens and thus requires a precise accounting of the use of these resources.

3. Ways of delivering local public services

Although resources are scarce, people need more diversified services and high quality. The legislature has always given special attention to public services⁹, seeking to delineate the role of local management in the delivery activity, considering that public services are not substitutable and are managed by public monopolies. Identifying “quality standards”, at least for homogeneous categories of facilities and services¹⁰, is the most important.

4. The ability to attract public and private capital

This capacity, on a public level, is linked to the skills and competencies of the PA to act on funding and calls on the European Community. However, the attraction of private capital in a territory is mainly linked to productive investment (Atkinson, 2021) but also to public administrations’ capacity to make a territory palatable or acquire innovative financing instruments such as project financing¹¹.

5. Making a change IN culture and behaviour

A crucial role is attributed to the leadership, which must be an active player in setting and sharing goals, using the resources referred to it and enhancing them. The political sphere has the task of interpreting the community’s needs and defining priorities for action; instead, the administrative sphere has the task of the concrete implementation of the decisions and programs. Only if there is sharing of objectives and awareness of the path to achieving that will it produce real behavioural changes.

The role that public administration must play in promoting the quality and competitiveness of a territory passes through the ability of administrations to adapt to changes in the context, not only regulations, which local administrations are called to confront (Comite, 2024). This shift has led from abstract discussions about the responsibility of public administration to a more pragmatic and managerial approach, focused primarily on tools, techniques, and procedures capable of effectively considering social and environmental variables (Borgonovi, 2005).

In Italy, the situation still needs to be improved¹². This delay will be addressed through the National Recovery and Resilience Plan (PNRR), which addresses some weaknesses that have afflicted our economy and society for decades: persistent territorial disparities, gender disparities, weak productivity growth, and low investment in human and physical capital (Ametta, 2023).

⁹ The qualification of a need as a public need is being assessed on: - the political opportunity to act - the social acceptability of public, - the cost-effectiveness of public action. Borgonovi E., *Principi e sistemi aziendali per le amministrazioni pubbliche*, Egea, Milano, 2005, p. 128.

The presence of a public service always records the presence of a common good, every time a service is public means it has been deemed worthy of a general interest, an interest that the community puts on everything, over every member of the community itself. Ricci P., *Il soggetto economico nell’azienda pubblica*, RIREA, Milano, 2010, p. 42.

¹⁰ Community Strategic Guidelines 2007-2013 and Operational Programmes 2007- 2013, which are explicit in Decision 2006/702/EC and Regulation (EC) No 1083/2006 of the European Council, promote a harmonious, balanced, and sustainable development community, suggesting a series of lines within which member states are required to prepare their own national strategic framework for 2007-2013 (Mazzara et al., 2010, p. 422).

The PNRR is not just a traditional investment program. Still, it is designed as an actual transformative project, in which resource allocations are accompanied by a substantial package of reforms necessary to overcome the historical barriers that have hindered the development of public and private investments in recent decades and the structural weaknesses that have long slowed growth

and led to unsatisfactory employment levels, especially for young people and women. The PNRR, therefore, envisages an integrated set of investments and reforms aimed at improving the country's equity, efficiency, and competitiveness, promoting investment attraction, and generally increasing the confidence of citizens and businesses (Mueller, 2020).

DISCUSSION AND CONCLUSION

From a strictly operational point of view, territorial development strategies could be as follows (Garzoni, 2009: 97-98):

- a) Territory portfolio strategy, aimed at identifying areas for investment, leveraging synergies by sharing resources or transferring knowledge;
- b) Economic and financial strategy of the territory to identify the most appropriate sources of funding needed for infrastructure and investments;
- c) Organizational strategy of the territory, concerning the choice to develop structures and operational mechanisms for the effective organization of the network of actors operating in the territory;
- d) The social strategy of the territory that refers, to environmental issues and compliance with certain work conditions and production activities' performance (activation of social capital networks).

We face a complex and lengthy implementation process, as each phase is essential for its completion and final success. Hence, there is a need for careful use of tools, which must meet specific requirements, such as consistency with the culture and existing skills in the administration, as well as integration with the mandatory planning and control tools already in use in local administrations, in order not to develop documents extraneous to the practical strategies and operational possibilities of public administration.

More recently, expectations of local administrations have increased, so they play a more active role in pursuing environmental and social equity, contributing to economic development, and limiting and correcting environmental degradation (Borgonovi & Rusconi, 2008).

Whoever wants to address the local development process must address local resistance to transform it into an actual engine of development: without it, or against it, it is impossible to initiate or support any local development process (Vespasiano & Martini, 2008, p. 131).

The strategy is to invest in self-feeding circuits that can benefit from the development of the system, trying to adopt a "sum greater than zero" approach, where one actor's interest is reflected in another's interest (Vespasiano & Martini, 2008, p. 105). Good governance is a rugged ideal to achieve in its entirety. However, to ensure human and sustainable development, all protagonists' actions must aim to transform this idea into reality.

⁹ You can see: Farneti G., *La nuova disciplina dei servizi pubblici locali dopo il referendum e la manovra estiva*, in Azienditalia, 10/2011, Ricci P., Landi T., *La governance delle società per azioni dei servizi pubblici locali: attualità e prospettive*, in Azienda Pubblica n. 2, Rimini, Maggioli, 2009.

¹⁰ Outside the system of citizen's chart had improved the quality of public services considerably reducing costs through the adoption of the spirit of continuous improvement of the cultural characteristic of quality systems. In Italy, however, wanting to "comply with the obligation of the law", it was decided to set the standard not just to continuously improve the level of quality, but rather to define the upper limit under which they could not take the penalties. Hinna L., *La riforma: una lettura in chiave manageriale*, in *Gestire e valutare le performance nella PA*, Hinna L., Valotti G. (a cura di), Maggioli Editore, 2010, p. 96.

¹¹ Project finance is not so much a new funding instrument, but rather a new philosophy and a new culture in the financing of public infrastructure, based on the feasibility of the project and its economic prospects, or on an attitude of the project to return - through income generated - the signed debt; the evaluation of the company requesting the loan, its financial position and its guarantees, take a back seat. (Amatucci, 2000)

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