



## **GUIDELINES FOR THE FORTHCOMING REGIONAL TERRITORIAL PLAN (PTR)**

### **1. Context**

Our country has come to a critical pass and we must now commit ourselves to major policy decisions of a wide scope. The public institutions involved in the effort to achieve good governance, the economy grappling with globalisation, the welfare system, and the deep demographic and social changes we are facing are the many epicenters of the sweeping transformation now underway to which Italy must respond with thoughtful promptness.

This response - requiring that we reform the basic structure of society - is hampered by historical developments reflected in our present situation, meaning by this the significant disparity amongst regions of the country in terms of development, income, the presence of the government, and law abidance. These difficulties are further compounded by problems such as uneven taxation, the handling of public funds and the increasingly worrisome structural imbalance we are seeing in the process towards a federalist policy.

Emilia-Romagna can play a prominent role in shaping this process, on account of its long experience with it in the forefront of the effort to work towards positive change, and this places the region in a unique position to compete internationally: we are therefore in a position to feel the consequences of this transformation more closely, and this compels us to take urgent action by pushing for innovation in regional and national policy.

This innovative process must be accompanied by a significant institutional adjustment. It has in fact brought about a decisive period in the implementation of the Title V of the Italian Constitution, the focus of which is to design a renewed asset on different institutional levels along simplification and rationalising directives. Regarding this, the capability of the Region to promote all those indispensable measures to better integrate the network of local government systems will be crucial.

### **2. PTR, a strategic plan for Emilia-Romagna**

To build a new season of development and change and to reinforce social cohesion: these are the two challenges ahead of us, and Emilia-Romagna brings to them its strong background, with past achievements that today secure for it a leadership position in many ways, in an international context and especially in Europe.

This is a complex challenge that we face, owing to the conditions our country is working from, and to the sweeping changes now taking place, which means that if we are to carry this effort through successfully we must do so working hand in hand with the other regions and with the public institutions of the country.

Many of these problems require that we refashion the role of the regional government itself, moving from support to system-wide action. The programmatic effort this new vision entails calls for deep strategic innovation in the territorial development of Emilia-Romagna, in such a way as to go to the core of the very identity and perception of the region.

We must leave behind our current existence as a cohesive assemblage of local groups and institutions and embrace a new makeup as a region that will take it on itself to draw all the different local components into a comprehensive network, passing from polycentrism to the region as a system. We must also recognise that success in working towards this goal will only come if we seize on the different strengths and experiences specific to each component of the group.

The Regional Territorial Plan (PTR) is the most important act for a region, through which a strategic design is set to map out the way for the coming years. A Plan which is used not only as a synthesis of existing programming tools, but especially as a means to propose a sole vision of “the region we want to become”. It is important to create an articulate and authentic debate on the territory, open to all bodies and associations in the region, to capitalise on all the contributions in one Plan which is both shared and efficient.

### **3. Past Achievements**

For several decades now Emilia-Romagna has been growing steadily in a process driven by the development of quality: in fact the region was among the poorest in the country in the early twentieth century, but in time its per-capita income reached some of the highest levels, and now the region has the best network of services for individuals and families as well as the highest percentage of students. Of course, not every area in the region presents a level socio-economic landscape, but our region is the one showing the least disparity between its strongest province and its weakest one, and these areas have each acted as forces of growth, each in their own way distinctive to this achievement.

The Via Emilia axis has thus gained strength along the line stretching from Bologna to Rimini; the seaboard area has been carrying on an enhancement process both in the more densely populated south and in the more nature-rich north. The axis at the foot of the mountains stretching from Parma to Bologna has likewise grown stronger; all across the lower-plains area new production centres have emerged, these being the Imola-Faenza-Lugo triangle, the Mirandola area, the Bologna-Ferrara line, and the inland Rimini area. The Apennine areas, which represent more than 40% of the regional territory, are being appreciated for the value of their own individuality and each one has found its own growth path.

Today we rank among the most European regions of Italy, this on account of our dynamic economy, the extensive interchange we engage in with other countries (such as France), and the strategic position we occupy along important lines of international communication. Despite a structural crisis affecting the agriculture sector, which will require a coordinated set of innovative supply-chain policies at every level, the specialised manufacturing sector is wide and competitive (especially in mechanical engineering).

Local production systems have embraced international competition and are leading the way in redefining their competitive positioning.

The most dynamic service sector is that providing services to businesses: it branches out across the region and positions Bologna, Parma, Modena, and Reggio Emilia among the top provinces in Italy when it comes to services with relation to population. Tourism keeps performing as an important segment of the economy of the region. The amount of investment and the number of people doing scientific and technological research are among the highest in Italy, and the regional university system attracts far more students from outside the region than any other system in Italy.

We do still need to achieve better integration between research and production, just as we

have to counteract the fragmentation of services, but our choice to invest in innovation and knowledge is proving successful. Lastly, our social services, health-care system, and multi-utility companies as a whole are certainly in the vanguard in comparison with their counterparts across the country.

#### **4. The New Challenges**

The PTR sets out the priorities for the work ahead of us over the next few years. These consist of:

- (a) Working on innovation, sustainable development, and environmental issues.
- (b) Positioning our region in the new context of European enlargement, all the while expanding relations with the Mediterranean countries, Eastern Europe, and Asia.
- (c) Reorganising our public institutions, especially with a view to creating a region-wide framework and building an integrated system of relations that will take us beyond polycentrism and concerted action.

These priorities can guide our effort to open new opportunities for the future. In fact, Emilia-Romagna, one of the most advanced and liveable regions in Europe, has now reached a critical point in its development, and we can appreciate this by a comparison with Europe's strongest regions, by looking at how dynamic its productivity levels are, how much innovation it introduces, and how work, labour, and employment are set up here. These factors will weigh importantly on the future of our regional system, and only through clear and bold policymaking will it be possible to attain the objectives we have set for ourselves, giving new impetus to growth, so as to keep playing a role in the future as a driving force in competitive arenas.

In economic terms, this transformation will require a sizeable investment to increase productivity, the real problem now facing the Italian economy: this will mean bringing innovation to products and production processes, advancing scientific and technological research, training the workforce to attain better human resources, by promoting creativity and talent, protecting the environment, and working to improve logistics, communication networks, and the services necessary to open up to international markets; it will require further modernising of administrative government as well, so as to endow its public institutions with greater efficiency and decision-making ability.

In social terms, there are two basic trends we should keep in focus: first, an ageing resident population, with the complex issues this change is giving rise to, and second, the increasingly strong immigration we are seeing throughout much of our territory, in a process that is changing the face of our cities. We must govern these patterns with good judgement and skill, innovating social and health-care policies, reinstating our basic values, keeping an open mind and forward-looking attitude on the delicate issue of identity, and reasoning on multiculturalism as both an enrichment of our social capital and an accretion for society at large.

Lastly, environmental protection makes it necessary, without further delay, that we work to maintain a balance within the planet and guarantee a supply of natural resources for future generations, looking further than the simple slogans and listing in a precise way all the challenges and objectives for the years to come. If the Kyoto Protocol has defined the route, it is now time for the regional system to take on the responsibility for certain choices capable of making compatible places and biodiversity with everyday life in the territory.

Soil protection, water systems, woods and forests, air and waste collection. Protection of the so called common assets requires the Region to work with renewed commitment,

together with all local Bodies, in terms of quality of the environment as well as of implementation of policies for sustainable and innovative energy resources. At the same time a different approach must be taken regarding the use of financial resources, looking at an integrated vision which puts together the multitude of objectives which are to be achieved.

Yet, even on a local scale the environment is also becoming a factor of competitiveness and social cohesion: never more so than today has the look-and-feel of our cities - their design, architecture, and landscape: the immediately observable features of the urban environment - played such an important role in forging identities and attracting investment.

The change is occurring on such a scale as to go to the very root of our way of thinking. We must resolutely take the high road to competitiveness, pouring resources into research and the spread of knowledge, rewarding excellence as we have it, and encouraging new achievement, all the while securing welfare and a good quality of life, offering guarantees, and responding to needs and merit. It will be a demanding task to work towards these social objectives, to be sure, but Emilia-Romagna has the skill and the resources to achieve them, not contenting itself with what already exists.

## **5. Centrality of the Territory**

At the core of the changes underway lies the territory understood as a dimension in which risks and opportunities transpire. The territorial dimension - and its integration into policy - has come into focus in the European Union as well, in an effort to reduce imbalances between different areas of the European space and increase cohesion among them, by bringing into effect new policies based on sustainable development and on a new model of sound governance.

However, it was not until 1999 that the territory was drawn into the European institutional framework, with the signing of a non-binding document titled "European Spatial Development Perspective" (ESDP): it put the territorial issue on the agenda, and we have since grown sensitive to the need to integrate different actions and work out policies specifically tailored to the territories for which they are designed.

This means, in the first instance, integrating socio-economic cohesion policies with territorial cohesion policies, so as to build on regional potential and their "territorial assets" for a better positioning of European regions.

This move to couple territorial cohesion with socio-economic cohesion has further alerted us to the need to frame a comprehensive strategy enabling a balanced development of the European space, so as to make the territories more competitive within the single European market and in the global context of world economies. What ultimately inspires territorial cohesion, in its link with socio-economic cohesion, is a political view aiming to achieve fairness and solidarity in the distribution of the wealth produced within the European Union.

## **6. The European Dimension**

We should now ask what role our region can play in this framework. European unification has moved forward in recent years with eastward expansion, and in this process we have seen some major cities and urban areas like Berlin and Paris performing more poorly than expected, in contrast with the vibrant energy we have seen coming out of medium sized

cities and areas, such as Barcelona and Lyons and different parts of Ireland, Sweden, and Finland.

The main engines driving the growth of this network of medium sized cities and regional systems have been urban renewal and the emerging supply chains generated by the development of the new technologies. These two forces now make up our main tool for extending this network to our own cities, first among them Bologna, conceived as one of the new European capitals of innovation.

Parallel with these developments, increasing attention has been paid to territorial resources viewed as a mainstay of competition for the whole of Europe: these are functional resources that we are working on, but we also have natural and cultural assets, which, with what concerns our region, leverage of the position of the Apennines, the Po River Delta, and the art-heritage cities.

Furthermore, the European Union is placing greater and greater emphasis on those views that base competitiveness on a networked polycentric model of territorial organization, aimed at developing urban areas and regional systems outside the so-called "pentagon" of the economic capitals of Central Europe. The policies enacted for these "competitive poles" are prompting some European governments to develop territories even beyond the main metropolitan areas, looking to set in motion processes creating and reinforcing regional systems for innovation, through a close interchange between businesses, research centres, and local government administrations.

This new setting, partly unprecedented, is urging us to reflect on what our strengths and weaknesses are, looking at which areas we excel in and those instead we have fallen behind in; it is motivating us to establish a connection with Europe's most innovative cities and territories, those that make up the distributed fabric of European competitiveness.

Our region has always been strong, even in Europe, in building welfare facilities and services as well as "industrial clusters". So now we will have to vigorously make an effort to forge regional systems of innovation and build new supply chains and productive clusters capable of being highly competitive, an objective with respect to which the human and productive capital accrued over the past decades gives us a sound footing on which to start up new processes.

A significant portion of the resources we have built up are either public or they serve the public interest: health care, education, cultural institutions, scientific research, the multi-utility companies forged out of the municipal companies, the local public-utility companies, and local planning and administration. All these are bases of excellence that the regional local government bodies have developed alongside what the business sector has achieved.

Emilia-Romagna feels it can take on a role as an engine of the European system, this owing not only to a strong legacy gradually built up in the course of the history of the region, but also due to the continued support of the region for certain values that globalisation tends to neglect: first among these are the principles of sociality, built and defended over the course of decades of welfare policy, and we must not allow any privatisation of human relationships to displace these principles, for that would amount to welcoming back serious social discrimination.

These values find their embodiment in the regional territories - and as a region in one such context, Emilia-Romagna has an interest in nurturing the wealth of situations, environments, and identities for which these territories are a seedbed. So we are looking at the new Europe as a must, as a setting where policies for social, cultural, and economic harmonisation and growth can effectively be framed and pursued; we see Europe as representing a future of extensive communications and exchange networks, inclusive of transport, energy, knowledge, and innovation. If a viable, flourishing relationship is to be

established among different territories across the new Europe, then we will have to work towards an integrated regional system.

That is what we can bring to the new Europe, and in doing so we can count on both our role and our location: on the role that Emilia-Romagna plays as an outpost along the southern fringe of the most developed area of the continent, and on the geographical location of the region, serving as a node through which different areas of European development - in Central and Eastern Europe and in the Mediterranean - can connect. Indeed, no two processes have been more significant, over the last two decades, than the EU enlargement and the re-emerging role of the Mediterranean: they are enriching European polycentrism and making for new opportunities to establish ties with areas now growing at a galloping pace.

Both this role and the location of Emilia-Romagna give it a unique vantage point: as an "economic region" which has a substantial overlap with the "administrative regions" of northern Italy, and at least some overlap with those of central Italy, Emilia-Romagna will be able to seize opportunities for development deriving from its functioning as a node connecting the strong areas of south-central Europe, the Mediterranean basin, and the Adriatic-Danubian area. This will, however, require on the part of the region an ability to organise itself as a functional network of urban and territorial areas.

## **7. From Polycentrism to a Regional System**

How should Emilia-Romagna set itself up within this macro-region? There has been recent talk, on the one hand, of an outstretched "boundless city," with reference being made to the conurbation that has been formed along the foot of the Alps, as a way to underscore the new polarisations and spatial and economic arrangements driven by globalisation. What in particular lies at the core of these transformations is the powerful push of the "intangible economy," this expression meaning a service economy which puts out streams of information, knowledge, and relations, and which mediates between these elements, engaging an interchange that ends up rearranging the traditional makeup of urban space, housing, development, and organisation.

On the other hand the structure of the southern part of north-central Italy - comprising Tuscany, Umbria, and the Marche regions - is also in the process of change. The essential underpinnings here are the history, culture, and landscape of the area, coupled with permanent productive-cluster models, in a combination fostering forms of development closely bound to each location, but in any event not given to metropolitan growth or expansion.

Emilia-Romagna occupies a peculiar middle position with respect to these two models, both of them in the process of change. In fact, even in past decades it would have been inaccurate to liken the region to the Third Italy, namely, that macro-region forming a patchwork of small to medium sized enterprises and cities, with a broad political outlook behind which there are large, compact segments of opinion.

In the first place, the urban framework around Bologna consists of medium sized cities, and they form a tighter network in this area than in neighbouring areas.

In second place, we should consider the vital force that Bologna exerts within this network: the city's calling for innovation and its productive dynamism in leading sectors of industry ensure a solid presence of metropolitan functions.

In third place, although the growth of local industry has relied to a great extent on an industrial-district model, this process has advanced in close connection with, rather than in contrast to, the urban functions on which excellence has depended.

As a metropolitan city capable of turning to full advantage its manifold territory, with its

different assets and relations, Bologna effectively represents the uniqueness of this region within the national context.

Indeed, the development of Emilia-Romagna in the post-World War II period has proceeded on with a polycentric organisation enabling the local communities to amass an impressive amount of "social capital."

Polycentrism as a choice has been of great importance in accompanying the long period of growth spread over the territory, that we have experienced. Not only in terms of infrastructure or services for local citizens, but also by contributing in an authoritative way in the creation of a network of cities and territories, emphasising however a limit, which has been to succeed in not defining the role of a capital in this region, whilst all the most advanced systems in Europe are composed of two elements: a capital and a cohesive and recognised territorial system capable of producing wide-spread effects.

A capital which does not decentralise problems by keeping a hold of all the advantages, but which distributes assets, identity and benefits within the territorial system, at the same time rightfully repositioning itself on the circuit of European regional capitals.

Today however we need to look beyond this polycentric model, moving on from a network approach to a system approach, achieving this improvement in quality which will be capable of emphasising the various "excellences" and talents of our territories, promoting specific vocations within a unique vision which can be perceived and aimed at the new global scenario.

## **8. Urban Systems and Sustainability**

The complexity through which social and economic relations unfold in cities and territories results in the first place in a disconnection between the places where we live, produce, and consume. It brings about a crisis that undermines public transport, creeps into the fiscal system, and affects social and urban life and organisation at large, and these are creaks and crises that must be governed and overcome. But how? By reinstating cities in their role as engines of innovation and development.

The challenge will be to support network synergies and economies of scale and knowledge, without which the economic and social resources of the individual territories would rapidly dwindle in both size and force.

This makes it an urgent matter to set up a system consisting of a "federation of cities and territories", a strategy growing out of an institutional activity that in the past decade has defined and strengthened the roles of the provinces and municipalities. Indeed Italy is a country whose future depends importantly on forces of development and cohesion that we can start up by working to enhance the resources specific to the local systems. In this case too, then, the blueprint we are laying out through the PTR is a strategic platform that we think will help our country gain new momentum.

This will require cooperation among urban systems, and we can appreciate this particularly if we look at how the knowledge-based economy is developing, with traditional manufacture getting displaced by competition from countries with a ready supply of cheap labour. This suggests that we must invest in innovation and top-quality production, building new lines of research, production, and services for only in this way will it be possible to maintain a competitive edge in a global market that is becoming increasingly dependent on the production of intangible goods.

Another way cooperation amongst urban systems can benefit us is by making it possible to improve our environmental infrastructure, after decades of wear and damage caused by urban sprawl which must motivate us today to more seriously reflect on the use and

consumption of the territory.

An improvement in quality is required, this means taking a long term and decisive view on the requalification of the areas, applying the following two principles:

- The quality of our cities and their urban texture also through the reclamation of spaces and places which are remodelled for use by local citizens.
- Solidarity, by intercepting the requirements of the various components of the population of the region, especially the most vulnerable, who need to have access provided for in the urban texture to spaces suitable for their needs and at the same time assuring both their social and personal safety.

This will mean carefully reconnecting the ecological networks of the Apennines and redeveloping urban areas and clusters, by redesigning the places where we live and produce, and supporting social and production services by bringing to them the most advanced technologies available, including, in the first instance, the new technologies of communication and socialisation. The new PTR thus calls for establishing a strong connection between territorial planning, environmental sustainability, and socio-economic development.

This is a new way of developing the regional territory, and the idea is to give life to this vision by rethinking in fresh terms the benchmark of quality that Emilia-Romagna stands for, which involves working to further advance attractiveness, social cohesion, identity-making, the pluralism of ideas and cultures, and an open economy and society.

Reviving this community spirit is an essential part of the effort to advance social cohesion, and cohesion, in its turn, forms a basis by which to foster stronger social and productive relations, thereby making the possibility to work together increasingly complex and evolving varieties of skills, expertise, and needs. So there is also a side to this vision that calls for investment in productive capacity.

Establishing a cooperative scheme among urban systems will also make it possible to improve regional logistics. We have to reorganise the mobility system for the transport of persons and goods, promoting multimodality all the while protecting the environment. In this sense, logistics are construed as a way to govern territorial relations, increasingly characterised by the flow of mobility and information.

Just as we managed to decentralise the University of Bologna across the Romagna territory, so we will have to improve the overall quality of the resources available to us for development. We saw this happen in Parma, now home to the European Food Safety Authority, as well as in Rimini and the Adriatic seaboard, now the most important tourism district in Europe.

Similar improvements will have to be made to trade fairs, transport, infrastructure, energy, online communications and the production of culture. The task here is to build local and global networks that move beyond efficiency and embrace research, and at the same time we have to reinforce the urban environment, giving it a wider spectrum of functions and specialisations, thus making for a plural territory.

This way we will give a prominent role to the metropolitan area around Bologna, which at the European level - with the ESPON project - has already been recognised as one of the six areas in Italy showing the strongest development of urban functions.



## 9. A Welfare Role

The PTR is also aimed at developing welfare, by introducing innovation and gauging with the changed social contexts we now live in. In fact the challenge in shaping a new future will not be limited to economic considerations: important factors of change are putting to the test old established local welfare systems. The increase in life expectancy, the whole question of social and cultural identity, the potent new flow of immigration, and the disorientation that occurs in the younger generations are all phenomena to be addressed with a strong message that will convey a sense of value, opportunity, and confidence.

We are looking at new forms of poverty brought about by processes indicating that we must come up with new answers in framing social policy. The goal is to build a solid future for Emilia-Romagna and improve the quality of life for those who stand to be the most affected by these phenomena.

A crucial example is given by health care. The regional health care system has been reorganising for some time now, in a process increasingly bound to the social and community services. We are seeking to build a well-rounded, fully structured system of health services ranging from prevention to health planning, from the general practitioner's basic health services to highly specialised medicine and treatment. This effort we envisage as being accompanied by significant investment; in fact, we are working out new models by which to deliver health care through a wider array of services, with a focus on the weaker segments of the population, such as immigrants, the elderly, and all those who cannot adequately care for themselves.

The enormous potential for change carried by the new information technologies must be unleashed, this in order to engage our creative resources, especially when it comes to actions serving public interest.

Another issue that will bear increasingly on welfare as we move forward is multicultural integration. This not only brings about cultural enrichment generally, but also enables us to pin down a number of specific factors of crucial importance: the low number of autochthonous youth enclaves, the scarce interest that resident populations take in unskilled and semi-skilled labour, the need to rely on an immigrant workforce for skilled and highly skilled labour as well, and the security problems engendered by the presence of unintegrated foreign citizens.

If, however, on the one hand, immigration flows benefit Italy, and indeed are necessary for any developed country, there is also, on the other hand, a fair amount of resistance to immigration, which is perceived as a threat particularly in times of economic recession and insecurity. For this reason we need to enact policies designed to welcome *legal* immigration, so as to gradually and positively weave every local community into the economic fabric of society, all the while curbing *illegal* immigration in a dialogue with the countries of origin, so as to manage such migratory flows and fight crime.

We have before us a challenge that calls for skilled government and brings into play some basic values that we cherish as traits of civilisation.

We want to do our part in this effort, for we must not fuel any sentiment, public or private, that would cause us, on an irrational basis, to close up and resist the change - and we should reflect here on our own past history as emigrants. We intend to promote and collaborate on immigration policies framed within a broad European perspective, working as well as on cooperation policies particularly with regard to the entire Mediterranean area.

## 10. The Knowledge-Based Economy

The territorial system of Emilia-Romagna is particularly suited to avenues of development

designed to couple manufacturing with innovative services.

Many signals are coming in from different sectors of the economy, indicating that new productive systems are in the making, systems in which networks of local actors (businesses, research centres, public-service organisations) are establishing relationships with the external networks (international ones in some cases) in which each actor is working.

We can see this, to give an example, with the complex web of skills that cross over between mechanics, biomedicine, biotechnology, and health care, they all translate to services, research, and the formation of human capital.

That is the kind of strategy we should follow if we are to overcome our present limitations, first among which our scarce ability to attract investment from abroad, in contrast with our businesses' keen ability to go in just the opposite direction, going abroad to *make* investments. This is evidence that we cannot provide much international leverage for the productive and socio-cultural potential of the region: the strength embedded *within* our territory is currently decoupled from any ability on our part to tap into the flow of activity from *without*.

This brings into focus a key point with regard to the future of our region, for which an economic revival will closely depend on two factors whose deep connection sometimes eludes us, these being the internationalisation of businesses and territorial appeal. We are staking a lot on this drive towards a global arena in a concurrent relation with the appeal exerted by the local system. Indeed, if our productive system is to increase its productivity, it will have to make an overture to foreign markets, and in order for this effort to succeed, we will have to draw in resources, investment, and knowledge.

Neither of these two feats are anything that businesses can pull off on their own, but they do have a chance at success in this venture if they develop joint strategies with other economic partners, and especially with institutional ones.

Economy and society grow and feed on an exchange, on a contamination of ideas and knowledge passing both ways from person to person, and between different economic and territorial systems. Nowhere is this more apparent than in the realm of the so-called intangibles, which are built into products and bear most of their value; and precisely on account of this intangibility, the products in question flow with much greater mobility - they can be acquired as easily as they can be lost.

In earlier stages, the development of the region was much more rooted in the territory, and the same was true of the accompanying knowledge and professional skills: they all grew from within the territory, and businesses could more easily find, nurture, and keep them - they formed a social capital that the economic system could tap.

Today the situation is much more fluid, and it will take more than economic and career opportunities to attract professionals and keep them in: it will take a rich and lively cultural environment, a ready supply of services, recreational facilities, healthy and liveable cities surrounded by a countryside where the landscape is attractive and the environment in good condition.

For this reason we have to build on our existing points of excellence as a springboard toward further excellence - and once these further achievements flow into a network, they can empower the entire region, enabling it to climb on to the next level, as indeed it must do.

To relaunch the strategic leadership of our region also calls for a better awareness of the international scenario in which our action takes place, knowing that the real competition between territorial systems is played here in Italy, in Europe and on an international level. These are the three fields in which each territory can and must compete playing its own game in different but at the same time complementary championships, always however wearing the Regione Emilia-Romagna *jersey*.

A self-sustaining cycle of excellence can only be engaged by exploiting knowledge, starting from the universities and research centres of the region. We are looking, therefore, to create new regional innovation poles conceived as the high road to a new technological level, such as is necessary to develop excellence in fields of strategic importance (life sciences, new materials, the environment, energy), by favouring a better and better capacity to communicate and transfer knowledge to the world of enterprise, to innovate in mainstay sectors (mechanical engineering, agribusiness, textiles) and to promote the growth of others (boatbuilding, biomedicine, the arts, culture), by opening new and further markets at the same time.

Setting new, innovative dynamics in motion through this kind of organisation is the necessary condition on which to promote the formation of new productive clusters; it is also a platform on which to develop an advanced service sector—the medium through which to engage deeply in the new mechanisms of the knowledge-based economy.

This is precisely the route we are travelling on, as evidenced by the share of firms in Emilia-Romagna that hold European patents (and patents for business services in particular): four provinces in the region (Bologna, Parma, Modena, and Rimini) rank among the first ten in Italy in this respect. This statistic could stand as a symbol for what this region can achieve: it betokens the ability of the region to create something for itself and for others, thus helping our country chart a course to a new prosperity and play a significant role in Europe and the world.

## **11. A New Governance**

In quality, efficiency, and identity lie three gauges of territorial cohesion, and three ways by which to assess the progress made with the strategic objectives which the region has set for itself, and which it will be pursuing through sector-specific programming. Viewing territorial cohesion in this connection with quality, efficiency, and identity makes it possible as well to peg the strategy of the region to the Lisbon objectives (economic growth and employment) and to the Göteborg objectives (sustainable development).

In order to see through this vision of development measured through environmental, economic, and social sustainability, the Region and all local government bodies will have to take a cross-sectoral programming approach based on a model of cooperation between different institutional levels.

The revision of the Italian Constitution and the new Regional Statute have created further opportunities in redefining territorial policies, which must be fine tuned with the strategic vision of the new PTR and the set up derived by the new Local Autonomy Code.

We must moreover reflect on the new demand for participation, a subject on which politics in the last few years has shown some difficulty in tackling and understanding - and at times in keeping up - with the various facets of public consensus.

The important challenge in this political situation all depends on the actual ability to intercept and put across old and new forces within the decisional process right from the start.

We need to identify spaces and ways in which it is possible to efficiently achieve consensus through the handling of requests from citizens, whose participation in the decision-making process has been changing.

Our effort, in essence, is to lay the foundation for new governance models that will secure three basic desiderata, which consist of:

- expanding and intensifying relationships among public participants themselves and between public and private participants, this to work out a scheme for the joint pursuit of strategic objectives, and to draw up effective, operating development projects;
- redefining thematic areas of intervention, to channel sector-specific policies into inter-regional and sub-regional territorial development schemes;
- setting out criteria by which to assess our progress and gauge our action accordingly, by selecting strategies and projects, taking account of externalities (positive and negative alike), and adjusting thematic and operative schemes.

None of the subjects or thematic areas covered under the development scheme so far expounded can be assigned to any single jurisdiction, owing both to the open-ended nature of these subject areas and to the range of powers, know-how, and tools required to make them governable. In fact, no subject or thematic area can be construed as “modularised”, at least not to such an extent as to enable a “division of labour” among institutional stakeholders.

At the stage where we are today, no institutional level can singly govern through its own resources the development factors or the conditions on which basis to achieve the social cohesion of local communities. Globalization requires that we forsake top-down executive management and focus instead, with equal force, on ensuring a solid presence of public institutions capable of efficient government.

Inter-institutional cooperation is thus a firm requirement embraced in strict keeping with the subsidiarity principle. From which it follows that the new governance models will primarily be tasked with making sure that inter-institutional cooperation (among local government bodies, the Region, National Government, and the European Union) will be advanced therefore making provision for the concurrent need to ensure local autonomy for each single participant, a need that has waxed increasingly strong over time: this local autonomy is to be pursued in the first instance by setting up formal decentralisation processes, which (regardless of other considerations) assign responsibilities by the very act of conferring autonomy.

In so proceeding, it will be wise to counteract the onset of all undesired effects, such as any conflicts that may arise in pursuing competitiveness in tandem with cohesion, any tug-of-war we may see in the effort to obtain increasingly unforthcoming financial resources, and the difficulties involved in managing underplanned services that fail to achieve economies of scale of a minimum threshold.

It is equally important to introduce elements of innovation to ensure fluid relationships between different participants in society and the regional economy. Thus, alongside the established models, we can open new spaces for the new forms of profession and enterprise—especially in volunteer and welfare work—which are gaining prominence in our reform processes.

In budgeting the financial resources needed to carry the new governance model into effect, we will have to devise tools that take into account the principles of risk-sharing and cooperation incentives: the government should not be regarded as simply a provider of financial outlay, and by the same token, the private sector should recognise the economic value deriving from the construction of “social capital.”

There is doubtless great potential that private-public partnerships offer when it comes to developing innovation, reskilling the workforce, training a new entrepreneurship, and rationalising and strengthening strategic logistical nodes. A firm trend in this direction will require new forms of cooperation, such as will enable a strong participatory role in decision-making, execution, and assessment. These processes are still at an experimental stage now, but they will have to become standard operating procedure in a region like ours. So, too, we have to take down some barriers that come in the way of streamlining

and decision-making processes.

There are three such barriers, the first of them being that which ties down the governance system within the administrative boundaries of single institutions: this is too narrow an approach for any significant government action.

The second barrier connects to a risk inherent in administrative decentralisation. In other words, we want to engage in this process without thereby undercutting our decision-making capacity. Which means that we must be careful not give in to self-referential action, steering instead a straight course to administrative simplification, toward an effective governance system that reinstates the imperative (in many respects a vital one) of taking swift decisions adequate to the rate of change at which the situation being addressed is developing.

The third barrier requires making sure that the growth of local administrative autonomy is not countervailed by the centripetal force of institutional hierarchy, a counterweight that can lead to ineffectual action. So the challenge for the Region will be to work out solutions ensuring an ability to assess the performance of regional policies, which must retain their force throughout the process of administrative and functional decentralisation.

This is something that affects governance through multiple forces pulling in different directions: towards the national government and the European Union, for example, or towards the provinces and municipalities (involving, in our case, the Bologna metropolitan area), and we can also see it when the management of public services, or of services provided in the public interest, is outsourced to private companies or to privately run community-service companies.

The way to solve this problem is not through a top-down approach, but rather through a scheme that rewards merit, an approach that does away with executive command and brings instead into play the issue of accountability and financial resources. The policies we frame, their implementation, and their draw on the budget must be gauged to the local systems through a process of cooperation, concerted action, and bargaining, but in such a way that those in charge of seeing each project through are held accountable.

For this reason we want to use the PTR to propose a "social pact" based on a shared vision for our future: a pact inclusive of the objective to simplify administrative procedure and make public policy more readable; a pact that will serve as a decision-making instrument for taking action before it is too late; a pact capable of working together different cultures and interests in projects aimed at achieving the common good, by making correct use of reporting systems and resources (including using responsible fiscal policy).

What clearly emerges out of this vision is that if we are to use to good effect the kind of territorial governance embraced through the PTR, we will have to find a different way of budgeting our expenditure, a way of designating funds that will no longer be exclusively based on sectoral earmarking and policy-making.

The Regional Territorial Plan - a tool setting out a strategic vision over the long period - will therefore have to be reinforced with a regional Economic-Financial Policy Document that will support the public policies of the Region on a yearly basis, taking into account both legislation and finances, meaning: this document will have to consider the restrictions and opportunities deriving from the overall legislative and regulatory framework, making as well a good assessment of what the finances will warrant.

This puts on today's agenda a new financial scheme for regional and local government, a scheme based on fiscal federalism, implemented through new financial tools capable of supporting modern public policy. Which in turn requires that a new stability pact be drawn up among the central government, the Regions, and local authorities - a pact based on sound public finances and a federalist fiscal scheme through which to guarantee a fair

distribution of earned income all the while promoting a strong economy. These three elements - sound public finances, fiscal federalism, and a strong economy - are all interdependent and make up the backbone of an economic policy strategy necessary to work our way out of the current crisis and steer Italy back on a course to development.