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**Study on the contribution of local
development in delivering interventions
co-financed by the European Regional
Development Fund (ERDF) in
the periods 2000-06 and 2007-13**

Final Report

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Table of contents

Acronyms.....	4
EXECUTIVE SUMMARY	5
Foreword: The structure of the study	9
1 Literature review: towards a definition of Local Development Approach	13
1.1 Synthesis of literature review main findings	13
1.1.1 The rediscovery of place	13
1.1.1.1 <i>The first element: territory.....</i>	<i>13</i>
1.1.1.2 <i>Economic theories on the nexus between territory and development ...</i>	<i>14</i>
1.1.1.3 <i>The World Bank approach.....</i>	<i>15</i>
1.1.1.4 <i>Strengths and weaknesses of a territorial approach.....</i>	<i>16</i>
1.1.1.5 <i>How local should be the local development approach?.....</i>	<i>17</i>
1.1.2 The integration imperative.....	17
1.1.2.1 <i>Towards an holistic dimension of development policy.....</i>	<i>17</i>
1.1.2.2 <i>Towards an holistic dimension of development policy.....</i>	<i>17</i>
1.1.2.3 <i>Local development as policy integration: some experiences.....</i>	<i>18</i>
1.1.2.4 <i>Strengths and weaknesses of integration.....</i>	<i>18</i>
1.1.2.5 <i>Which type of policy integration?.....</i>	<i>19</i>
1.1.3 The strengths of cooperative behaviours.....	19
1.1.3.1 <i>Involving local stakeholders and forging partnerships.....</i>	<i>19</i>
1.1.3.2 <i>The importance of local actors cooperation.....</i>	<i>19</i>
1.1.3.3 <i>Bottom up-approaches to local development.....</i>	<i>21</i>
1.1.3.4 <i>Strengths and weaknesses of bottom up approaches.....</i>	<i>21</i>
1.1.3.5 <i>The different types of partnership.....</i>	<i>22</i>
1.2 Definition of local development approach	22
2 OP overall review	25
3 Case studies analysis	30
3.1 Comparative overview	30
3.1.1 Territorial dimension.....	37
3.1.2 Policy integration	40
3.2 Network analysis: actors of local development	51
3.3 How local development works: main mechanisms at work	73
4 Main Conclusions and recommendations.....	89
Bibliography	97

Acronyms

CLLD	Community Led Local Development
CVC	County Voluntary Council
EAGGF	European Agricultural Guidance and Guarantee Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
JROP	Joint Regional Operational Programme
IMF	International Monetary Fund
IOP	Integrated Operational Programme
IUDP	Integrated Urban Development Plan
LAGs	Local Action Groups
LAPs	Local Action Plans
LDA	Local Development Approach
LED	Local Economic Development
MoRD	Ministry for Regional Development
MTE	Mid Term Evaluation
NAW	National Assembly for Wales
NEG	New Economic Geography
NGO	Non-Governmental Organisation
NIE	New Institutional Economics
NM	Neighbourhood Management
NUTS (I and II)	Nomenclature of Territorial Units for Statistics
OECD	Organisation for Economic Cooperation and Development
OP	Operational Programme
PIT	Integrated Territorial Projects
ROP	Regional Operational Programme
SF	Social Fund
SMEs	Small and Medium Enterprises
TC	Transaction Costs
TEPs	Territorial Employment Pacts
WEFO	Welsh European Funding Agency

EXECUTIVE SUMMARY

Main conclusions of the study

From the literature review and the analysis of the Operational Programmes (OP) is possible to derive a common definition of the Local Development Approach (LDA) that points out four main features:

1. *it is a conscious effort developed at the European, national and regional level to trigger a process of economic growth, social development and improvement in the quality of life,*
2. *it makes reference to a specific territory in which there are resources that can be exploited in order to reach the development goal;*
3. *it attempts to integrate different sectoral policies;*
4. *it operates a mobilisation of a plurality of different actors at different levels.*

From the analysis of the case studies the two most apparent conclusions that can be reached are the following:

1. LDA comes in all shapes and ways and to reduce it to a single model (according to a sort of “one size fits all” philosophy) is clearly impossible.

The first conclusion means that Member States and Managing Authorities accepted and sometimes encouraged a large amount of variation on all the dimensions listed above: size of the territory, amount of policy integration, characteristics of the partnerships activated. We found also evidence of at least two models, with different goals and a certain degree of internal coherence:

- a) **pure LDA** characterized by: small territorial focus; (mostly) integrated thematic approach; partnership as a goal and inclusive partnership.
- b) **LDA in regional policy** characterized by: wide(r) territorial focus; integrated thematic approach; partnership as a tool and selective/strategic partnership (including multi-level governance).

Model (a) is mostly aimed at bringing about an activation of the local society (local residents, small businesses and artisans, clubs, associations and other local players) in a wide range of different policies ranging from urban and labour policies to social inclusion policies. This approach is of particular importance in all the cases in which for social (deprivation, immigration, social exclusion, etc.) or geographical (peripheral or isolated areas) reasons the activation of the local actors is the essential precondition for any attempt to prevent marginalisation, depopulation of rural or mountain areas, dependence on welfare, etc.

What characterizes *model (b)* is the fact that the territorial dimension is rather large (at least in the sense that the effects of the policy include externalities at a larger scale than the area of intervention), that the integration of different policies revolves around a specific strategy of economic development, and that the partnerships activated include usually large organizations (business associations, universities and other educational

establishments, Chambers of Commerce, local authorities at different levels, big NGOs actively involved in the different policies that seems important to integrate, etc.) and more rarely grassroots actors. Sometimes, but by no means always, the partnership are selective, in the sense of including only the actors involved in the main mission of the LD experiences. Always they are instrumental in the sense of being a tool through which the strategy is conceived and delivered, rather than a goal in themselves. The successes of this model, when they exist, are mostly in the field of socio-economic development.

2. The main contribution of the Local Development Approach in the delivery of interventions co-financed by the ERDF is the dimension of policy integration.

This means that we found evidence that in the same areas different types of interventions were implemented, different types of funds (mostly ESF and ERDF) were used, a certain coherence of the interventions and a somewhat clearer strategy were detected. In other words, a well-defined territorial focus and the activation of external demand through the establishment of the partnerships appear to have been able to overcome the natural tendency of Cohesion Policy, reinforced by the organisation of Structural Funds delivery through axes and measures, to be structured around vertical and sectoral networks with only little, if any, search for integration and synergies.

Implications for policy planning at the European level

1. From the wealth of positive experiences of LDA and the huge variations they show it derives it is much better not to give a strict definition of what LDA is about in the EU regulations or, even better, to explicitly state that the different institutional and procedural arrangements designed at the EU level (Community Led Local Development, Integrated Actions for Sustainable Urban Development, etc.) represent only some of the ways in which the LDA can be translated.
2. The need to have a positive and continuous exchange between different levels of government, and to promote an “informed interaction” between them presupposes an increase of the capacity of the National Desks of DG Regio to enter substantive, as opposed to procedural, discussions with MS and MAs at all levels.
3. The problems of capacity that the implementation of EU Cohesion Policy will certainly experience the more local actors are involved, suggests trying and simplifying as far as possible the procedural and administrative requirements in order not to generate unnecessary implementation problems.
4. As the full deployment of LDA potentialities inevitably takes time the continuity of the “rules of engagement” is of paramount importance. European Authorities should always think twice before modifying them.
5. Monitoring and evaluation of LDA implies the ability to measure the transformations in the governance arrangements at the local level, the true

intermediate goals of LDA. From this point of view it is important and urgent to develop new ideas and tools in this field. Further study and research is required.

6. It is important that the collection of good practices in the field of LDA includes also the ways in which the planning and implementation processes are managed, pointing out the mechanisms that explain how and why the different experiences were able to exploit successfully the LDA.

Implications for policy planning at national and regional level

1. As the main contribution of LDA to development policy is to enhance policy integration, MA, when proposing the use of this approach, must pay attention to the dimension of policy integration (and of course also to public private integration, to multi-level integration etc.). In other words the recourse of LDA should be justified in terms of the need to create a framework conducive to integration and vice-versa every time in which this need is predicated it should be stated how it will possible to fulfil it without adopting a LDA.
2. The territory and its size should be coherent with the main development goals. In particular if the main goal is social inclusion, the territory should be small, in order to allow the actual participation of the grass roots actors. If, on the contrary, the main goals are related to fostering socio-economic development even in relatively less disadvantaged areas, the territory should be larger.
3. The time needed in order to reach the intermediate and final results should be carefully calculated. The continuity of the main elements (size of the territory, rules of engagement, etc.) has to be guaranteed.
4. It seems necessary to define capacity building as one of the main goals of LDA interventions. Furthermore, and mainly when fighting social exclusion is the overarching objective, it is necessary since the beginning to put in place the necessary capacity, mainly in the form of skilled professionals with the mission of directing the process and stimulating the activation of the final beneficiaries.
5. As in the case of the European level, the need to have a positive and continuous exchange between different levels of government, and to promote an “informed interaction” between them presupposes an increase of the capacity of the MAs at the national and/or regional level to enter substantive, as opposed to procedural, discussions with the local actors. They should refrain as far as possible from the use of hierarchical powers, but at the same time be aware of the dangerous that may arise if the local actors are left to fend by themselves.
6. Define a regulatory framework in which the responsibilities for the implementation are clearly defined.
7. As the involvement of the local units of the political-administrative system (Municipalities) will almost certainly play a major role in any LDA experience, pay due attention to the risk that political considerations could prevent a full involvement of the socio-economic actors.

8. Consider the possibility to use competitive mechanisms between territories for the allocation of the resources and design the procedural mechanisms carefully in order to guarantee the transparency of the proceedings.

Implications for policy implementation at the local level

1. Pay maximum attention, since the very beginning of the programme/project, to the problem of deploying the necessary capacity, mostly, but not solely, when a “pure LDA” model has been chosen.
2. Formalise the cooperation agreements including the mechanisms for conflict resolution.
3. Involve the stakeholders not only in the planning phase and in the selection of the projects but also in the implementation phase in order to be able to mobilise the external demand when obstacles will be encountered.
4. Pay a lot of attention to the visibility of the results and the transparency of the proceedings for the ordinary citizen in order to increase the legitimacy of the programme and the support for it.
5. If, as often is the case, there is the need to establish the legitimacy of the project leader, the choice of goals relatively easy to accomplish (low hanging fruits) is an attractive proposition.

Foreword: The structure of the study

IRS and IGOP have been selected for carrying out the “*Study on the contribution of local development in delivering interventions co-financed by the European Regional Development Fund (ERDF) in the period 2000-06 and 2007-13*”.

The Final Report of the study presents the main findings in order to provide credible and sound evidence on the contribution of local development to the effective delivery of Cohesion Policy as well as lessons and recommendations for the future. In detail, as required by the Terms of Reference, the study tries to answer the following questions¹:

- What are the effects of local development interventions in terms of socio-economic development, better living conditions and territorial balance within regions?
- To what extent can the local development approach contribute to the effective delivery of Cohesion Policy? What are the potentials and limits of the approach?

To this end, different tasks were carried out:

Task 1 – Literature review

The goal of the literature review was in the first place the definition of the analytical framework and of the research design by a careful analysis of what has been written on local development, with a particular focus on the issues indicated in the terms of reference: definitions of most frequently used local development approaches; strengths and weaknesses of each approach; institutional capacity for an effective implementation of local development; contribution of local actors’ involvement in monitoring and evaluations; tools and methods for evaluating local development initiatives; contribution of local development in improving Cohesion policy effectiveness and visibility. A secondary, but not less important, aim was to contribute to the clarification of a cluster of concepts linked to the notion of local development, in order to strive for a shared and sharper definition of what is and what is not the local development approach.

According to the Consortium technical proposal, the Task 1 Literature review also focussed on the question of "how LDA works?", i.e. the range of contextual, process and policy design characteristics that might be considered as causal factors able to explain the success or failure of the approach.

A summary of main findings of literature review including a framework for LDA² is presented in chapter 2 of this Final Report, while the analysis of mechanisms at work can be found in paragraph 4.3.

Task 2 "What happens on the ground?": OP review and case studies

Subtask 2.1 OPs overall review

An overall review of 38 Operational Programmes identified by the Terms of Reference (ToR) as those which allocated the largest absolute amounts of ERDF resources to

¹ For more details on study objectives and methodology, please see Inception Report.

² For more details on literature review, please see First Interim Report.

categories of expenditure relevant for territorial policy was carried out. As specified in the Terms of reference, the main aims of the overall review were the following:

- assess whether or not they have employed the local development approach as a delivery mechanism for territorial interventions and establish the amount of resources allocated;
- assess whether or not they have employed the local development approach as a delivery mechanism for other areas of interventions and establish the amount of resources allocated;
- review the information on local development approaches implemented on the ground (in particular, assess whether Operational Programmes employed "sub-delegation" under Art. 37 of the General Regulation).

This means that the review will have to investigate whether LDA is the delivery mechanism typically used for territorial interventions within the 2007-13 programmes.

The overall overview of the Operational Programmes constituted also the basis to identify a list of 10 interesting regional cases covering a variety of contexts and practices to be considered in deciding the definitive list of cases for examination under subtask 2.2.

A summary of main findings of OPs overall review³ is presented in chapter 3 of this Final Report.

Subtask 2.2 Regional case studies

Task 2.2 started providing the choice of the final 5 regional case studies (NUTS II level) to be covered by the analysis. The main criterion for the selection of the regional cases was the fact of having actually used local development approaches. To this end, the results of the analysed OPs (task 2.1) were used. Similar OPs were grouped together according to different features of local development approaches implemented on the ground and then one regional possible case study was chosen within each group. This was selected also according to the following additional criteria, especially when more OPs were in the same group:

- territorial and geographical coverage paying attention to the different European macro-areas and to the coverage of new and old Member States;
- continuity and history;
- innovative experiences, different interventions typologies covered by the Programmes, procedures and delivering mechanisms implemented.

A list of ten possible case studies was obtained. The final choice of the five case studies was made considering which of them could be regarded as the most interesting and feasible (in terms of data and information availability and managing authority willingness in supporting case studies).

³ For more details on OPs overall review, please see First Interim Report.

The results were the following:

1. Andalusia Region (Spain);
2. Berlin Metropolitan Area (Germany);
3. Czech Regional Northwest (Czech Republic);
4. Puglia Region (Italy);
5. West Wales and the Valleys (UK).

The carrying out of the case study research aimed at:

- giving a complete description of the regional case under analysis;
- deepening the contribution of the LDA to the delivery of interventions co-financed by the ERDF in local contexts and, moreover, to the cohesion policy;
- providing information for operative recommendations deriving from the single cases and useful for the Commission or other relevant actors.

Regional case studies were aimed at deepening knowledge on the local development approach in place in the analyzed regions, its characteristics, its evolution over time, its results in tackling social, economical and territorial development problems and the main mechanisms that condition the success of LDA in the region. All case studies were thus based on description of the socio economic and political context of the region considered and of the main characteristics of the interventions co-financed by the ERDF in the 2000-06 and 2007-13 programming period (types of policies promoted, amounts of funds dedicated, type of LDA approaches involved; continuity/changes between the two programming periods and links between the ERDF interventions and other national/European/international funds). The evaluation of the effectiveness of the interventions using LDA in terms of results achieved was also based on an analysis of the different typologies of actors involved in the LDA and of the implementation and delivery procedural mechanisms that have been used. According to Consortium technical proposal, in evaluating the effect of LDA on territorial governance, a network analysis was conducted.

Regional case studies were accompanied by five mini case studies which were aimed at identifying examples of good practices.

The five mini case studies were the following:

- URBANA CADIZ Project (Andalusia).
- Neighbourhood mothers (Stadteilmütter) (Berlin).
- PIT 1 Tavoliere (Puglia).
- Integrated Urban Development Programme – Centre in Usti nad Labem (North West Czech Republic).
- WCVA Community Capacity Building (West Wales & Valleys).

A summary of main findings of case studies and mini case studies is presented in chapter 4⁴. Paragraph 4.2 contains specific findings coming from network analysis, while paragraph 4.3 tries to identify the main mechanisms at work in explaining the impacts of the procedural and organisational arrangements employed by the LD programmes.

Task 3 Conclusions and lessons for the future

The final task draws together the results of the previous activities in order to: (i) analyse and synthesise them; (ii) draw conclusions; (iii) put forward recommendations.

This task is covered by Chapter 5 of this Draft Final Report.

⁴ For more details on case studies selection, please see First Interim Report. Case studies and mini case studies are integrally included in Third Interim Report.

1 Literature review: towards a definition of Local Development Approach

The three research questions providing the context for the literature analysis have been:

1. what do we mean by Local Development Approach? Which elements are necessarily included in a definition of LDA?
2. why should it work? Which theoretical arguments are advanced by the economic, managerial, planning, sociological, political literature in order to explain why the adoption of the approach - and/or of the individual elements comprising it - should generate the desired results?
3. how does it work? Which characteristics of the context, of the policy or programme design, of the process through which is implemented are able to account for the quality of the results achieved, i.e. for the effectiveness of the LDA in delivering cohesion policy?

In this section of the Report, we will search for the answers to the first two questions (while for the third question see paragraph 4.3). Firstly, we will identify the key elements characterising the local development approach: territory, policy integration and stakeholders involvement. Secondly, we will review the literature pointing out the importance of each element by understanding the underlying assumptions and the consequences that the different theories have on how we look at the LDA. Thirdly, we will move on to consider at least one example of a programme (or a model) in which one of these elements is of paramount importance. Fourthly, we will present the strengths and weaknesses of the different approaches and the added value of LDA in delivering cohesion policy. Finally, the type and amount of variation one could expect for each element will be considered.

This exercise provides the basic framework used in the empirical part of the research. It allows for a classification of the different models emerging from the regional case studies, and is aimed at gaining a better understanding of the conditions that appear to make individual approaches perform better.

1.1 Synthesis of literature review main findings

1.1.1 The rediscovery of place

1.1.1.1 The first element: territory

The first, and most obvious, aspect of LDA is the fact that it makes reference to a specific, and possibly not too large territory. One can see the rediscovery of place (Schlögel, 2003) as an answer to fundamental technological, economic, social, cultural and political changes - often bundled in the concept of globalization - that struck the economically most advanced countries of the so-called Western world from the end of

the 60' onwards. The progressive change from a standardized to a flexible production involved a redefinition of the role of the local dimension. From this new perspective, the territory is no longer to be seen as the container of development, but a resource in itself that local actors should know how to manage to get the most out of it.

In the countries that were lagging behind, notably in Latin America, the paradigm shift was more associated to the failure, often with dramatic endings, of the top-down approaches to development that had been sponsored by the national elites and mostly encouraged and supported by international institutions. This was a plausible line of thought where the local development discourse came together with the hard restructuring programs of the IMF and the World Bank (Coraggio and Quiroga, 2005). The idea of alternative types of development emerged in the late 1970s. For different reasons, the prevailing paradigms had not managed to fulfil the aspirations of growth and wellbeing of lagging areas and countries.

1.1.1.2 Economic theories on the nexus between territory and development

At a more theoretical level the evolution of economic theories on local development suggests that approaches based on the supply-side have increasingly replaced traditional perspectives of Keynesian origin. The theoretical and analytical emphasis has progressively shifted from the role of local/regional demand, sustaining local and regional growth paths, to factors connected to the supply side and, more precisely, concerning the local/regional territorial system. Traditional or spontaneous equilibrium mechanisms have with time appeared insufficient to produce positive economic outcomes, but also to explain the evolution of economic landscapes. Local and regional development paths appeared multiple and diversified and did not respond to deterministic readings.

The first theory one has to mention in the context of the discussion on the importance of the local is *New Economic Geography*. NEG offers explanations of the geographical concentration of industries and of the agglomeration of economic activities. It suggests that the structure of the economy displays an uneven geographical concentration of resources which benefits localities endowed with tangible factors, mainly affecting transportation costs, economies of scale and factor mobility (Krugman, 2011). In the NEG no attention is paid to the material and immaterial factors that, thanks to proximity and reduced transaction costs, might impact on productivity and to relational capital. As such, this theory has very little to offer to a territorial analysis as the latter emerges only as the space where economic dynamics take place.

Maybe the strongest argument for LDA comes from the reality of *industrial districts*. The contribution of the well-known Italian literature on industrial districts to local development has been of paradigmatic importance. The discovery of 'local societies' (Colasanto, 1993) has provided a completely different perspective of development: the territory is supposed to generate localised advantages, reducing the costs of transactions but especially increasing the efficiency of factors of production.

From the enormous amount of socio-economic literature on the topic, three distinctive dimensions emerge to characterise the Marshallian district model⁵: (a) the economic and production dimension, (b) the socio-cultural dimension and (c) the institutional dimension, connecting the structure of production and the social fabric of the area (Sforzi, 2005; Colasanto, 1993; Becattini, 1989, 2000; Dei Ottati, 1995; Trigilia, 1992; Bagnasco, 1977; Brusco, 2008; Seravalli, 2006). This model of local development combines the features of a production, of a spatial and a social model: the territory and the society are strictly connected and mutually interdependent and therefore cannot be easily detached (Garofoli, 2002). A series of economic, cognitive and socio-institutional resources, spatially localised, allows the working of the district and confer it an identity, included the social capital (Putnam et al. 1993; Coleman, 1990; Bagnasco et al. 2001).

More or less in the same vein research on scientific parks, technopoles, innovative milieux, regional systems of innovation and clusters has also highlighted the importance of geographical agglomeration for contemporary economic development; in these streams of literature, in contrast to the district model, the territory becomes a source of dynamic efficiency for economic activities (Capello, 2004). Although with different nuances, a vast array of studies suggests that innovation depends on people, on their accumulated knowledge and capabilities gained through education and experience; nonetheless, for knowledge to be built, accumulated, reproduced and exchanged, a necessary conditions is the territorialisation of interactions (Lundvall and Borras, 1997; Cooke and Morgan, 1998; Malmberg and Maskell, 1999; Isaksen and Haug, 2002). Proximity among actors (mainly firms) is essential for knowledge to be produced, exchanged and modified and for learning to occur. Innovation therefore does not depend on embedded traditional knowledge and routines, but on the continuous creation of knowledge, creativity and experimentalism. As explained by Storper (1997), such resources should be considered of key relevance for organisations and for territories which owe them. Focusing their work specifically on this topic, Malmberg and Maskell (1999) claim that the development of industrial agglomerations and innovative clusters can be explained (and is also a consequence) of the outcome of localised innovative learning. Clusters represent a mediating environment that support inter-firm relationships and higher level of untraded interdependencies (Porter, 1990; Rosenfeld, 2007).

1.1.1.3 The World Bank approach

A good example of a LDA that is basically mainly - if not only - concerned with the territorial dimension has been developed by the World Bank. The *World Bank* has a specific area devoted to local development initiatives, called the *Unit for Urban Development*, which since the 1990's has fostered the program LED (Local Economic

⁵ A. Marshall (1922) initially envisaged a region where the business structure consists of small locally owned firms, whose trade is carried out within a district. According to this model, there is an overlapping between the social level and the productive one. The decisions taken by the local community are affected by the presence of the industry and economic relationships are influenced by the social ones. Furthermore, this productive system is characterised by a widespread division of labour between firms engaged in complementary activities and an advanced specialisation.

Development, www.worldbank.org/urban/led) and the network *Cities of Change*, designed to give support, advice and share knowledge related to local economic development strategy. The WB's approach considers local development mainly as an economic process, in which social and cultural aspects are mostly considered as by-products. The LED Strategy aims to create the kind of environment that businesses need to grow and expand (Swinburn, Goga and Murphy, 2006) with a particular emphasis on the conditions needed in order to attract Foreign Direct Investment.

1.1.1.4 Strengths and weaknesses of a territorial approach

A territorial focus for social and economic development programmes has a lot of appealing aspects. The main, somehow obvious, benefits are: in the first place the fact that the efforts are more focused and therefore the use of resources is potentially more efficient; in the second place the possibility to take into account the specificity of the territorial system (typically its main underexploited resources), thus reaping the competitive advantages of specialisation.

However, the consideration of the territorial dimension has a number of disadvantages as well, that represent the weaknesses of a LDA that pays attention only to this element.

The first weakness resides in the fact that improving the competitiveness of a territory can also mean decreasing the chances of success of others. While LDA is ideally conceived as a chance for freedom for localities and territories, others see it as a forced answer to an increasingly challenging global environment (Pike, Rodríguez-Pose and Tomaney, 2006 p. 12). Possibly, the main problem of the LDA lies in the unsolved tension between competition and cooperation. Is LDA a mostly win-win game or is it mostly a zero-sum game? If competition is prevalent and no coherent concept of territorial (regional and local) development exists, what we can expect from LDA is a continuous generation of development winners and development losers.

The second weakness is the simple reflection of the fact that the ability to trigger cumulative causation is very often elusive. It is apparent that the industrial district paradigm refers to a largely spontaneous process of economic development, that has a consistent geographical and historical specificity. As such, it downplays the possibility that tailored policies and interventions can reproduce the conditions to foster economic growth especially in less developed areas (Provasi 2002). Nonetheless, processes of local development are fostered by policies' interventions providing support to economic activities via the improvement of institutional contexts. The underlying idea is that in many areas, especially in the lagging ones, tangible resources are likely to exist, but they combine with institutional inefficiency in what can be considered as an underdevelopment equilibrium. As underlined by Barca (2006; 2009), the failure of the market consists precisely of the incapacity to produce collective goods as latent groups do not have enough incentives to act, even if they share common interests.

1.1.1.5 How local should be the local development approach?

Focusing on the territorial dimension makes absolutely crucial the question of the “right” size of the place. On the one hand, it is apparent how a territory too large makes it very difficult to fulfil the other requirements of LDA. On the other hand, it is mostly the literature on rural development that has pointed out how strategies focused on too small units of territory can possibly promote improvements in the short term, but are unable to establish a sustainable, coherent and long-term pattern of development (Moyano Estrada 2009, Moscoso Sanchez 2005).

1.1.2 The integration imperative

1.1.2.1 Towards an holistic dimension of development policy

According to much of the literature, a second feature of the LDA, is the fact that it predicates the need to act simultaneously in a number of different policy fields. It encourages local authorities to take an active role in coordinating with other actors to stimulate competitiveness. A key characteristic of territorial development is therefore its holistic approach, notably integrating sectoral policies at various territorial scales, promoting economic and institutional transformation and strengthening linkages with localities inside and outside the territory itself.

This dimension of co-ordination and integration is obviously linked to the territorial element: the underlying assumption is that only at a local - however defined - level it will be possible to develop the level of cooperation between decision-making agents that represents one of the cornerstones of economic development.

1.1.2.2 Towards an holistic dimension of development policy

According to a vast literature on planning and management, integration and coordination are by definition a good thing, as they define a situation in which there are seldom conflicts, gaps, and the interrelations between the different activities tend to be synergic rather than out of kilter. It is the evolution from a concept of economic growth to one of socio-economic development that asks for integration. As it becomes clear that a purely economic understanding of development misses the point of what is development for, an increasing number of voices say that LDA’s discourse and actions should aim at “*improving quality of life, supporting or accelerating empowerment of ordinary people, developing or preserving local assets, overcoming market failures, strengthening cohesion, and defining and delivering grass-roots development projects*” (ADETEF, 2010, p. 10). All this obviously asks at least for policy integration, both sectorally and at different territorial scales. The need to exploit the synergies between public policies and private interventions goes in the same direction.

1.1.2.3 Local development as policy integration: some experiences

If we now look at the concrete experiences of policy integration at the local level we are confronted with a plurality of examples. Some of them are characterized by the fact that they are derived from sectoral policies "discovering" the need for inter-policy coordination and/or integration at the local level.

The clearest and oldest example is probably to be found in the field of rural development with the LEADER initiative. Its name (coming from the French *Liaison entre actions de développement de l'économie rurale*) is indicative of a commitment to an integrated approach, that "...emphasises locally-based, bottom-up approaches for rural development with a strong focus on multi-sectorality. Central to the participative, partnership-working method is the requirement to set up Local Action Groups (LAGs) of public and private stakeholders to identify development needs within their rural communities and to develop and test small-scale, innovative projects to tackle the identified needs. These distinctive features, commonly referred to as the "Leader method", are often singled out as generating significant added value, notwithstanding several non-trivial challenges (Barca 2009, p. 126).

But the same goes for other fields of policies: in urban policies where one has to mention the URBAN initiative in the programming period 1994-1999, renewed in 2000-2006 (URBAN II); in environmental policies where one has to mention the key role given to local governments in the Local Agenda 21 movement; in the fight against social exclusion (think of the EQUAL Initiative); in the field of employment policy (think of Territorial Employment Pacts), of innovation and R&D policy. The common element in all these approaches is that they evolve through understanding interconnections with other policy problems, in a specific territory, and attempt to address them simultaneously.

At a more general level one can think of the model of LDA popularised by OECD who considers "*local development (...) a wide ranging concept that can be seen as a process through which a certain number of institutions and/or local people mobilise themselves in a given locality in order to create, reinforce and stabilise activities using as best as possible the resources of the territory*" (OECD, 2001, pp. 22).

1.1.2.4 Strengths and weaknesses of integration

The advantages of integrated planning are apparent. The possibilities to exploit the synergies between the different sectoral policies should certainly increase the efficiency and the effectiveness of the interventions. The ability to bundle together in a meaningful way different types of interventions, to combine efforts to stimulate growth with the attention to the social and environmental consequences, as well as the possibility to exploit the specialised knowledge embedded in the different policy communities, are all very important, one could say fundamental, aspects of the LDA.

The importance of integration in bringing about added value to cohesion policy has been pointed out in many evaluations (e.g. ECOTEC, 2010). Yet a strong emphasis on

policy integration has also some disadvantages. For instance a totally integrated programme runs the risk of fragility: if all its parts need each other, the defection of one relevant actor, representing a specific policy concern, can endanger the whole construction.

Perhaps the biggest weakness of too much emphasis on integration is represented by the fact that it asks for an institutional and administrative capacity often beyond the possibilities of the local actors it wants to involve. Increasing integration means increasing complexity and it cannot be given for granted that the partnership activated is able to cope with it.

1.1.2.5 Which type of policy integration?

The experiences of policy integration that can be included in the LDA are different. The main distinction is between the policy integration that is brought about by the need to increase the effectiveness of a sectoral policy (in this case the main thrust of the approach goes in the direction of addressing one specific policy problem albeit considering different aspects of it and taking into account the possible consequences on the problem itself of other policy actions) and the policy integration that stems from a comprehensive approach to the problems of socio-economic development of a given disadvantaged area (in this case the policy integration is made around a specific territory, taking into consideration all the aspects that are potentially able to help triggering the endogenous economic growth and/or are requested by the different policy actors).

1.1.3 The strengths of cooperative behaviours

1.1.3.1 Involving local stakeholders and forging partnerships

The third, and possibly the most original, element of the LDA consists in the assumption that socio-economic development requires the mobilisation and the co-operation of local actors and the forging of stable partnerships between them. Significant evidence shows that individuals/companies behave in a highly cooperative way in situations for which the standard economic theory of rational payoff maximization predicts strictly selfish behaviour. This obviously refers to the theory of the Transaction Costs: TCs should be lower at the local level, as the proximity facilitates the exchanges.

1.1.3.2 The importance of local actors cooperation

The fundamental importance of the mobilisation of local actors was originally proposed by the approaches labelled as basic needs and self-reliance. According to these approaches, promoted since the Eighties by the World Bank, development should be seen primarily as an endogenous process.

Cooperation is the focus of Elinor Ostrom's work (2006). She analyses the conditions leading to collective action. Ostrom's communitarism emphasizes the key role of the community, of its participatory decision-making and of its organised civil society. In this perspective, therefore, a fair behaviour does not emerge only on the basis of a rational calculus but primarily from rules that are perceived as fair by the community to which an individual belongs.

This, in turn, points in the direction of the notion of social capital. There are two influential streams of thought concerning the notion of social capital. According to a first stream – represented by scholars as Putnam and Fukuyama, among others – social capital is formed by norms and values that enable participants to act together more effectively to pursue shared objectives (Putnam 1995): social capital would be a precondition for local development. According to a second stream of thought – represented by Bourdieu (Bourdieu 1980) – social capital is formed by networks of interaction, which are the product of investment strategies consciously or unconsciously oriented towards the creation or reproduction of social relations directly expendable on short term or long term. This interpretation, giving emphasis to the interactive dimension of social capital, introduces two crucial elements: a) social capital is localized, it is rooted in a place. But the “space” of social capital is socially constructed and has to make sense for the actors; b) social capital is the set of resources, capabilities, endowments that can be used to make a joint action possible, and the process to reproduce it as well.

If LDA has a relation of co-evolution with the social capital, which are the means that could induce or favour the mobilization of actors?

The New Institutional Economics (NIE) posits that institutions (i.e. norms, rules) influence economic activities and development as they favour the reduction of the costs of transaction within economic processes or, more precisely, the costs of using the market (North, 1997). NIE recognizes the importance of institutions for economic action, but it also assumes that the object of the exchange (or of the relationship) is known to the actors involved. However, in complex and dynamic contexts, economic action takes place in condition of uncertainty (Grossman and Hart, 1986; Hart, 1995).

The uncertainty dominating the markets and the society generates the rise of the transformation that has been described through the concept of governance. Governance studies underline a shift from state-based public policy to a more pluralistic or polycentric system. Governance is conceived as an alternative governing system to the hierarchical and market based ones, founded on self-organized and inter-organizational networks (Mayntz, 2003; Rhodes, 1996). Network analysis, in particular, argues that network like situations require partnerships as a mean to develop strategic direction and coordination within a polycentric terrain, to address in innovative ways those issues that cross organizational boundaries (Lowndes and Skelcher, 1998). Similar conclusions are drawn by the multi-level governance approach (Hooghe and Marks, 2003). In other terms, multilevel networks characterized by both vertical and horizontal integration (Howlett 2002) can favour innovative solutions. According to such a view, a “*diffused decision making responsibility*” is not only a value in itself (e.g. in the deliberative

democracy approach). It is a learning process for public and private actors conducive to innovation (Seravalli, 2006; Dente, Bobbio and Spada, 2005).

A final strand of thought to be mention is the literature on citizen participation in public policy. The main reason why the involvement of grass roots actors improves public policy making has been pointed out many years ago, in the discussion about the limits of the “professional social inquiry” to solve collective problems and about the usefulness to mobilize “ordinary knowledge” to pursue more effective policy (Lindblom and Cohen 1979). It is worth noting that exactly the same issue has gone through various attempts to re-think different fields of policies, from urban design (Turner, 1976) to spatial planning (Healey, 1997), from social policies (Tosi, 1984) to educational policy (Uemura, 1999) or environmental policy (Bobbio and Zeppetella, 1999).

1.1.3.3 Bottom up-approaches to local development

The emphasis on the involvement of local actors has been present in the European policies and programmes since the mid-80s. One could mention the 1995 European Strategy for Encouraging Local Development and Employment Initiatives and the Territorial Employment Pacts (TEPs)⁶, which represented probably the most complete EU-wide approach in the mainstream programmes, fully in tune with LDA (McAleavey and Stefan, 1997, pp. 25-27). Or again the LEADER and LEADER+ initiatives in the field of rural development we have already referred to.

Of particular interest is the British experience of Community Economic Development (CED) continuing the tradition of alternative approaches to conventional economic development. As explained by Armstrong et al. (2001), the aim was to maximize resources coming into each area and to lever in other funds; to favour the within-area circulation of incomes preventing significant income leakage; to recognise residents the ownership of assets. Through local economic development initiatives, local government and a broad range of stakeholders are increasingly involved in the creation of sustainable growth opportunities and in responding to the needs of the territory in which they operate (Laville, 2007; Amin, 2009).

1.1.3.4 Strengths and weaknesses of bottom up approaches

The elements that can be derived by the literature itself are that the main strengths of a LDA centred on the mobilisation of local partnership are on the one hand its resilience and on the other hand its low cost of implementation (ADETEF 2010, p.18). The former

⁶ Territorial Employment Pacts (TEPs) were an initiative launched in the mid-1990s by the then President of the European Commission, Jacques Santer, with the aim of increasing the impact of the Community Structural Funds on regional and local employment. The general aim of TEPs was to concentrate and intensify employment efforts in circumscribed geographical areas through a global and integrated approach. The aim was to mobilise all parties concerned with employment around a joint project that permits improved coordination of job-creating actions in a given territory. The geographical areas covered by TEPs were to be eligible for European Social Fund (ESF) funding under any one of its Objectives.

is fostered by the fact that, contrary to other more traditional approaches, the process depends only to a limited amount from external resources. The latter basically depends on the fact that the main development agents are the very same interested stakeholders, and if, of course, some sort of incentive is probably needed in order to mobilise them, this is far less expensive than the alternative ways predicated by the traditional approaches.

There are, however, a number of weaknesses. In the first place, in order to gain the active participation of grass roots actors very often the size of the programmes is too small to be able to make a significant difference (Moyano Estrada 2009). The second aspect is that LDA in order to be effective needs often a lot of time. A last weakness mentioned by the literature, is more dangerous. From an evaluation of the Italian Territorial Pacts it emerged how many of the partnerships between institutional and societal actors were in fact "collusive", created only in order to gain from the financial opportunities secured by national or European programmes (Cersosimo, Wolleb, 2001).

1.1.3.5 The different types of partnership

The last point concerns the variance in the ways in which the involvement of local stakeholders takes place. Two dimensions seem particularly important. The first dimension concerns the ways in which the partnerships are created. At one end of the continuum there are partnerships that are at the same time inclusive and built from the bottom up. At the other end of the continuum, there are selective partnerships encompassing the actors able to bring the relevant resources (money, legal authority, consensus, knowledge), not necessarily all at the same level.

A second, partly overlapping, dimension is even more fundamental. Sometimes the building of a partnership is considered as an end in itself, the idea is that there is the need to create, and possibly institutionalise, a collective actor as the only way of identifying and creating the common goods that allow the triggering of the endogenous development process. In other cases it is treated as an important instrument for the delivery of the policy, the partnership being a necessary step, a device created in order to reach a set of goals already identified.

1.2 Definition of local development approach

A certain level of consensus about what the Local Development Approach is all about exists already in the literature. This is based on four main points:

1. LDA is a social and political process whose goal is the social and economic development of specific areas. It can be applied everywhere, but it has more potential in disadvantaged areas. LDA is necessarily a conscious effort by some institutional actor to tackle development problems. In this sense there is a fundamental difference between local development and LDA: the first can, and actually is, often brought about without any involvement of political actors, and can be explained by factors that are actually outside the realm of possible policy interventions.

2. LDA is place based in the sense that it should necessarily refer to a specific territory in which there are resources that can be exploited in order to reach the development goal. Territory is regarded not only as a source of agglomeration dynamics but as an integrated socio-economic system able to act on its own in order to bring about the desired development. In the literature, the main variation regards the territorial boundaries: if the area is too large, it is impossible to develop the actual involvement of local actors; while if it is too small, the development process runs the risk of being too fragile and not really sustainable.

3. LDA entails the ability to link together a number of different sectoral policies. This derives, on the one hand, from the fact that the notion of development generally goes beyond mere economic growth and includes social inclusion, quality of life, preservation of the environment, human development, etc. On the other hand the idea seems that policy integration is actually possible only at the local level because otherwise the inherent complexity is too large to be dominated by conscious efforts.

4. LDA implies the mobilisation of a plurality of different actors also at the local level. Here the catchword is the necessity to build (local) development partnerships and the debate sees an overlap between different disciplinary strands including terms like governance, subsidiarity, participation, etc.

Conclusively, we have considered the basic elements of LDA as the analytical base on which to classify the different experiences that we find in the real world and in the previous pages we have pointed out what the existing literature tells us on the strengths and weaknesses associated with a stress on one of them (territory, policy integration, local actors involvement).

Equally important is the fact that we have derived from the analysis the variables that we have employed in the empirical part of the research.

Main Local Development elements

Elements	1	2
Territory	Wide territorial focus	Small territorial focus
Policy integration	Sectoral focus	Integrated thematic approach
Partnerships	Partnership as a tool	Partnership as a goal
	Selective partnership	Inclusive partnership

We have hypothesised that the combination of these elements would have resulted in three ideal models of LDA, that we have tested in the case studies:

1. “Pure” LDA: small territorial focus, (mostly) integrated thematic approach, partnership as a goal, inclusive partnership.
2. LDA as a corrective in sectoral policies: wide or small territorial focus depending on the policy, single thematic focus, partnership both as a tool and as a goal, selective partnership.
3. LDA in regional policy: wide(r) territorial focus, integrated thematic approach, partnership as a tool, selective/strategic partnership (including multi-level governance).

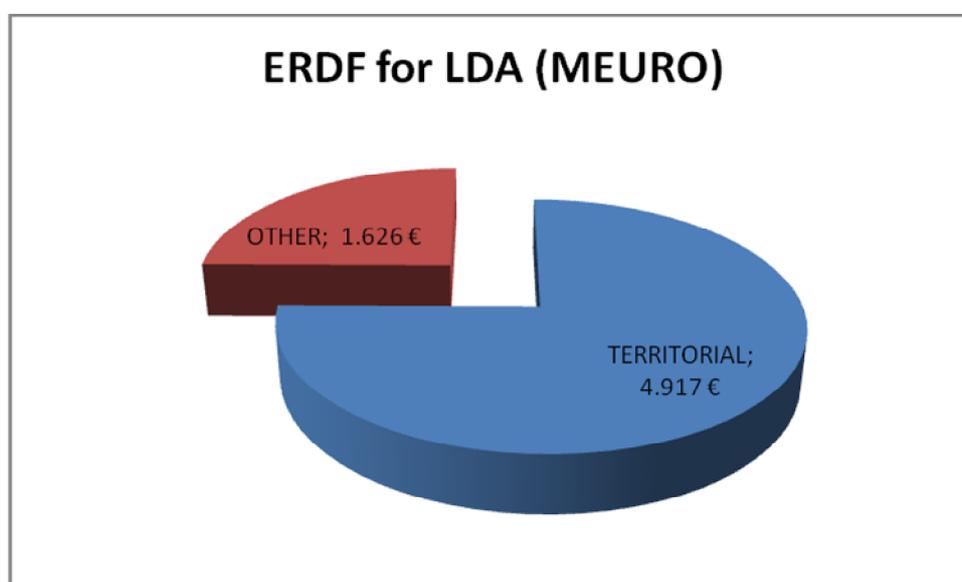
The identification of the different elements and the resulting typology is particularly important in the light of the provisions of the EU Commission proposals for the next programming period [COM(2011) 615 final]. In fact Articles 28 to 31 of the proposed regulation for the 2014-2020 programming period introduce the concept, common to all European Structural Funds, of *Community Led Local Development*. The Commission's proposal makes explicit reference to the LEADER experience as one exemplar local development approach to be applied, and identifies *(a) the focus on a sub-regional territory, (b) the existence of a multi-sectoral and integrated development strategy, and (c) the fact of being steered by "local action groups composed of representatives of public and private local socio-economic interests" as three essential elements of this specific approach; d) designed taking into consideration local needs and potential, and include innovative features in the local context, networking and, where appropriate, cooperation*. If the LEADER reference seems to point in the direction of a "pure LDA" approach, other provisions (and mostly the idea that the selection of the individual projects should be made on the basis of a representative governance structure with the allocation of voting rights to the different participants to the LAG) suggest that the partnership should be more selective than inclusive, and considered more as a tool than as a goal. This doesn't mean that individual member states could not follow, for the implementation of CSF Funds, some characteristics of the other LDA models listed before. The present study, therefore, will try to understand the strengths and weaknesses of each of them on the basis of the empirical analysis summarized in the following chapters.

2 OP overall review

As specified in the Foreword, the study envisaged a review of local development practices and initiatives included in 38 Operational Programmes implemented – during the 2007-2013 programming period - by the 16 Member States, which allocated the largest absolute amount of ERDF resources to territorial policy interventions⁷. The review allowed to investigate whether the LDA is the methodology typically used for implementing territorial policy interventions and to understand whether and how a local development approach has been translated into the regional/national Operational Programmes.

The importance of local development approaches for territorial policy interventions is well reflected in the distribution of financial resources as showed by Graph 1 below.

Graph 1 - Total amount of ERDF for LDA per macro theme (Territorial intervention and others interventions)



Source: OP review

The overview shows also the few cases in which LDA has been used to implement other types of policy interventions. Only 8 OPs have considered other policy interventions, namely the Sachsen OP, the Extremadura OP, the Nord Pas de Calais OP, the Puglia OP, the Sicily OP, the Slovak Research and Development OP, the North West England OP and the West Wales OP. In detail “other policy interventions” refer to:

1. Competitiveness and attractiveness of the territorial productive systems (which can be found in five OPs) and is mainly connected to activities aimed at the

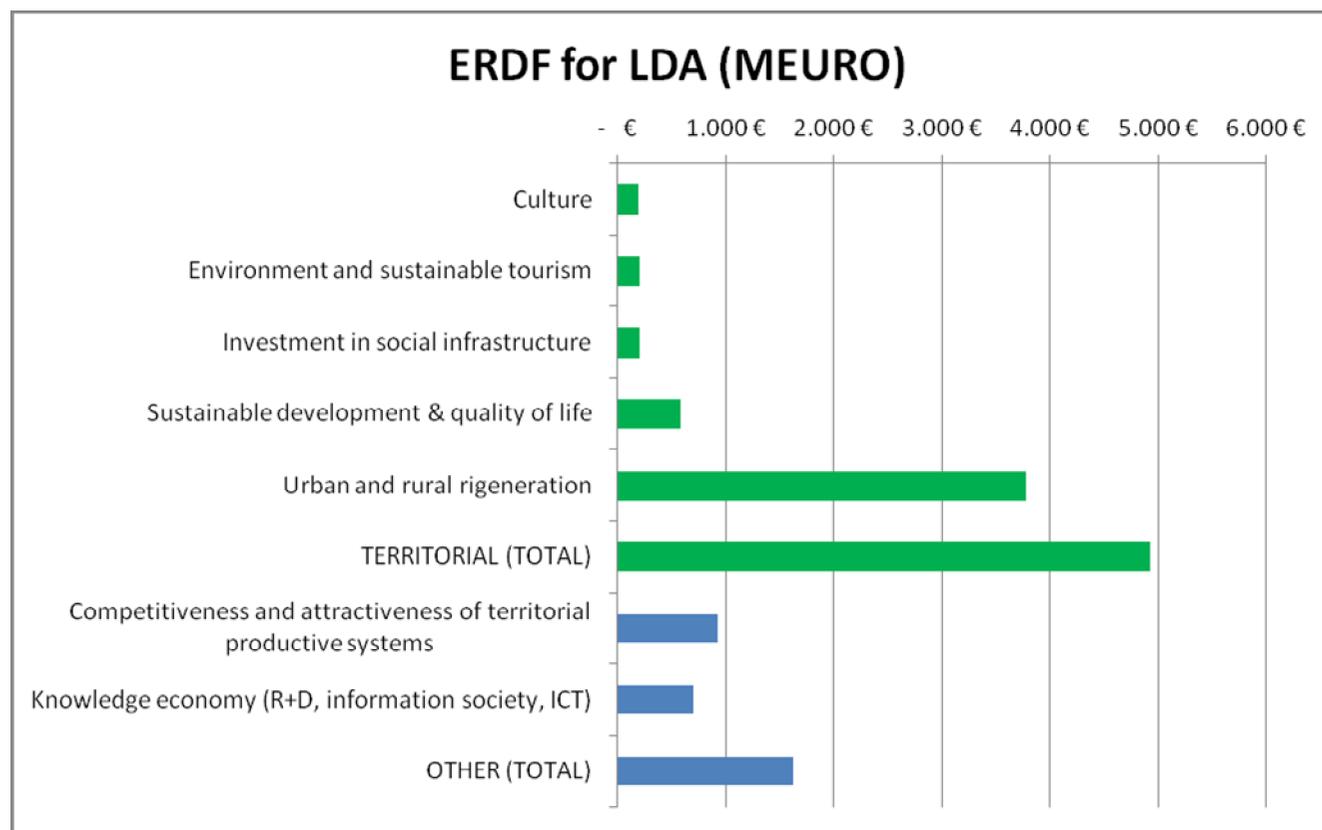
⁷ Member States (Poland, Hungary, Italy, Czech republic, Spain, Greece, Portugal, Germany, Romania, Slovenia, France, Latvia, Lithuania, United Kingdom, Estonia, and Bulgaria) and relate 38 OPs to be analysed were identified in the ToR.

building and upgrading of infrastructure and/or business support to permit durable economic growth.

2. Knowledge economy and research and innovation policies (which can be found in four OPs) and is mainly connected to interventions aimed at promoting and disseminate research and innovation through, for example, the implementation of excellence networks and/or research; construction of innovation policy infrastructures (innovation centres, technological platforms, information centres), development of Information Society and ICT.

Again, the importance of specific type of policy interventions (both territorial interventions and others) is reflected in the amount of ERDF money allocated for themes as shown in Graph 2 below.

Graph 2: Total amount of ERDF for LDA (MEURO) per theme



Source: OP review

23 OPs out of the 38 OPs analysed have adopted, broadly speaking, the local development approach which means that they refer to the three dimensions that, according to the literature review, are considered essential:

- Territorial focus;
- Policy integration;
- Local actors cooperation and mobilisation of partnership.

All the 23 OPs have a **place-based character** through a clear identification of a specific territory(ies) in which LDA can be used.

However, there are some differences in the definition of the specific territory towards which ERDF has been directed.

The selected territory may correspond to a **specific urban or metropolitan area** with formal borders, while in other cases, attention is directed towards more local and small-scale geographies and operations are concentrated at the micro level of **specific disadvantaged neighbourhoods**. On the contrary, the chosen territory may also correspond to a wider group of territorial areas not always consistent with formal borders.

In all these cases there is the idea that **geographical concentration of economic resources will benefit local communities** and that concentration and agglomeration of economic activities might be the basis for local development. At the same time, there is also the idea that development should start from “below” and involve local communities. Thus, the **territoriality dimension is strictly connected to both integration and bottom-up participation**.

The use of a local development approach is strictly linked to what was programmed and implemented during the previous 2000-2006 programming period. The OPs review shows that continuity is a crucial aspect for local development and that 2000-2006 was definitely a period of awareness and gaining of experience amongst a wide range of regional and local actors. All OPs (including those that have limited implemented interventions using a local development approach) identify specific connections with the previous programming period. Community Initiatives such as Leader and Urban were also used as learning experiences to implement the current Operational Programmes.

As for the **type of interventions implemented using a local development approach**, OPs overview clearly shows that the **local development approaches described in the OPs are the methodology typically used to implement territorial policy interventions**⁸.

⁸ According to the Terms of Reference, “territorial interventions” refer to the following categories of expenditure: Urban and rural regeneration (Integrated projects for urban and rural regeneration); Environmental protection and risk prevention (Rehabilitation of industrial sites and contaminated land, Promotion of biodiversity and nature protection, Promotion of clean urban transport); Tourism (Promotion of natural assets, Protection and development of natural heritage, Other assistance to improve tourist services); Culture (Protection and preservation of the cultural heritage, Development of cultural

As a matter of fact, all the 23 analysed OPs have decided to use a local development approach to implement territorial policy interventions. Within territorial policy interventions, **the more considered intervention typology is “urban and rural regeneration”** (again all the 23 OPs) with a particular emphasis on the regeneration of disadvantaged areas – especially those suffering multiple forms of deprivation. When revitalisation of deprived urban areas is envisaged, examples of indicative activities are also referred to supply of social-cultural and leisure-related facilities and education-oriented activities and/or economic development. **Other considered intervention typologies using a local development approach are those related to the enhancement of tourism** (which can be found in two OPs) and in general to a **sustainable development** within the territory (three OPs) and those related to **investment in social and cultural infrastructure** (five OPs).

OPs review was also useful in understanding **how local development approaches have been implemented on the ground** given the fact that delivery mechanisms and actor involvement are strictly connected in the OPs strategies for local development. The importance of actor involvement is paramount in all the examples of delivery mechanisms which have been quoted.

All the OPs assessed as using a local development approach in implementing their interventions **are activated through specific tools** such as **Action Plans or Integrated Programmes** usually implemented by sub-regional and/or local partnerships. Plans are in some cases defined and drafted within **strategic frameworks** that are connected to spatial aspects of delivery and developed through partnerships at sub-regional and local level.

In some cases, interventions are implemented though the **use of sub-delegation to Intermediate Organisms**, usually local governments.

Instead of being delegated, in many cases, **municipalities are the only eligible applicants for interventions (mainly territorial ones) using a local development approach**. This is the case, for example, of German OPs and Eastern Europe OPs (Hungary, Czech Republic, Poland, Bulgaria).

To avoid overlap in programming and implementing interventions, **coordination structures have also been defined**. These structures are usually devoted to designing innovative solutions for interventions, to ensure that interventions are programmed and delivered in accordance to local plans and frameworks and, in some cases, to select projects.

infrastructure, Other assistance to improve cultural services); Investment in social infrastructure (Education infrastructure, Health infrastructure, Childcare infrastructure, Housing infrastructure, Other social infrastructure).

3 Case studies analysis

3.1 Comparative overview

Moving from literature and OPs review undertaken in the sections above, this section focuses on the local development approaches deployed on the ground, with the purpose to deepen theoretical knowledge provided by the literature review and the theoretical frameworks envisaged within the OPs. This section focuses, thus, on the 5 case studies and 5 mini-case studies analysed within the study, without claiming to undertake a comparative analysis in order to draw general conclusions (due to the large differences between cases as well as to their limited number). On the contrary, the purpose is to highlight differences and similarities of the local development approaches deployed on the ground across the five regions.

The five analyzed regions are:

1. ***Andalusia Region*** (Spain)

The Andalusia case focuses on the ERDF local development approaches (LDA) pursued in the Spanish Autonomous Community of Andalusia across the 2000-06 and 2007-13 programming periods. One of the least developed regions in Spain, Andalusia is the second largest (87.268 Km²) and the most populated (20% of the national population) region of Spain. Its economy is mainly based on agriculture and more general on the valorisation of rural resources. This also partially explains why the local development approach was traditionally identified with the Urban and Leader programmes. In the OP 2000-2006 Andalusia advanced towards the adoption of a LDA, through the inclusion of a line of action on local and urban development and the consideration of *local and urban development* as a horizontal priority. The OP 2007-2013 ERDF attempts to pursue a more consistent LDA, through the adoption of a more integrated approach to regional development and a stronger commitment towards partnership and participation and the inclusion of *Sustainable Local and Urban Development* as a priority axe, accounting for almost 8% of the total budget, of which 70% reserved for “integrated local and urban development projects”.

A concrete example of how the local approach worked on the ground is provided within the *mini case study Urbana Cadiz* which analyzes an urban regeneration project financed within the *Sustainable Local and Urban Development* priority theme. The project analyzed aims to regenerate the social and economic fabric of four neighbourhoods of the historic downtown Cadiz, a city located at the extreme south of Andalusia.

2. ***Berlin Metropolitan Area*** (Germany)

The Berlin Metropolitan Area case focuses on the local development approaches implemented in the Berlin Metropolitan area over the 2000-2006 and 2007-2013 programming periods. Berlin is the largest German city in terms of inhabitants (3.46

million in 2010), area (892 sq/km) and density (3,880 inh./km).⁹ For over 40 years the development of the “two” Berlins (the East and the West side) was characterised by subsidies and political interests which influenced the economic development of the city, still considered poor compared to other western German regions. The local development approaches implemented within the Berlin ERDF programmes are rooted in the federal programme Urban Neighbourhood with special development needs – ‘The Socially Integrative City’ programme, aimed at supporting the most disadvantaged (defined both in terms of unfavourable social and economic status) neighbourhoods in different German cities by making the neighbourhoods themselves the main actors of their development. Berlin joined the Socially Integrative City Programme in 1999 and decided to address its disparities via a local development approach, taking into account small-scale disparities at local level. In both programming periods, the identification of specific development potential of a neighbourhood has been developed in partnership between local stakeholders and the municipal managing authorities. Furthermore, activities have been developed combining a potential-oriented approach for economic development as well as instruments for tackling social problems.

A concrete example of the evolution of the local development approach over the two programming periods is provided within the *mini case study “Neighbourhood mothers”*, which analyzes a project aimed at assisting deprived families and individuals and at enhancing the integration and civic engagement of immigrants. The project, a joint venture between the borough authorities, local unemployment agencies and the Senate of Berlin, is based on the experience gathered through the successful Neighbourhood Management LDA framework.

3. *Czech Northwest Cohesion Region* (Czech Republic)

The regional case study analyses the local development approaches implemented in the Northwest Cohesion within the 2004-2006 and the 2007-2013 programming periods. The North Cohesion NUTS2 Region covers two of the Czech Republic’s NUTS 3 counties¹⁰: Karlovy Vary County and Usti nad Labem County. Despite its great industrial history, due to structural change in local and international economies and the downturn of traditional industrial sectors (such as mining or textiles), the Northwest Cohesion Region is currently one of the least developed areas in the Czech Republic with low educated workforce, high unemployment, low GDP per capita and unclear future. The concept of LDA within ERDF implementation is new in the Czech Republic. A local development approach to project development was not explicitly evident within the 2004-2006 JROP programming period. On the contrary, on request of the European Commission, in the 2007-2013 programming period the Northwest Cohesion JROP included IUDPs (Integrated Urban Development Plans) as an obligatory planning tool for cities with more than 50.000 inhabitants. This approach was also adopted by the Integrated Operational Programme (IOP) at national level, which

⁹ Statistik Berlin Brandenburg. <http://www.statistik-berlin-brandenburg.de>.

¹⁰ In Czech terminology for NUTS 3 level self-governing units the word „region“ is used. To distinguish between „cohesion region“ we use in text for the afore mentioned NUTS 3 unit word „county“.

focused on the rehabilitation of socialist housing estates in cities with more than 20,000 inhabitants.

An analysis of an IUDP is provided by the *mini case study IUDP Centre in Usti nad Labem*. IUDP Centre is one of the three urban regeneration programmes promoted by the City of Usti nad Labem focused on the city centre renovation.

4. *Puglia Region* (Italy)

Puglia Region is one of the Convergence Objective/ex Objective 1. Even if enjoying a relatively lively economy and society as an Italian southern region (with a high number of SMES, high levels of education, and voluntary activity), Puglia is still lagging behind when compared to northern Italian regions, with low levels of GDP and significant problems of unemployment and criminality. LDA policies in Puglia Region are related to the development of such policies on a national scale: European Territorial Pacts for Employment, the Urban Integrated Projects and Territorial Pacts in the '90s. PITs were promoted in the 2000-2006 programming period in the context of the "New Programming Policy" ("Nuova Programmazione"), with the aim to promote local development by adopting a multiple perspective approach, by involving local administrations and communities and by using different channels of European funds in order to design and implement integrated projects.

In the 2007-2013 programming period, the LDA approach was not only confirmed, but also strengthened by mainstreaming it within regional social and territorial development policies. The main LDA strategy in this period is represented by Broad Areas, introduced during the PITs lifetime with the aim to make the local level the main actor of the local development policies. Broad Areas are a policy tool similar to the PIT but characterized by a higher emphasis on the autonomy of the local level in deciding the geographical boundaries, the management architecture and the focus of the local development strategy.

An analysis of how the PIT worked on the ground and of the passage from PIT to Broad Areas and other LDA tools in the 2007-2013 programming period is provided within the *mini case study PIT 1 Tavoliere*.

5. *West Wales and the Valleys* (UK).

The case study reviews the ERDF local development approaches pursued in West Wales and the Valleys across the 2000-06 Objective 1 and 2007-13 Convergence programming periods. West Wales and the Valleys is one of two NUTS2 areas that cover Wales, a region of the United Kingdom. It has an area of 12,400km² with approximately 1,150km of coastline and a population of some 1.89m persons, close to two-thirds of the total population in Wales. West Wales and the Valleys present something of a unique case study environment. In the first instance, there was no such spatial entity prior to 1998 when Eurostat agreed a reconfiguration of NUTS2 areas in Wales. Although parts of Wales had received a variety of EU funds prior to 1999, Objective 1 funding was only secured when the new West Wales and Valleys area fell within eligibility criteria. Secondly, the designation of Objective 1 status for the 2000-06 programming period coincided with the emergence of the National Assembly for Wales (NAW) and

represented a fundamental change to the overarching political context within Wales. Thirdly, the delivery models adopted for 2000-06 and the 2007-2013 Convergence Programme vary markedly. The O1 programme was anchored to local administrative areas with emphasis on partnership extended via the introduction of the ‘three-thirds’ principle by the National Assembly, mandating a seat at the partnership table for the social and voluntary sectors. The Convergence programme operates at a different spatial level and with much less emphasis on formal partnership structures. One its primary objectives has been, in fact, to impose a radical shift in project development, scaling-up applications in terms of size, quality and collaboration.

The *mini case study WCVA Community Capacity Building* analyzes the LDA project *Building Community Capacity for Local Voluntary Action* (2001-2007) and its successor *Enterprising Communities* (2011-2014), aimed at initiating a programme of assistance that would have facilitated and enabled equality of participation, representation and the engagement of local communities within the broader partnerships designing and delivering local economic development.

The analysis of the above cases shows that they present all the three variables defining the local development approach¹¹, even though they are declined in different ways and different proportions. As shown in the table below, all the five case studies are a clear example of how the different combination of LD dimensions created different LDAs that may also change over time.

Table 1: Main Local Development elements in the regional case studies

Elements		Andalusia		Berlin		Northwest Czech Republic		Puglia Region		West Wales and the Valleys	
		2000-2006	2007-2013	2000-2006	2007-2013	2000-2006	2007-2013	2000-2006	2007-2013	2000-2006	2007-2013
Territory	Wide focus	•	•			•	•	•	•		•
	Small focus			•	•					•	
Policy integration	Sectoral focus	•						•			
	Integrated thematic approach		•	•	•		•	•	•	•	•
Partnership	As a tool	•	•				•	•	•		•
	As a goal			•	•					•	
	Selective	•					•	•			•
	inclusive		•	•	•				•	•	

Source: case studies

As it was anticipated, the cases emphasise that there is not a single model of LDA, but on the contrary LDA is perceived and defined differently across the five case studies, depending on the contexts and also on changes over time. It varies, in fact, from *pure LDA in Berlin and West Wales* (small territory, integrated approach, partnership as a

¹¹ See the literature review chapter for details on the features of the local development approach and the LDA definition adopted by the research.

goal and inclusive) to *LDA in regional policy in Andalusia, Puglia and Northwest Czech Republic* (wider territory, integrated thematic approach, partnership as a tool and selective, even though not extremely selective). Even though none of the five cases adopts a sectoral LDA, there are some features of this approach in both the Czech and the Spanish cases.

Pure LDAs

1. Berlin case

- *small territorial focus*: both the Objective 1 and Objective 2 Programmes during the 2000-2006 programming period and the Competitiveness Programme during 2007-2013 start with the identification of areas with special development needs across the whole Berlin where LDA activities might be implemented. The areas are rather small: the smallest one is less than 3000 inhabitants.
- *(mostly) integrated thematic approach*: LDA activities are identified in relation to specific local needs at a neighbourhood level and cover a wide range of different policies ranging from urban and labour policies to social inclusion policies;
- *partnership as a goal and inclusive in nature*: LDA calls for ongoing, area-specific, and integrated local development action in the sense of a holistic improvement strategy where local residents, business and industry, clubs, associations and other local players, are to take on responsibility in developing and implementing local projects. In this way partnerships are particularly inclusive and their activation is a primary goal.

2. West Wales and the Valleys (2000-2006)

- *small territory*: focus on local partnerships corresponding to local administrative borders and furthermore within each local partnership smaller intervention areas are defined;
- *integrated thematic approach*: the development of integrated local action plans for all spatial geographies, identifying local needs and the range of interventions suited to address them;
- *partnerships as a goal and inclusive*: the creation of local partnerships required in order to draft local action plans and to filter proposed interventions, the formation of local partnerships was a clear initial goal as well as a means through which to channel project proposals.

LDA within the regional policy

1. Puglia case

- *wide territorial focus*: both PITs (in the 2000-2006 programming period) and Broad Areas (in the 2007-2013 programming period) focus on wide geographical areas that go beyond administrative borders of local authorities and aggregate different areas within an Integrated Territorial Project and that cover the entire Puglia region;
- *integrated thematic approach*: integration characterizes LDA in both programming periods and refers to both integration of European funds within the Integrated Territorial Projects and, consequently, integration of policies (from local infrastructure to competitiveness and vocational training);
- *partnership as a tool and rather selective*: local partnerships were rather strategic and their involvement was mainly aimed at the delivery of interventions; partners' involvement is, however, different from one PIT to another.

2. Andalusia

- *territorial focus* is on wide areas.
- *integration approach*: the 2007-2013 programming period is characterized by the adoption of a more integrated approach taking into account many development potential factors: the entrepreneurial culture, the qualification of the workforce, the research and innovation, the sustainable management of resources, the social cohesion or the protection and enhancement of the natural and cultural heritage.
- *partnership as a tool and inclusive*: the 2007-2013 LDA is characterized by an opening of the projects to partnership and participation, which was in the previous programming period somewhat restricted to high level actors at regional level, and to certain points of the process.

3. Northwest Cohesion Region in Czech Republic

- *territorial focus* is on cities with more than 20.000 and 50.000 inhabitants. The purpose of the IUDP is to concentrate financial resources on a limited number of pre-selected zones of a city and to tackle all existing problems (deprived area) or to support potential growth (a growth pole) in a complex way (i.e. by developing partnerships with other stakeholders important for territorial development).
- as far as *policy integration* is concerned, LDA activities can be either thematic or area based. At the moment only the zone approach is implemented on the ground. Integration is achieved through the possibility of implementing associated sub-projects, using other financial sources, within IUDPs
- *selective partnership as a tool*: in the Czech case, participated programming is still at the very beginning and needs time to consolidate within public institutions practice. An agreement with partners is not about the final state of affairs in a given territory, but merely covers the operational side of investment.

Different LDAs are deployed not only across the five regions, but also within the same territory over time. In this sense, the analysis highlights that LDA is a **mobile target**. This is the case of West Wales and the Valleys, Puglia and Andalusia in the passage from the 2000-2006 to the 2007-2013 programming period. In West Wales LDA passed from the pure LDA model in the 2000-2006 programming period to a model based on a centralized approach, wider territorial areas and an evolution of the partnership towards being a tool. On the contrary in Puglia LDA passes from a more centralized approach in the 2000-2006 programming period to a more bottom-up one in the 2007-2013 programming period. Furthermore, it is now mainstreamed within all regional policies. In Andalusia also the passage from the 2000-2006 programming period to the 2007-2013 one brought about a more consistent LDA, through the adoption of a more integrated approach to regional development and a stronger commitment towards partnership and participation.

In both West Wales and Puglia cases changes seem to be more related to political reasons than to evidence-based evaluation of performance. In West Wales stakeholders stressed the role of politics in determining intervention frameworks and pointed to a change of government, rather than to evidence-based evaluation of the Ob.1 performance. In the Puglia case, regional delays in the implementation of PITs determined complaints of the biggest Puglia municipalities (Bari, Lecce, etc) which

pushed for a different approach based on local actors' higher role in defying their own LDA strategy.

Berlin case study is, on the contrary, **an example of great continuity in time with no shifts in LDA** (even if with an evolution in processes and procedures carried out) from one programming period to another.

As to the North West Czech Republic, it has to be considered aside because the concept of a Local Development Approach (LDA) within ERDF implementation is new in the Czech Republic. While it did not exist in the 2004-2006 programming period, it is triggered by European institutions in the 2007-2013 programming period.

The fact that LDA is a mobile target and differently understood in the different five contexts is also reflected in the financial allocations, as shown in the table below. There is stability in the percentage of ERDF financial attributions to LDA in Berlin confirming the continuity in the approach between the two programming periods. LDA doubles in value for Andalucía in the programming period 2007-2013 testifying the shift towards a more consistent approach. On the contrary, West Wales and the Valleys shows a sharp decrease in the amount of ERDF resources dedicated to LDA that goes in parallel to a less consistent LDA. In addition, Puglia shows also a decrease in the ERDF percentage although, in this case, the LDA maintains its importance, at least on paper.

Table 2: LDA quota on total ERDF amount in the regional case studies (Meuro)

	Andalucía		Berlin		Northwest Czech Republic		Puglia Region		West Wales and the Valleys	
	2000-06	2007-13	2000-06	2007-13	2000-06	2007-13	2000-06	2007-13	2000-06	2007-13
Amount of LDA interventions co-financed by ERDF	624,00	1.001,16	763,91	875,59	-	319,60	773,60	539,08	226,22	147,00
ERDF TOTAL	12.115,31	9.853,014	122,69	164,39	-	2.739,18	3.443,65	5.238,04	1.163	1.250,38
% LDA on total ERDF	5,15%	10,16%	16,1%	18,8%	-	11,66%	22,46%	10,29%	19,5%	11,8%

Source: case studies

Summing up, different definitions of LDAs adopted imply also greater differences and fewer similarities between the cases on all three dimensions (territory, integration and partnerships), as it will be detailed afterwards. In terms of effectiveness, this results into different degrees of success of LDA interventions. The main results of the analyzed LDA strategy consist mainly in the integration of policies and funds within a coherent and shared LDA strategy, as it will be further detailed in the next chapters. In terms of socio-economic results, in some cases (Puglia and Andalusia) they were conditioned by changes in the external economic context and delays in the implementation of the strategy itself:

- in *Puglia case*, the Evaluation of PIT Puglia underlines that the economic crises that affected the Puglia economy since 2008, and in particular some productive districts directly supported by PITs, reduced the potential benefits of the PIT interventions aimed at increasing competitiveness of productive systems and territories involved. Besides the economic crises, potential effects of PITs interventions on the local productive system and territorial development were also limited by both delays in the implementation of some priority themes and difficulty in the creation of a “strategic direction”. However, some territories performed better than others from this point of view.
- in *Andalusia*, results of LDA actions have been slow on the one hand due to long delays in the approval of the required legal and technological infrastructure and on the other due to the sudden and deep financial crises which has affected most Andalusian municipalities since 2008. As it became more and more difficult to raise the required local co-financing, many projects came to a halt. On the other hand, even in a better context one should expect LDA projects - locally based, integrated and participative - take more time to boot than non-LDA projects, because of the higher degree of complexity and uncertainty.

Some other cases (Berlin and West Wales and the Valleys) seem to have obtained better results from this point of view.

In the Czech case, interventions are still at the beginning and evaluating socio-economic effects seems, furthermore, more difficult due to the fact that there are no base line socio-economic indicators relevant to urban agglomerations comparing attained results to. For instance, although LDA interventions aim at increasing the attractiveness of the cities such “attractiveness” is no further captured in terms of indicators, so only outputs are measured.

3.1.1 Territorial dimension

All five case studies confirm one of the literature findings according to which the territorial dimension is a fundamental element of the local development approach. LDA policies are, in fact, place based. Territory is considered not as a mere source of agglomeration, but as a socio-economic system with specific resources that, if exploited, can bring the desired development. The presence of specific resources is seen as a growth potential in all cases. While in Puglia, Andalusia and the Czech cases, areas were selected by looking at their economic development potential (presence of productive systems and industrial districts in Puglia; presence of historical neighbourhoods, central business districts, etc in Andalusia and Czech cases), in Berlin and West Wales and the Valleys (in the 2000-2006 programming period) the untapped potential of persons living in the specific LDA area is recognized as a fundamental resource to be exploited for its development. In these latter cases, the rationales of the LDA is that local population will become the main actor of its own development and will ultimately contribute to the improvement of the living conditions of people living there.

While territorial focus is a common element to all five cases, variations between the five cases regard the size, the types and the selection criteria of areas involved in LDA strategies.

As to the types of areas considered, these are urban areas in the Berlin, Northwest Cohesion Region and Andalusia cases and urban/rural areas in Puglia and West Wales and the Valleys.

In terms of territorial coverage of the areas using LDA in the region, this ranges from low coverage percentages (as in the Berlin case) to the entire region (as in Puglia and West Wales and the Valleys cases), as shown also in the table below.

Table 3: Territorial coverage of areas using LDA in the analyzed region

Case	LDA areas/total Regional area	LDA population /total population in the region
Andalusia	7,2%	50,45%
Berlin	2,5%	11,7%
Northwest Cohesion Region	3,7%	32,4%
Puglia	100%	100%
West Wales and the Valleys	100%	100%

Source: case studies

Different is also the dimension of these areas: from very small areas in the Berlin case (minimum 2.775 inhabitants) and West Wales and the Valleys in the 2000-2006 programming period, to wider areas in the Czech Republic (municipalities from 50.000 inhabitants to 93.859 inhabitants) and Andalusia cases (municipalities over 50.000 inhabitants) and, furthermore, to extremely large areas in Puglia in both programming periods (areas going from 69.000 inhabitants to 960.000 inhabitants). Territorial dimension tends to be stable over time, except for the West Wales and the Valleys case, where there is a passage from small areas in the 2000-2006 programming period to wider areas in the 2007-2013 programming period.

Going into details on the selection process of LDA areas, the analysis of the five cases shows that the definition of territorial aggregations (be them cities, neighbourhoods or larger areas as in the Puglia case) occurs at upper levels (national through guidelines on LDA areas as in the Czech case and Andalusia case and regional as in the Berlin and Puglia case), while the direct intervention areas within these territorial aggregations are defined usually at local level either by municipalities (as in the Puglia, Czech and Andalusia case) or by active citizenship (as in the Berlin case). In West Wales and the Valleys, territorial aggregations seem to be defined by local partnerships in accordance with the SETs.

As to the selection criteria used in the decision-making process, in both West Wales and the Valleys (in the 2000-2006 programming period) and Berlin, LDA funding is spatially targeted at small and deprived communities defined on the basis of a specific socio-economic index: *Development Index* in the Berlin case and the *Welsh Index of Multiple Deprivation* in the West Wales and the Valleys.

Development index in the Berlin case

Status	Dynamics
Unemployed (German Social code SGB II and III) in % of 15-65-year-olds	Immigration volumes in % of inhabitants
Unemployed under 25 (SGB II and III) in % of 15-25-year-olds	Balance of migration in % of inhabitants
Unemployed with a reference period of over a year (long-term unemployed) (SGB II and III) in % of 15-65-year-olds	Balance of migration of children under 6 years in % of inhabitants under 6
Non-unemployed recipients of basic welfare benefits in % of inhabitants (those not registered unemployed receiving basic welfare benefits in accordance with SGB II and fit for work, recipients of basic welfare benefits in accordance with SGB II and not fit for work, and recipients of benefit under SGB XII)	Change in proportion of German recipients of basic welfare benefits in accordance with SGB II, III and XII compare with the previous year in % points (change in the total of status 1 and 4 without status 5, Germans only)
Recipients of basic welfare benefits and not fit for work in % of inhabitants under 15 years (recipients of basic welfare benefits in accordance with SGB II and not fit for work)	Change in the proportion of non-German recipients of basic welfare benefits in accordance with SGB II, III and XII compared with the previous year in % points (change in the total of status 1 and 4 without status 5, non German only)
Children and young people under 18 years with a migration background in % of inhabitants under 18	Change in the proportion of recipients of basic welfare benefits in accordance with SGB II under 15 years not fit for work compared with the previous year in % points (change in status 5)

Source: City of Berlin website.

In the Czech and Andalusia cases, criteria for LDA areas definition are related on the one side to the dimension of the area and on the other to the characteristics of the areas: growth potential area and/or deprived zone. For instance in the Czech case, a precise definition guiding the identification of deprived or growth areas is provided by national ministries in charge of the programme:

- deprived zones are characterized by: high levels of long term unemployment, negative trends in demographic development, low level of economic activity, low level of education, significant skills deficiencies and the large number of pupils leaving school early, high crime and delinquency level, relatively low real estate values, high energy performance of buildings, low public service facilities, and low levels of service and administrative functions;
- growth poles are characterized by: high concentration of economic activities, a high potential to stimulate business and development services; high concentration of educational activities; importance of the transport system for the city population's mobility; high importance for ensuring the health, social, cultural and educational needs of resident; high innovation potential, especially in relation to the development of the business sector and educational institutions.

In the Puglia case, on the contrary, the definition of the LDA areas was entirely related to their development potential. Extremely wide areas were identified by Puglia Region based on their economic characteristics, including the existence of productive systems and industrial districts, and a local development guiding idea of the respective area.

Territorial features of LDA areas (small-wide areas; deprived areas – growth potential areas) seem to be correlated with the purpose of the development strategy. Evidence from the case studies shows that small areas tend to be more associated with LDA strategies aiming at combating social exclusion (i.e Berlin case), while wider geographical areas seem to be more associated with strategies aiming at broader social and economic development going beyond administrative borders (i.e Puglia case and West Wales and the Valleys). The West Wales and the Valleys is an exemplary case with the passage from small areas associated to community development in the 2000-2006 programming period to wider areas in the 2007-2013 programming period associated to the LDA strategies promoting a broader socio-economic development that goes beyond administrative borders. Therefore, the point seems to be not so much on whether small or large are better or worse for the success of LDA, but on the consequences it entails for the other characteristics of LDA, and in particular for the local actors' involvement. In this sense, the West Wales and the Valleys case shows that there is no significant evidence that either of the specific varieties of the approach adopted towards ERDF interventions in West Wales and the Valleys (see above) will lead to a more or less effective set of LDA interventions. Yet, it highlights that while one of the critiques associated with small areas (feature of the 2000-2006 Objective 1 Programme) is that they tend to produce small scale projects that may have spatially limited effects (this is also one of the challenges of the LDA based on small area interventions in the Berlin case), it is also recognized that small scale projects consent a higher involvement of local partnerships in their design and delivery. This in turn contributes to enhance local partners' sense of ownership over the LDA interventions. On the contrary, the 2007-2013 Convergence Programme stresses that with the scaling – up in geographical size, more complex and large projects that address local needs within the perspective of wider regional strategic framework are designed with less direct involvement of local partnerships, even though it does not totally disappear, and are characterized by substantially less local determination of activities.

3.1.2 Policy integration

One of the common features of all five cases regards policy integration. As shown in the literature review chapter, one of the main contributions of LDA is its ability to bring about at least a modicum of integration. In fact, in analyzed cases one of the results of the LDA strategy consisted in bringing about policy and funds integration within a clear local development strategy. However, the level of policy and funds integration varies across cases:

- *in the Berlin case*, LDA measures/priorities were effective from the outset and from the point of view of financial integration among different financial resources (Federal Republic of Germany, the Federal State of Berlin and from the European Union through ERDF) as well as policy integration (social needs within an urban development perspective). Both of these aspects constitute a solid basis for sustainability of the approach.

- in *Puglia*, one of the main results consisted in having achieved policy and funds integration. PITs consented, in fact, to channel various priority themes within a strong and relevant programme from both financial and interventions foreseen point of view. Furthermore, integration of funds does not refer only to structural funds but also to the national ones. However, integration in the programming phase was not always followed by integration in the implementation phase.
- in *West Wales and the Valleys*, O1 required development of local action plans for all spatial geographies identifying local needs and the range of interventions suited to address them. In both the 2000-2006 and 2007-2013 programming periods, different interventions were catered within LDA strategies.
- In *Andalusia and Northwest Cohesion Region*, policy and funds integration occurs more at the project level than at the overall LDA strategy level.

Furthermore, integration of interventions and funds tends to be stable over the two programming periods, even though some changes occur in the way it is implemented (in *Puglia* case) and in the types of interventions included (in *West Wales and the Valleys*), as it will be further on detailed.

Integration usually occurs around a common idea, which in two of the analyzed cases is characterized by its strategic nature:

- in *Puglia* the design of the PIT and integration of interventions and funds occurs around a local development guiding idea defined by *Puglia* Region. On the contrary, policy integration occurs a strategic local development idea defined by local municipalities and stakeholders.
- in *West Wales and the Valleys* local spatial development plans (2000-2006 programming period) and strategic frameworks (in the 2007-2013 programming period) are built and interventions selected in accordance to the requirements of these plans/strategic frameworks.

In one case (*North West Cohesion Region*), integration of interventions and funds occurs through the so-called “associated” projects¹², with the purpose to enlarge the LDA strategy to include not only “hard” interventions financed by ERDF, but also “soft” issues financed by other funds such as ESF.

The analysis of the five cases underlines also that integration of funds and interventions does not change with the passage from the 2000-2006 programming period to the 2000-2007 programming period. However, in some cases changes the way in which integration occurs (no more around a strategic guiding idea identified by the centre –

¹² IUDPs can include both sub-projects focused more on “hard” interventions and associated projects that focus rather on “soft” issues. “Priority” sub-projects are funded by ERDF whereas “associated” sub-projects exploit other available financial resources as ESF, state funding, etc. Associated” sub-projects on the list are submitted by applicants into calls announced by the managing authorities of individual OPs and are evaluated according to criteria applying to that OP, in a competition with projects from the whole country. The fact of being included into a IUDP gives them a 10% bonus in the evaluation process.

Puglia region), while in others the types of interventions financed is enlarged to include also competitiveness interventions (as in West Wales and the Valleys).

The table below offers an overview of the different types of interventions integrated within the LDA strategies implemented on the ground.

Table 4: Type of interventions in the regional case studies

Types of interventions		Andalusia		Berlin		Northwest Czech Republic		Puglia Region		West Wales and the Valleys	
		2000-06	2007-13	2000-06	2007-13	2000-06	2007-13	2000-06	2007-13	2000-06	2007-13
Territorial interventions	Urban and rural regeneration	•	•	•	•	-	•	•	•	•	•
	Environmental protection and risk prevention	•				-	•	•	•	•	
	Tourism	•	•			-				•	
	Culture	•	•	•	•	-		•	•	•	•
	Investment in social infrastructure	•	•	•	•	-	•	•	•	•	•
Other policy interventions	Competitiveness and attractiveness of the productive system		•			-	•	•	•		•
	Knowledge economy, research and innovation policy		•			-	•	•	•		

Source: case studies

As the table shows, all five regions have chosen to use a local development approach for the implementation of territorial interventions. Within territorial interventions, urban and rural regeneration is by far the most considered type of intervention in all cases. In particular, in Andalusia (with the Urbana Programme), in the Northwest Cohesion Region (with Integrated Urban Development Programmes) and in Puglia (with the Integrated Programme for the Regeneration of Peripheries in the 2007-2013 programming period), policy integration occurs around urban regeneration. In these cases, the “Urban” memory is still very fresh and Urban is recalled as one of the main tools for promoting LDA within urban contexts. Thus, the approach has been mainstreamed in the current LDA policies. While Andalusia and Puglia had direct experiences with the Urban programme, in the North West Cohesion Region case, the “Urban memory” lies within the European Commission. It was the Commission that recommended the Czech authorities the mainstreaming of this approach within LDA policies based on the positive evaluation of the Urban legacy.

Urban and rural regeneration interventions are not, however, the only one considered within LDA strategies of the five regions. Some of the most considered types of intervention regard culture (in all cases but for the Czech case) and investment in social infrastructure (in all five cases). On the contrary, interventions specifically targeted to competitiveness and attractiveness of productive systems and to the diffusion of the knowledge economy are specifically used only in Puglia and West Wales and the

Valleys (in the 2007-2013 programming period). For instance, in Puglia they received most of the ROP financial resources allocated to the 2000-2006 LDA strategy – PITs - (49% compared to 7,68% allocated to territorial interventions) and laid at the centre of the LDA strategy. Furthermore, in the Puglia case the centrality of these interventions within the LDA strategy is also strengthened by the use of PITs for implementing specific competitiveness policies financed within the PIA programme.

PIT/PIA in the Puglia case

PIA was a support tool for enterprises, consisting in investment subsidies to enterprises to be realized within PITs. Initially foreseen by the 2000-2006 Puglia ROP, investment subsidies provided within PIA were aimed to encourage technological innovation and improvement of human resources' skills in the PIT areas. By implementing the PIA tool within PITs, Puglia Region aimed to favour functional and territorial concentration of interventions and an integration of policies within the respective area. Furthermore, an indirect objective of PIAs was to promote the horizontal cooperation between enterprises in order to strengthen the collaboration principle. The main beneficiaries of this initiative were small and medium enterprises present in the PITs or Consortium of enterprises operating in complementary fields. The ROP measures used for the PIA financing were: 3.13 expenses for industrial research; 3.13 expenses of competitive development; 3.13 technological transfer; 4.1 C development of the production area; 4.1A acquisition of real services, 4.20 training for development of specific skills.

While at macro-level (regional policy) integration of competitiveness policies within LDA strategies is not always specifically stressed, this is, instead, particularly evident in the mini case studies. Otherwise said, a clear territorial focus and external demand (due to involvement of stakeholders) triggers further policy integration. This is for instance the case of Cadiz Urbana and Usti nad Labem, where competitiveness policies and urban and regeneration policies are integrated within the LDA strategy. In these cases, physical regeneration (e.g. accessibility and mobility infrastructure, regeneration of urban environment in Urbana Cadiz case) is accompanied by competitiveness and knowledge economy interventions (e.g. financial subsidies to SMEs, promotion of SMEs, vocational training for professionals in the main local economic sectors, WIFI areas, improvements and/or new digital public services for the urban area in Urbana Cadiz case).

Going into further details on the types of competitiveness and knowledge economy and territorial interventions, infrastructural interventions are used in all the five cases. Infrastructural interventions generally regard:

- *Berlin*: small infrastructure for the use and development of endogenous potential; social and security-relevant infrastructures to support development and the ability to stabilise a neighbourhood; restructuring of urban infrastructures and development of fallow land are added in the 2007-2013 programming period; creation/modernization of training infrastructure;
- *West Wales and the Valleys*: infrastructures improving the local physical environment; in the 2007-2013 programming period this aspect is further emphasized;

- *North West Cohesion Region*: renovation or completion of buildings including the related transport and technical infrastructure, public lighting, green areas, construction and modernization of libraries, modernization and adjustments of the educational infrastructure, modernization and renovation of the infrastructure for provision of social care – e.g. day-care centres, day and week hospitals, sheltered housing, and the modernization and renovation of health care institutions;
- *Andalusia*: pedestrianisation of streets, installation of ramps, adjustment of traffic lights, replacement and upgrading of public lighting and street furniture, renewal of water and sanitation infrastructure; provision of playgrounds in squares and public spaces; improvement of elements such as public address systems, signalling, showers, fountains and footbaths, changing rooms, disabled integrated beach, walkways; refurbishment of the facilities of associations of the neighbourhoods which develop new initiatives related to social integration and equal opportunities; creation of employment information points, infrastructure in the tourism field;
- *Puglia*: construction/modernization of public infrastructure, in particular in Industrial Areas; creation of Service Centres, infrastructural interventions in the cultural and tourism sectors (renovation of cultural monuments/sites, etc).

However, in all five cases, and in particular in the mini case studies, infrastructural interventions are combined to immaterial interventions such as high level and vocational training, territorial marketing, subsidies to local enterprises and social enterprises, social inclusion of disadvantaged people, and capacity building interventions. Not surprisingly, the latter are used only in the West Wales and the Valleys and Berlin cases, where LDA strategies are based on the capacity of local people to be the main actors of their territories development.

Capacity building interventions in the West Wales and the Valleys case

The underlying imperative of the *Building Community Capacity* project was to initiate a programme of assistance that would facilitate and enable equality of participation, representation and the engagement of local communities within the broader partnerships designing and delivering local economic development. This aim translated into four different areas of activity for CVC focus namely to: (1) equip agencies to work with communities and partnerships so as to place communities at the centre of regeneration initiatives ; (2) provide support for capacity-building to assist groups who too often play a limited role in community development including women, ethnic minorities, and disabled people; (3) provide people facing social exclusion with opportunities for social re-engagement and participation in mainstream economic, social, cultural, and environmental activities; and (4) combat social exclusion and poor health in deprived and marginalised communities.

Integration between material and immaterial interventions goes hand in hand with the claims for integration and balance between the manifold aspects of development: not only material and quantitative, but more immaterial and qualitative. From this point of view, when designing multifaceted policies (such as social inclusion policies, touristic and cultural development of an area, development of local industry/SMEs, internationalization of local products, etc), which need a strong integration between

material and immaterial interventions, LDA should be taken into consideration. On the contrary, when this integration is not deemed necessary other approaches should be explored.

Policy integration has to be searched not only in the efforts to achieve synergies between different types of interventions around a common idea, but also in the integration between different funds: on the one side among European funds (ERDF, ESF, EARDF, Jessica) and on the other between European funds and national ones. The analysis of the five cases and mini case studies shows that different types of funds (mostly structural funds – ERDF, ESF, EARDF) are concentrated within the LDA strategy implemented on the ground. Integration of funds is a distinctive feature of regional LDA strategies in Puglia and Berlin. For instance, in Puglia PITs received 628.359.423 from ERDF, 128.339.249 from ESF and 140.840.816 from EAGGF, while in the Berlin case consists cross-financing overcomes the 10% threshold foreseen by structural funds rules and reaches 15%. Furthermore, in these cases integration of funds refers also to the use of both national and European resources for financing LDA strategies.

Andalusia case is particular from the point of view of using different financial resources, as LDA interventions are financed also through the Jessica initiative¹³.

Jessica initiative in Andalusia

As to the use of JESSICA, Andalusia seems to be the most interested and advanced Spanish region¹⁴. Andalusia JESSICA fund was created through an agreement between the Regional Government Andalusia and the European Bank for Investment, signed in 2009. The Regional Government Andalusia contributes to this fund with 85.714.286 €, 70% co-financed by ERDF. Between 2010 and the first months of 2011 two so-called Urban Development Funds were created in order to channel the money of the Fund JESSICA Andalusia through private financial institutions into good urban sustainable development projects. However, currently this initiative has had a very slow start because of the new institutional architecture to be built from the ground.

Partnership

One of the main characteristics of the local development approach consists in the mobilisation of a plurality of actors at different levels. The analysis of the five regions shows that integration does not refer only to intervention and funds, but also to the actors involved in LDA strategies, even though in different ways and at different levels, as it will be detailed afterwards. In fact, creation of more complex and dense networks of actors is one of the main results of LDA strategies in the analyzed cases. However the level of networks complexity and density varies across cases:

¹³ JESSICA is a joint initiative of the European Commission and the European Investment Bank (EIB), in collaboration with the Development Bank of the Council of Europe, whose goal is to help the authorities of the Member States to exploit financial engineering mechanisms to support investment in sustainable urban development in the context of Cohesion Policy. The operations aim to develop finance repayable investments in projects forming part of an integrated plan for sustainable urban development.

¹⁴ 2008 Annual Implementation Report of ERDF OP Andalusia 2007-2013, p. 225.

- In *the Berlin case*, the participative process activated by LDA has helped networking between residents and local actors and created partnerships that can contribute to the value of local resources.
- In *West Wales and the Valleys*, the O1 programme supported substantive capacity development of both individuals and organisations. For example the practicalities of establishing and sustaining partnership structures on an everyday basis have left a legacy on the ground, in terms of engaging with groups that traditionally operate beyond the ‘horizon’ of regeneration practitioners (aided by the Assembly ‘three thirds’ principle), forming a common perspective of local needs, etc.
- In *the Puglia case*, PITs results in terms of creating complex and consolidated partnerships, are quite scattered, despite some success cases (PIT Tavoliere, PIT Jonico-Salentino, PIT Nord 2 Barese, etc), mainly due to the change of the LDA strategy at regional level, when PITs had still to deploy their effects.
- In *the Northwest Cohesion Region*, from the viewpoint of a local development approach, IUDPs introduced a new planning tool involving various stakeholders in the planning efforts of municipalities to develop their areas. Interviews show that partnerships are, in many cases, formal and somewhat driven by implementation requirements. However, there are also some IUDPs where complex partnerships were created.
- In *Andalusia*, despite strengthening of partnerships in the current programming period compared to the previous ones, future LDA strategies should invest more in actively involving the beneficiary population in the programming and implementing LDA interventions.

Partnerships are perceived as a goal and inclusive, more in line with a “pure LDA” approach, in Berlin and West Wales and the Valleys in the 2000-2006 programming period. In these two cases, mobilization of local actors and enhancing their capacities to bring about development of their respective territories is deemed crucial for the success of the local development strategies. Furthermore, as it will be detailed in the network analysis chapter, these are also the only cases where not only local active citizenship and social actors (NGOs, etc) are highly involved, but they are also involved all along the policy cycle.

Partnership as a goal and inclusive in the Berlin case

In the Berlin case, the entire process was bottom-up in nature, based in Neighbourhoods where there existed a prevalence of problems and unmet needs. Neighbourhoods Councils were made of representatives of local residents (61% of the members), economic partners (3% of the members) and local institutions (36% of the members). The participatory approach at the heart of LDA activities was strengthened in moving from the previous programming period (2000-2006) to the current one.

Partnerships are instrumental, namely used as “tools” for delivering the LDA strategies, in all the other cases (Andalusia, Puglia in both programming period, North West Cohesion Region and West Waste and the Valleys in the current programming period).

In these cases partnerships are mainly made of large organizations (trade unions, employers' organizations, Chambers of Commerce, universities, large NGOs) and local bureaucracies, while the involvement of local communities is extremely limited. In fact, while in Andalusia partnerships are more inclusive, in the North West Cohesion Region they are more selective, even though not terribly selective. West Wales and the Valleys and Puglia are two particular cases due to the changes in the partnerships' nature and purpose between the two programming periods. While in Puglia, the passage occurred from a selective one (involving rather large economic and social organizations), to an inclusive one (involving also active citizenship). The West Wales and the Valleys partnerships changed from being inclusive and goal orientated (based on strong involvement of local communities) to being more selective (a reduced role for local partners) and instrumental. These are also the only cases in which cooperation is interrupted by radical change in the LDA strategy adopted and a re-definition of strategy purpose and actors.

In terms of the working and institutionalization of partnerships, there are differences not only across study regions but within the regions as focus shifts from programming to implementation. While in the Berlin and West Wales and the Valleys (in the 2000-2006 programming period) cases, partnerships are involved all along the policy cycle – from the policy formulation until monitoring and evaluation - in the other cases (Puglia, Andalusia, North West Cohesion Region) the degree of involvement is generally less intensive and different in the various policy cycle phases:

- in the Berlin case, local actors from across the entire community play a strong role both in programming and implementation phases through the identification of the development potential of a neighbourhood, the elaboration of development concepts and the possibility to decide on the projects to be financed.
- in West Wales and the Valleys, 2000-2006 LDA strategies were designed with direct inputs from partners and were implemented (in part) through a visible local partnership structure, which served to embed Structural Fund interventions in a local community context. Besides having a decisive role in formulating and implementing LDA strategy, partnerships were also involved in the project selection and their monitoring and evaluation. However, in the 2007-2013 stakeholders' involvement and role is much weaker and occurs mainly in the programming phase.
- in Andalusia, local participation was not very high in the initial design of the strategy, as local actors were not directly involved in the negotiation between the Commission and the regional authorities. On the contrary, in the implementation phase the role of local partnerships grew, even though local bureaucracies and political élites were the key decisional actors. For instance, in different Urbana projects NGOs and associations had only a consultative role.
- in Puglia, in the 2000-2006 LDA strategy (PIT) the involvement of local partnership was scattered in the programming phase, which was mainly driven

by Puglia Region. However in the implementation phase its involvement grew, even though with a different intensity among the 10 PITs. This involvement was often limited to the implementation of some of the projects and only in few cases, did they intervene also in the project selection. In the 2007-2013 LDA strategy (Broad Areas case), there was a stronger effort to involve larger partnerships in the programming of the Broad Areas Strategic Plans.

- in the Czech case, participated programming is still at the very beginning and needs time to consolidate within public institutions practice. Therefore, partnerships are more formal than substantial. An agreement with partners is not about the final state of affairs in a given territory, but merely covers the operational side of investment. Even though officially partners are part of a Committee supporting the municipalities in choosing the projects to be financed, their role is extremely limited and mostly consultative.

Case studies show, furthermore, that the partnerships' involvement and role all along the policy cycle depends also on the existence of actors able to involve and manage these partnerships through animation initiatives, coordination tools, etc. Moreover, mini case studies show that the improvement of public capacity at local level and the involvement of partnerships often go together. This is particular evident in the West Wales and the Valleys case, where capacity building interventions are retained central for the successful delivery of the LDA strategy itself. In fact, as the mini case WCVA Community Capacity Building documents relevant capacity building programmes are necessary as encouraging local communities to take their place at the core of local development practice is far from simple as they have to be engaged and suspicions that their views will be ignored or will be heard only for the duration of a policy programme have to be overcome. Furthermore, it has to be demonstrated that the community bodies that seek to represent them not only have the capacity and expertise to do so, but can deliver without putting other important community services at risk. They have to witness other traditionally more economically and politically powerful partners accept their participation in development forums and believe that their role will be sustained with the passage of time.

Furthermore, in the Berlin case capacity building and animation initiatives are also embedded within the LDA strategy. In fact, the LDA strategy foresaw the creation of Neighbourhood Management Teams, whose role was to coordinate and support local residents and stakeholders in the decision making process by implementing communication activities, activating local communities, organising regular meetings, public events, working groups on themes or projects made of local residents, workshops, exhibitions, establishing local participation structures such as Neighbourhood Councils, a jury made of representatives of the residents and of the main local associations in charge of deciding on the medium-sized projects.

On the contrary, in the other cases (Puglia, Andalusia and Northwest Cohesion Region) they strongly depend on the capacity of the local actors managing the LDA strategies. In these cases, the capacity of the partnerships themselves to actively participate to the development of their territories is also a relevant factor explaining differences in the

partnership's involvement between the different cities involved in IUDPs. In fact, in these cases generally characterized by a low partnership's involvement in all the phases of the policy cycle, there are some territories where partnership's involvement is quite strong and substantive (PIT 1 Tavoliere in Puglia, Urbana Cadiz in Andalusia, Usti nad Labem in Northwest Cohesion Region).

Partnership's involvement in Urbana Cadiz (Andalusia)

In the Andalusia case, partnership's involvement depends not only on the will and the abilities of the governmental side, but also on the strength of civil society, which may vary strongly between the territories. Urbana – Cadiz project is characterized by a strong involvement of the local partnership. The goals and strategies devised for the *Urbana-Cadiz* project were, in fact, formulated through a process of social dialogue with the four neighbours' associations of the area, as well as other relevant social and economic agents, such as the School of Hotel Management and Cooking of Cadiz, the Employers Association of Cadiz, the Women's Association *Acero* and two local associations of persons with disabilities (Fundosa and Fegadi). The consultation process took place in the frame of two pre-existing networks linked to the development of the Local Employment Plan.

LDA networks are generally characterized by an overwhelming public leadership, except for the Berlin and West Wales and the Valleys (in the 2000-2006 programming period) cases. In this latter case, in fact, local partnerships had to respect the three third principle, according to which equal representation of the public, social and voluntary sectors in Structural Fund partnerships along with a gender balance (40% of members had to be female and ethnic and disabled groups had to be represented) had to be ensured.

In the programming phase public leadership is more related to the central actors, be them European (European Commission), national or regional. As it will be further detailed in the Network Analysis chapter, in the Northwest Cohesion Region the European Commission played a promoter role in this phase, while in the other cases its role is less extensive. In Andalusia, in Northwest Cohesion region and Puglia, national ministries and regions (generally through the managing authorities) play a relevant role as both promoters and coordinators of the LDA strategy. However, even in these cases the weight of their role in deciding the LDA strategy varies across cases. For instance, while in the Puglia case (in the 2000-2006 programming period) the Region sets out the features and the content not only of the overall LDA strategy, but also of each of the 10 PITs through the definition of areas to be involved in the LDA strategy, of a precise local development guiding idea and of the maximum amount of funds to be used, in both Andalusia and North West Cohesion region they do not intervene in the definition of the contents and guiding idea of the LDA strategy of the territories involved, but only in the definition of the geographical borders and macro-areas of intervention.

In the implementation phase, leadership is usually in the hands of municipalities. The role of local municipalities is quite strong even in the Berlin and West Wales and the Valleys, without shadowing, however, socio-economic partners' and active citizenship's

role. LDA is, in fact, often synonymous of giving responsibilities to municipalities in the management of structural funds through the use of sub-delegation and/or by identifying the municipalities as the main beneficiaries of LDA interventions. For instance in Puglia case, municipalities were formally delegated to coordinate the implementation phase of PITs (in the 2000-2006 programming period) and this role was further extended to the coordination of both the programming and implementation phases within Broad Areas in the 2007-2013 programming period. In Andalusia, local governments were mostly passive beneficiaries in the 2000-2006 programming period (they did not manage or communicate results of the LDA interventions except for URBAN and LEADER projects), while their role was strengthened in the 2007-2013 programming period. In the current programming period, municipalities have a strong role in the implementation phase: some of them are sub-delegated authorities over the programmes and all of them manage the funded projects through their technical, specifically local expertise, and through political leadership. This is also the case of Berlin, where local authorities (Borough) were less involved in the 2000-2006 programming period, except for administrative issues, while sub-delegation is foreseen in the new programming period, even though they still have to construct their role in the programming and implementation of LDA strategies. Different is the case of West Wales and the Valleys, where municipalities were strongly involved in the implementation of LDA strategies in the 2000-2006 programming period, while their role is weakened in the current programming period. In fact, the Convergence process ultimately bypasses local bodies and organisations, which are only limitedly consulted in the programming process. The Czech case is a standalone case, with the municipalities involved both as coordinators of the implementation phase and beneficiaries of LDA financed interventions.

As to the organization of the implementing bodies, while in Puglia, Northwest Cohesion Region and Andalusia they are based within the municipalities, in Berlin they are independent structures made of non-governmental staff. For instance, in PIT 1 Tavoliere, the PIT office in charge to coordinate the implementation phase of the PIT was based within the leading municipality (municipality of Foggia) and was made up of the leading and other municipalities' public functionaries and, furthermore, of external consultants. This structure was, however, altered in the 2007-2013 programming period, when no specific structures were foreseen for the coordination of the LDA strategy within the municipalities. Thus, some municipalities charged their technical offices to coordinate the strategy, while others used the PIT Office (only one case). On the contrary, in the Berlin case the Neighbourhood Management Teams were usually assigned to regional non-governmental institutions such as Urban Development Associations and, furthermore, the staff of Neighbourhood Management Teams had to be, as much as possible, an inter-ethnic group with experiences in urban and local development.

As far as implementing bodies are concerned, and at least so in the 2000-06 programming period, West Wales and the Valleys sits between the above models. Indeed, within the first phase of the 2000-2006 programming period, delivery was

ensured via formal local partnerships constituted to include public and social representatives alongside the Welsh European Funding Agency.

Summing up, the analysis of the five cases shows on the one side that the involvement of the social and economic actors is synonymous with increased sense of local ownership and engagement, development of local solutions to local needs and the promotion of a more extensive knowledge of the structural funds and, on the other, that enhancing the municipalities' role in the implementation phase favoured a rapid implementation of LDA strategies, the creation of larger partnerships and increased the spending capacity of LDA strategies. Furthermore, the creation of specific structures in charge of coordinating the LDA strategy, in particular, at local level contributed also to trace back different interventions to an integrated strategy of local development.

3.2 Network analysis: actors of local development

Why a network analysis?

This section presents the analysis of the network between the main actors of the five case studies.

The integration of actors is a multidimensional concept, which contains at least three different dimensions (Dente, Bobbio, Spada, 2005):

- a dimension that refers to the levels of government involved;
- a dimension that refers to the sectors involved;
- a dimension that refers to public or private nature of actors involved.

The first dimension refers to the ability of horizontal cooperation (between subjects at the same level, such as municipalities) or vertical cooperation (between subjects at different territorial levels local, regional, national and international) among different actors. The interaction of various "actors" at different levels helps to integrate different points of view, values and resources that ensure the creation of broad consensus partnerships. The outcome of such cooperation is the development of relationships based on the sharing of resources to achieve common goals which makes innovation easier, implementation smoother and the resolution of collective problems more effective.

The second dimension refers to the possibility of creating mutual synergies among different policy field and/or sector of interventions.

The third dimension refers to the nature of actors involved whether public or private and it is crucial for the solution of complex problems which could not rely only on the capacity of public institutions: there is a growing consensus that the mobilization of social and economic actors is an important, if not essential, factor, in bringing about innovative policies especially at the local scale.

The outcome of any public policy therefore depends on the interaction of actors who mobilized themselves (political, bureaucratic, special interest representatives,

representatives of public interests, experts) and that exchange resources (political, legal, financial, informational, or cognitive), in order to achieve advantages (or disadvantages limit), within a given context.

Within this framework, the **network analysis** as it is presented in this study can be considered **as one of the tool which can be used in order to “measure” the governance structure that represents a crucial aspect of LDA approach**¹⁵.

What is network analysis? Main aspects and aims¹⁶

Network analysis has emerged as a key technique in various disciplines (e.g. sociology, anthropology, geography, social psychology, economics, biology, etc) to represent the relationships between members belonging to a particular social system/group/organization/etc.

The network analysis provides an extremely flexible tool that can be used for different purposes such as the reconstruction and representation of partnerships, processes of knowledge creation and diffusion and production of economic and social resources.

Research in this field has shown that social networks play a critical role in determining the way problems are set and solved; organizations are run, and the degree to which individuals succeed in achieving their goals.

In the same way traditional techniques of investigation provide a framework to study the features of subjects individually taken, network analysis provides a set of procedures for the collection, treatment, processing and control of assumptions about relational data.

The rationale for network analysis is that each individual (or actor) relates to others and that these interactions matter. The main purpose of the analysis of networks is precisely to identify and analyse such ties between individuals.

The key feature distinguishing network analysis from more traditional methods is the shift from explanation centred on the attributes of independent cases, to explanation of the phenomena in terms of relationships within a system of interdependent actors. Network analysis produces an alternate view, where the characteristics of individuals are less important than their relationships and ties with other actors within the network.

The main elements of a network are thus the actors, which represent the units, the nodes that make up the network and their interactions. Actors can be individuals, groups, locations, places, institutions, etc.

One of the most important contribution to the network analysis was given by Moreno (1934)¹⁷ who introduced the concept of sociogram in an attempt to represent the social configurations. A sociogram is a two-dimensional representation of individuals (nodes) and the relationships between them (lines). A graph (or sociogram) may represent a single type of relations among the actors (simplex) or different types of relations (multiplex). Each tie or relation may be either directed (i.e. originates with a source actor and reaches a target actor), or it may represent co-occurrence, co-presence (i.e. in projects), or a bonded-tie between the pair of actors. Directed

¹⁵ This method has been experimented in a research granted by the Italian Ministry of Universities and Scientific research, on social capital, governance and innovations, under the coordination of the IRS scientific director. MIUR/COFIN, “Capitale sociale, reti di governance e innovatività nelle politiche a scala metropolitana”. See also: B. Dente, L. Bobbio, A. Spada, Government or Governance of Urban Innovation? A tale of two cities, in *disP* 162, 3/2005, pp.41-52.

¹⁶ To learn more:

- Hanneman, Robert A. and Mark Riddle. (2005), *Introduction to social network methods*, University of California, Riverside (published in digital form at <http://faculty.ucr.edu/~hanneman>).
- Mitchell J.C., (1969) *Social Networks in Urban Situation*, Manchester University Press.
- Wasserman, Stanley and Faust, Katherine (1994), *Social network Analysis. Methods and Applications*. Cambridge University Press.

¹⁷ Moreno Jacob Luis, (1934) *Who shall survive?*, Beacon House.

ties are represented with arrows, bonded-tie relations are represented with line segments. Directed ties may be reciprocated (A chooses B and B chooses A) and represented with a double-headed arrow. The strength of ties among actors in a graph may be binary (indicated the presence or absence of a tie); signed (i.e. a negative tie, a positive tie, or no tie); ordinal (i.e. whether the tie is the strongest, next strongest, etc.); or valued (measured on an interval or ratio level).

It is also possible to represent social networks in the form of matrices. Representing the information in this way also allows the application of mathematical tools to summarize relationship patterns. The most common matrix in social network analysis is a very simple one composed of as many rows and columns as the actors considered, and where the elements represent the ties between the actors. The simplest and most common matrix is binary. That is, if a tie is present, a 1 is entered in a cell; if there is no tie, a 0 is entered. This kind of a matrix is the starting point for almost all network analysis, and is called an "adjacency matrix" because it represents who is next to, or adjacent to whom in the "social space" mapped by the relations we have measured.

Moreover, using formal methods in representing network data we are able to calculate some indicators, which are useful to understand several aspects of the social context under analysis.

One of the simplest indicators of a network is the *centrality degree*. In a graph, the degree of a node is the number of edges connected to this node. If the graph is directed, we can make a distinction between the in-degree (the number input ties) and the out-degree (the number of output ties). Centrality degree can be interpreted as the accessibility to information circulating in the network, or as the capacity to influence (out-degree) or be influenced (in-degree) by other actors within the network. Degree centrality index might be criticized because it only take into account the immediate ties that an actor has, rather than indirect ties to all others. One actor might be tied to a large number of other actors, but these might be rather disconnected from the network as a whole. In a case like this, the actor could be quite central, but only in a local neighbourhood. Other measures of centrality like closeness and betweenness indicators emphasise the distance of an actor to all others in the network by focusing on the shortest path from each actor to all others (geodesic distance). Based on these measurements it is possible to identify the key players of a network (network core) that usually provides connection (exchange of information/resources) between different sub-networks.

Another important measure of the network structure is the *density index* that indicates the proportion of ties really present in the graph over the total number of possible ones¹⁸. Density indicates in an immediate way how the network is cohesive as a whole. It's a simple but fundamental index to analyse the structure present in a network. Density also depends on the size of a network. Size is critical for the structure of social relations because of the limited resources and capacities that each actor has for building and maintaining ties. As a group gets bigger, the proportion of all of the ties that could be present (density) will fall, and the more likely it is that differentiated and partitioned groups will emerge.

Methodological aspects

The network analysis carried out within this study is a **first exploratory attempt to figure out a methodology and a set of indicators in order to “capture” and represent the soft results obtained through the use of LDA in delivering ERDF.**

¹⁸ Formally, the density of a network is equal to:

$$\Delta = \frac{2l}{g(g-1)}$$

where l is the number of ties and g the number of nodes (actors).

This type of analysis maps and measures the relationships and flows between the different actors involved in the programming and implementing phases for each of the five case studies carried out in the research. The nodes in the networks represent the actors while the links show relationships or flows between the nodes. Other variables are represented by the colour and shape of the nodes. Each network is then characterized by its own density, showing the existence of a linkage between the various actors of the network, and its own degree of complexity, as a consequence of the fact that, within each network, the exchange may involve different types of actors and different territorial levels.

Focus of the analysis is on: (i) the identification of relevant actors, (ii) the analysis of their characteristics and roles in the programming and implementation of strategies that adopt a local development approach, and (iii) their main interactions.

The exercise needs to be read with caution considering that:

(i) the network graphic representation covers **different programming period** with regard to the five case studies: for the North West Czech e and Andalusia case studies, it mainly refers to the 2007-2013 programming period, as LDA was not fully considered in the previous period; for the Berlin case study it refers to both programming periods given the strong continuity among the two; for Puglia and West Wales changes between the two programming periods are considered, given the different local development approach adopted. This choice is explained by the fact that these two case studies are those that change more across years and that, in some way, two different LDAs were programmed and implemented.

(ii) each of the five case studies present **different ways of implementing LDA** strategies on the ground. The network of the actors which is represented considers all of them in a summative way.

The steps that led to the construction of the network of actors were the following:

1. the drafting of a comprehensive list of potentially relevant actors. This list was prepared on the basis of a desk analysis of the available documentation;
2. the definition of ties between actors on the basis of information collected during the empirical research. The data were re-aggregated into two specific adjacency matrices, one for the programming phase and one for the implementation phase.
3. the validation of the matrix on the basis of other information during the regional workshops.

The output of the NA are graphs representing the structure of the programming and implementation network and some quantitative indicators.

In particular, we calculated an indicator of the overall **density** of the network in order to represent the existence of an interaction between the various actors of the network; the density index is equal to the proportion of present ties on the total possible ties. The index ranges from 0 to 1. This index is strongly influenced by the number of actors involved because networks with more actors tend to have lower densities.

As the number of actors involved in each case is different and in order to make more specific comparisons between the different phases and different cases, we identify the "core" of potential strategic players on the basis of an indicator of centrality/ betweenness indicating how an actor is "an intermediary", and therefore potentially strategic, among other actors within a group¹⁹.

With reference to the identified core we calculate an **indicator of centrality** given by the number of ties of the core actors out of total ties. Centrality therefore takes into account in an equal way a quantitative measure (number of ties among the actors) and a qualitative one (based on the opinions of the interviewed key stakeholders).

We also analyse a **degree of complexity of the core**, as a consequence of the fact that, within a network, the interchange between the different actors may involve different types of actors and territorial levels. **The complexity index** is given by the product between the number of institutional and regional levels in each network (local, regional, national and international), the number of different types of actors (max 5).

The graphs consider three dimensions: a) the type of actors, b) their relative centrality and c) their role in financing, promotion, coordination and mobilizing resources.

In particular, we considered five type of actors:

- *Bureaucratic actors*²⁰ (red nodes) are those actors that base the legitimacy of their intervention in the policy process on the claim that formal rules and procedures confer them a specific responsibility in the process;
- *political actors* (green nodes) are those actors that base the legitimacy of their intervention on the fact of representing citizens as they enjoy citizens' consensus;
- *experts* (blue nodes) are those actors that base the legitimacy of their intervention in the policy process on the claim of having the knowledge needed in order to solve the problem;
- *special interest actors* (gray nodes) are those actors that base the legitimacy of their intervention on the fact that they are directly affected by the policy decision, meaning that they will conceptualize the problem in terms of maximizing the benefit/cost ratio from their specific point of view;

¹⁹ This indicator expresses the frequency with which each actor is the shortest path connecting any pair of actors (geodesic path); if we denote by r_{jk} the number of geodesic paths between j -th subject and k -th and assume that each of these paths has the same probability of being path, this probability can be expressed $1/r_{jk}$. The notation $r_{jk}(n_i)$ designates the number of geodesic paths between j and k that pass through actor i . We can express the probability that the actor is involved in the communication between any pair of subjects with the formula $r_{jk}(n_i) / r_{jk}$. Formally:

$$C_B(n_i) = \frac{\sum_{j < k} r_{jk}(n_i) / r_{jk}}{[(g-1)(g-2)/2]}$$

²⁰ The term "bureaucratic actor" is used in the policy analysis literature for referring to institutions as actors of a policy process. Therefore, it has not a negative meaning.

- *general interests actors* (pink nodes) are those actors that base the legitimacy of their intervention in the policy process on the fact that the interests they represent are general (e.g. environmentalist, NGOs, etc) and on the fact that they represent groups that cannot defend their interests by themselves.

The graphs that follow can be read according the following legenda:

Graph Labels

Type of actor (Colour)	Central or secondary actor (Dimension)	Role in the Network (Shape)
<ul style="list-style-type: none"> ● Bureaucrats ● Politicians ● Experts ● Special Interest ● Diffused interest 	<ul style="list-style-type: none">  Central actor  Secondary actor 	<ul style="list-style-type: none">  Financing  Coordinator  Promoter  Mobilizing relevant resources (Legal, Political, Knowledge, Human resources)  All items (Financing, Coordinator, Promoter and Mobilizing relevant resources) <p>Different roles (Combination)</p> <div style="border: 1px solid black; padding: 5px; display: inline-block;">     </div>

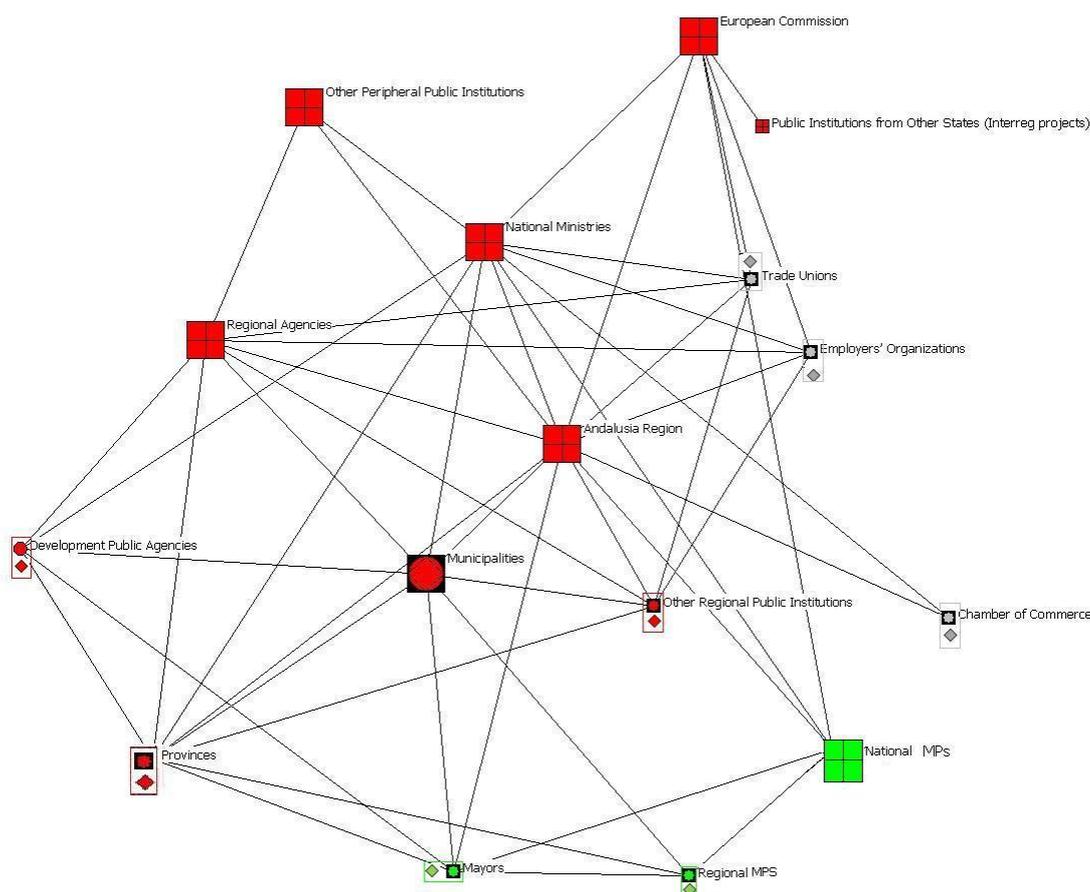
Graph representations and calculated indicators allowed us to make a double comparison:

- a comparison, for each case study, between the programming and the implementation phase of LDA interventions with a focus on actors, their roles and the composition of the core.
- a comparison, for each case study, between the programming and the implementation phase of LDA interventions with a focus on density, centrality and complexity of the core.

LDA Network of actors

Andalusia Region

Programming phase (2007-2013)

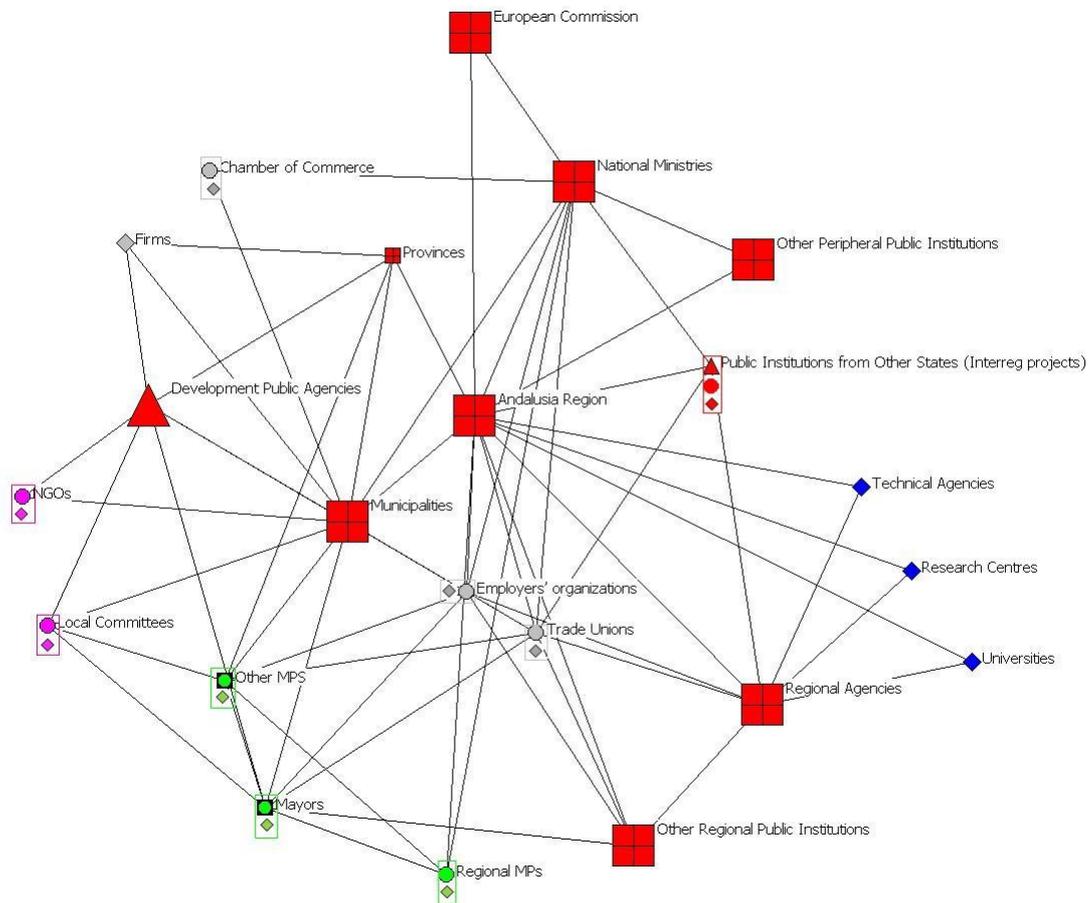


The programming of local development interventions in Andalusia (with reference to the programming period 2007-2013) involves different actors (bureaucrats, politicians and socio-economic subjects), with a **prevalence of institutional actors** at all levels of government. The core of the network is composed by institutional actors (Andalusia Region, National Ministries, EU, Provinces and Municipalities) and politicians (National MPs) with roles in funding, coordination, promotion and resource mobilization.

As the graph shows, the network main actor is the **Regional Administration**, with its ties with Municipalities, the National Administration (Ministry of Economy and Finance, Ministry of Territorial Policy), the European Community and other public institutions (Local Councils and Provinces). **Also national politicians** (Spanish Government) **play a central role** (with a direct tie with the EU Commission) in the coordination and the distribution of funds.

On the contrary, the role of the local socio-economic actor does not seem to be relevant.

Implementation phase (2007-2013)

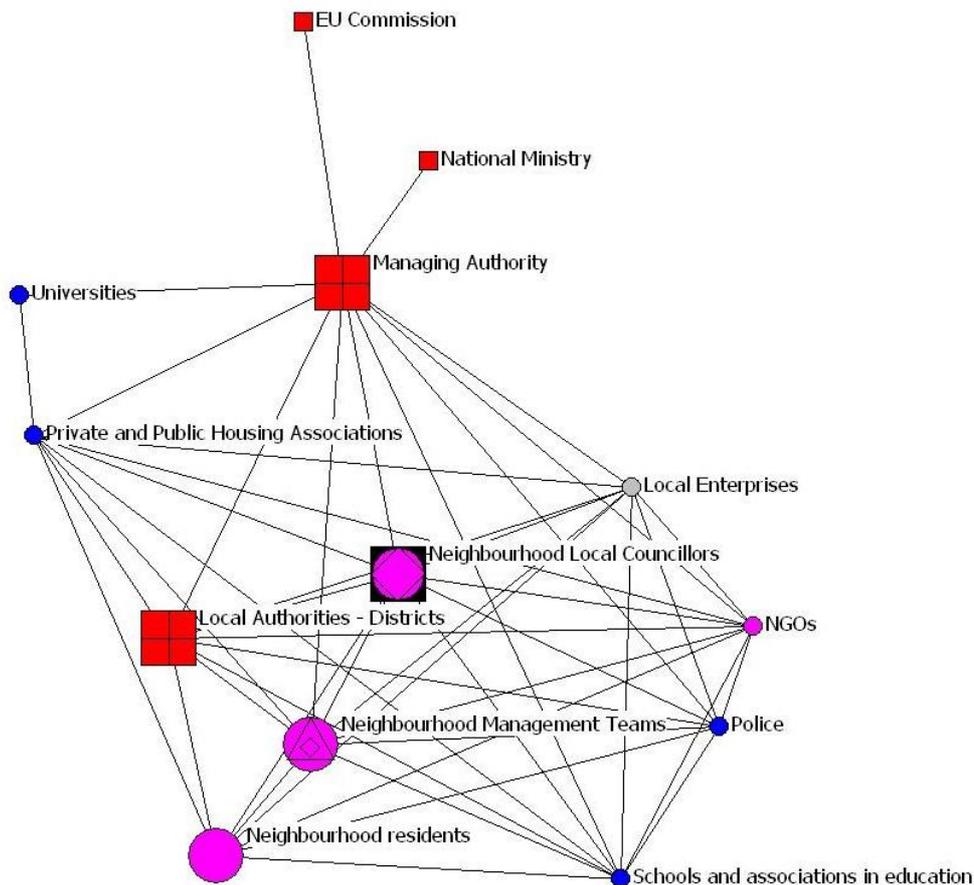


With regard to the implementation phase, the network becomes more complex because the local dimension comes fully in and the number of actors increases (22).

As the graph shows, the implementation of interventions involves the participation of **new types of actors completely absent in the programming phase** (Development Public Agencies, Research Centres and Universities, Technical Agencies, NGOs and Local Committees as well as Firms). Among these new actors, **Local Development Agencies**, with a good level of technical expertise, flexibility and direct knowledge of local needs, play a particularly **central role in supporting Municipalities and Provinces in the management of EU funds**.

Politicians seem to have less importance, nevertheless non-institutional actors still continue not to have a central role even if the “most representative” unions (UGT and CCOO) and the Andalusian Employers’ become more central in comparison to the programming phase with a role of coordination and resources support for some specific interventions.

The core of the network is still composed by bureaucrats (Andalusia Region, Municipalities, National Ministries) but also by the “special interest” actors (Trade Union and Employers’ Organizations). In comparison to the core of the network in the programming phase, there is the absence of international actors and politicians.



The Berlin LDA network is characterized by a **strong involvement of local residents and local actors that play a major role both in programming and implementation phases** on the basis of a bottom-up approach.

Core actors are Managing Authority, Local Authorities (Boroughs), Neighborhood Management Teams and Neighborhood Local Councillors.

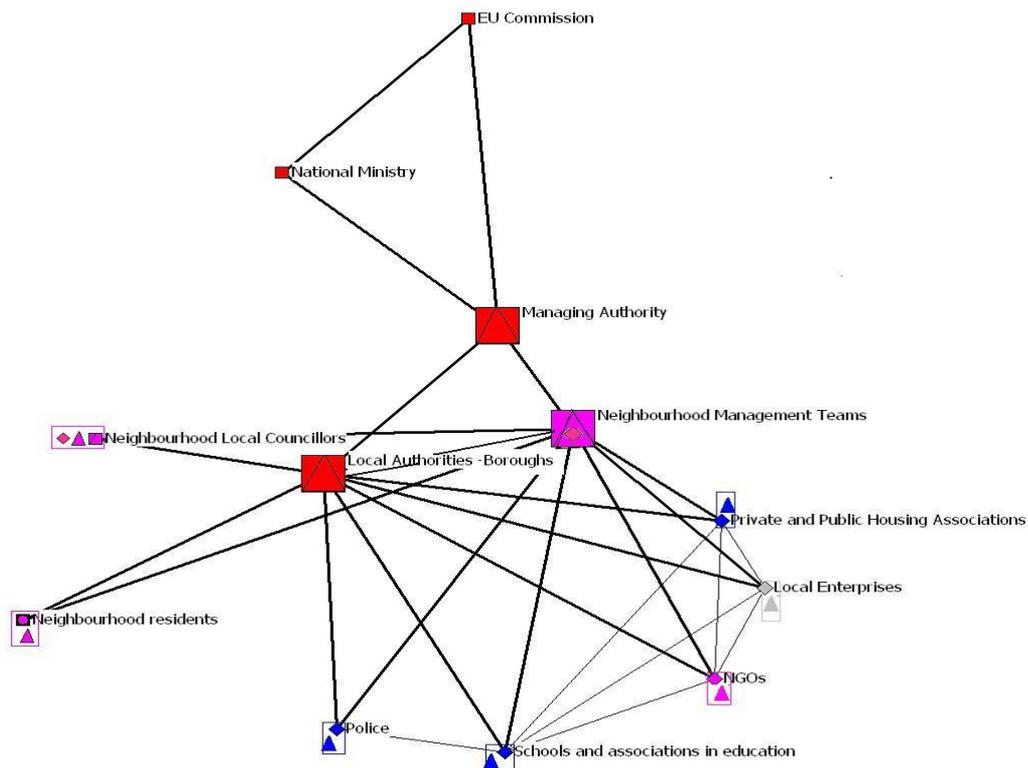
The programming phase network presents an **high level of complexity and density, also in the core. In fact, all types of actors are involved in planning core, with a crucial importance of the local level.**

The high density of the network is due mainly to the strong interaction at the local level while the link with national and international level is guaranteed by the Managing Authority (Senate Administration for Urban Development), that is the Intermediary Body in charge of LDA priorities/measures both in the 2000-2006 and 2007-2013 programming period.

Neighborhood Management Teams represent the linkage between the institutional actors (Senate Administration for Urban Development and Boroughs) and the residents

and local actors, setting priorities for available NM area instruments and funds, finding a consensus on all important decisions and seeking common engagement of all involved actors.

Implementation phase (2000-2006 / 2007-2013)

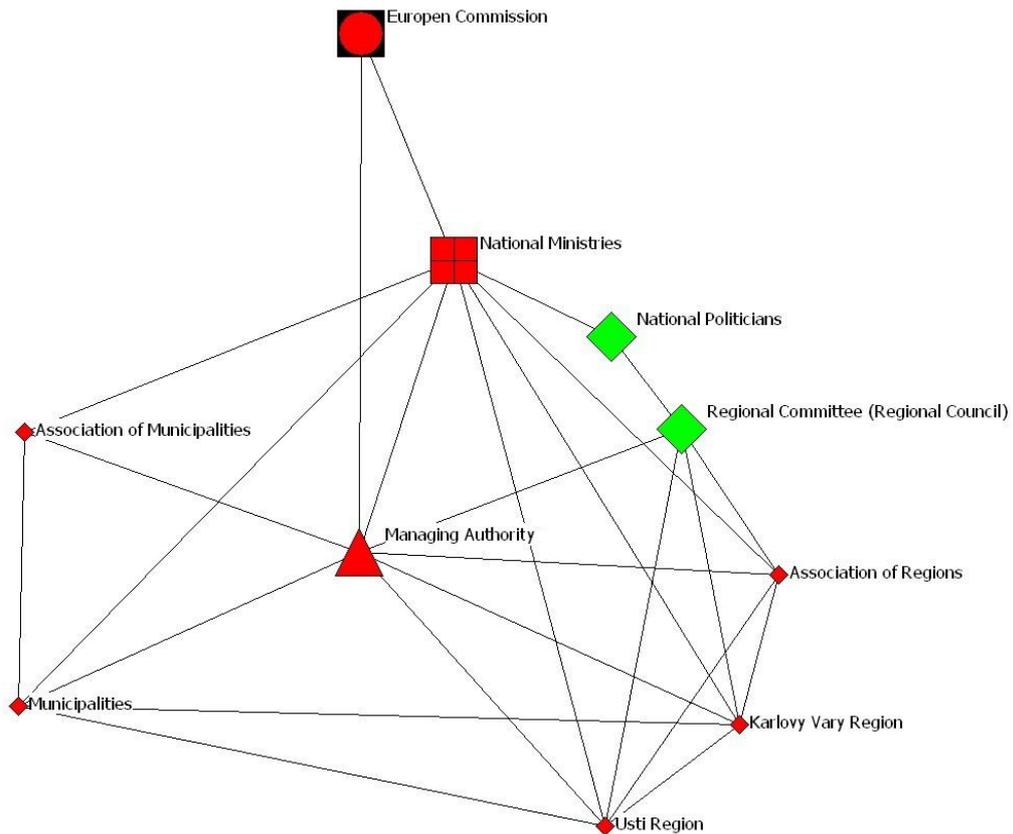


The core of the implementation network is the same of the programming one, with relevant role of Managing Authority, Local Authorities – District and Neighborhood Management Teams.

However, the implementation network is less dense, reflecting reduced interaction between secondary actors which are typically linked to just local authority District and Neighborhood Management Teams.

Moreover, during the implementation phase, **the role of local actors and institutional representatives (schools, housing associations, Local Enterprises, NGOs, etc.) is more relevant than in the programming phase as, in many cases, they are directly in charge of specific projects/activities, participating in the implementation as promoter and/or coordinator.**

The role of Neighborhood Management Teams (in coordination with the Boroughs and the Senate Administration for Urban Development) is still important, as it is that of Neighborhood Local Councillors and local residents, even if the latter tend to be less involved after the identification of the bodies in charge of projects.



The core actors in the initial phase are the **European Commission** (with a strong role of initiator of the LDA strategy – IUDP) and **National Ministries**. European Commission plays also an important role in defining together with the National Ministries the IUDP Guidelines.

The Programming phase is dominated by this two actors while the Managing Authority is the body insuring the link between the local level and national/international one.

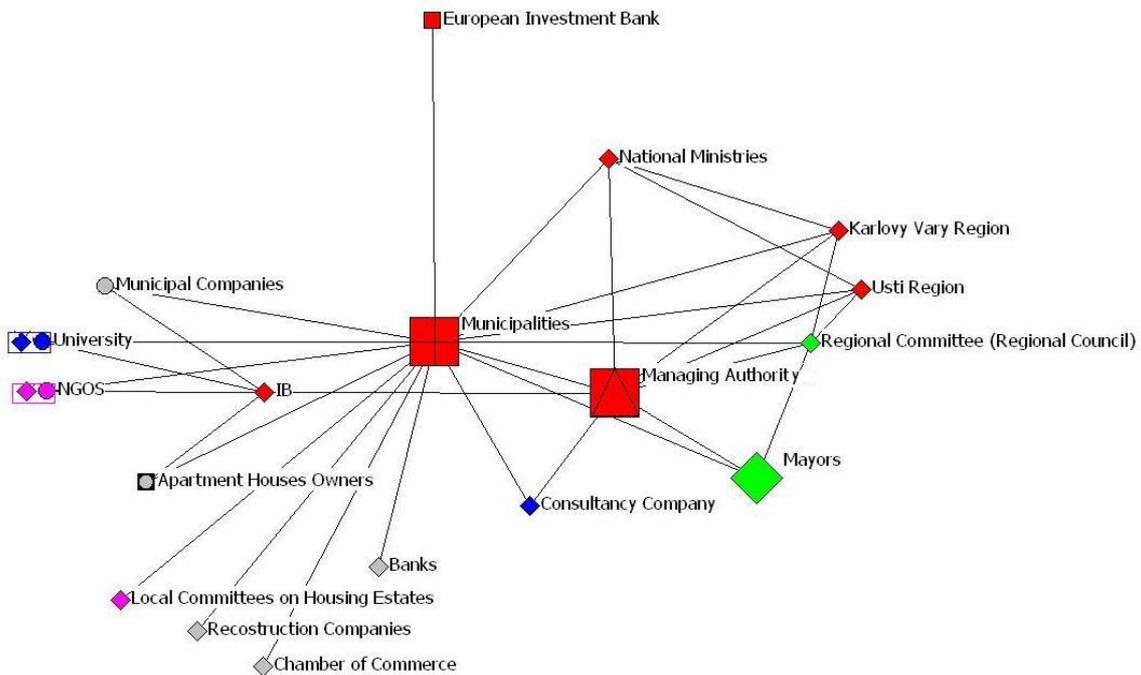
Other quite relevant actors seem to be **National Politicians and the Regional Committee (Regional Council)**²¹ with a role in mobilising political resources in the network.

In general, all the secondary actors play the role of mobilizing legal, political, and cognitive resources.

Local communities play a secondary and weak role in this phase being left out of the process.

²¹ Regional Council acts as a political actor through its Regione Committee.

Implementation phase (2007-2013)



In the implementation phase, the European Investment Bank is included among the stakeholders and the **number of actors grows significantly**.

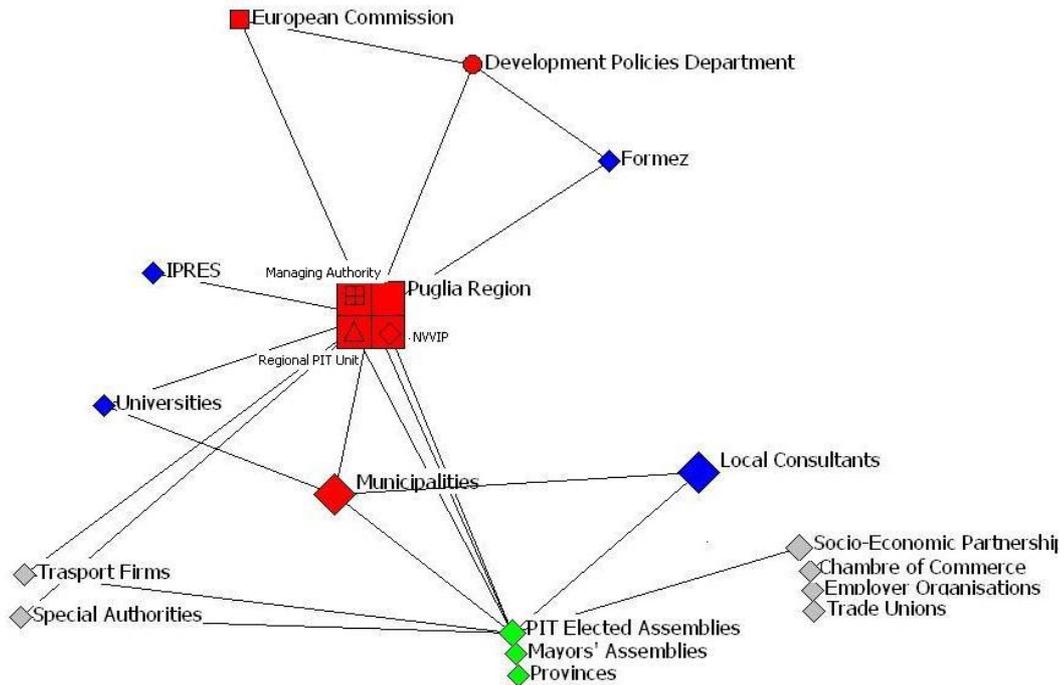
In this case, **Managing Authorities and Municipalities seem to play the most relevant roles**. The former are evident in financing as well as coordination while the latter are more prevalent in financing, promoting, coordination and mobilizing resources

The **role of National Ministries is less relevant** than in the programming phase and mainly related only to IUDPs implemented within IOP. Most of the secondary actors are involved in mobilizing relevant resources at the local level. Universities and NGOs play different roles (mobilizing resources as promoters).

The North West (Czech Republic) shows one of the **highest network density for what regards the programming phase and one of the lowest one for what concerns the implementation phase**.

Puglia Region

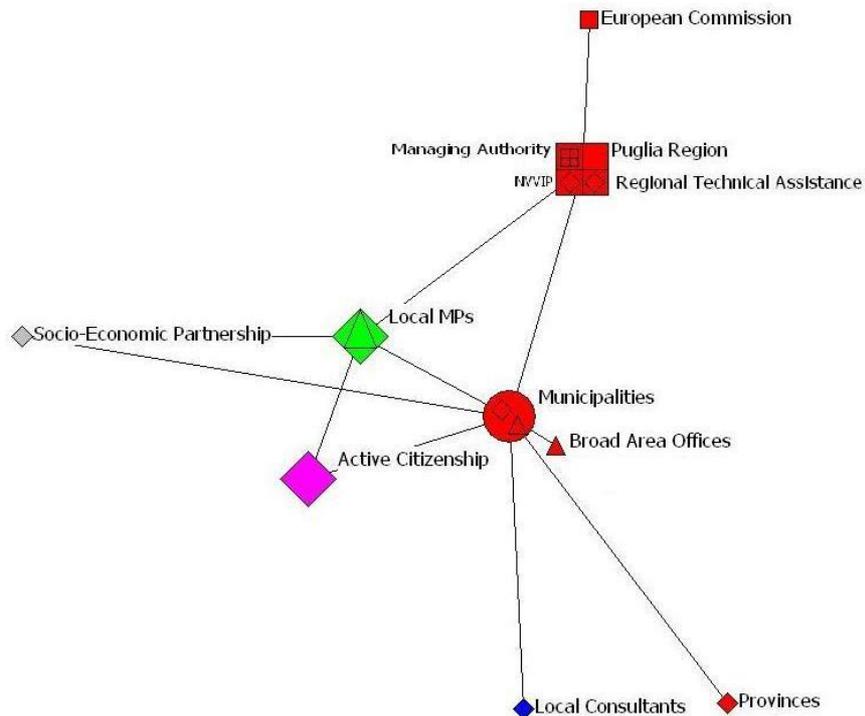
Programming phase (2000-2006)



Acronyms:

NVVIP= Regional Evaluation Unit; **Formez**= National Training Body; **IPRES**= Regional Research Center; **PIT** =Integrated Territorial Projects

Programming phase (2007-2013)



Acronyms:

NVVIP= Regional Evaluation Unit

The experience of LDA in Puglia Region is characterized by two main tools: PIT in 2000-2006 and the Broad Areas in 2007-2013.

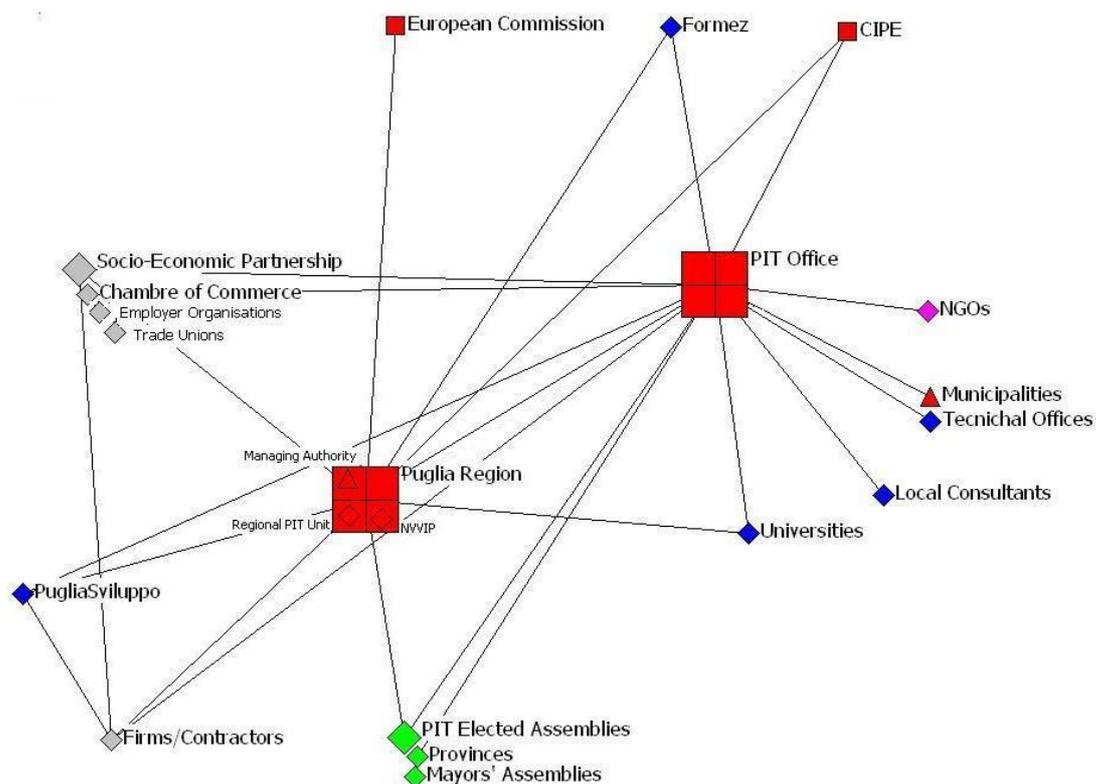
With reference to the PIT experience, the network for the programming phase shows a **very central role of the Puglia Region** involved in the LD process through three different actors: the Managing Authority, the Evaluation Unit (NVVIP) and the Regional PIT Unit.

Nevertheless, all other levels of government are represented: the European Commission (with a role of financing), the national government (DPS Development Policies Department with role of initial promotion of local development throughout the national territory) and Special Agencies at national and regional level (FORMEZ and IPRES). The local is widely represented by Municipalities, Local Consultants and Socio-Economic Partnership. Universities and Transport Agencies are also involved in this phase.

The core of the network is composed by Puglia Region, PIT Elected Assemblies, Municipalities and the DPS.

With reference to the programming period 2007-2013 and the new instrument of the Broad Areas, changes are evident: **Municipalities are more central** and more relevant together with the emerging of the **involvement of Active Citizenship**. National actors (such as DPS) became less relevant.

Implementation phase (2000-2006)



Acronyms:

NVVIP= Regional Evaluation Unit; **Formez**= National Training Body; **PIT** =Integrated Territorial Projects; **CIPE**= National Economic Programming Committee; **Puglia Sviluppo**= Regional Development Agency

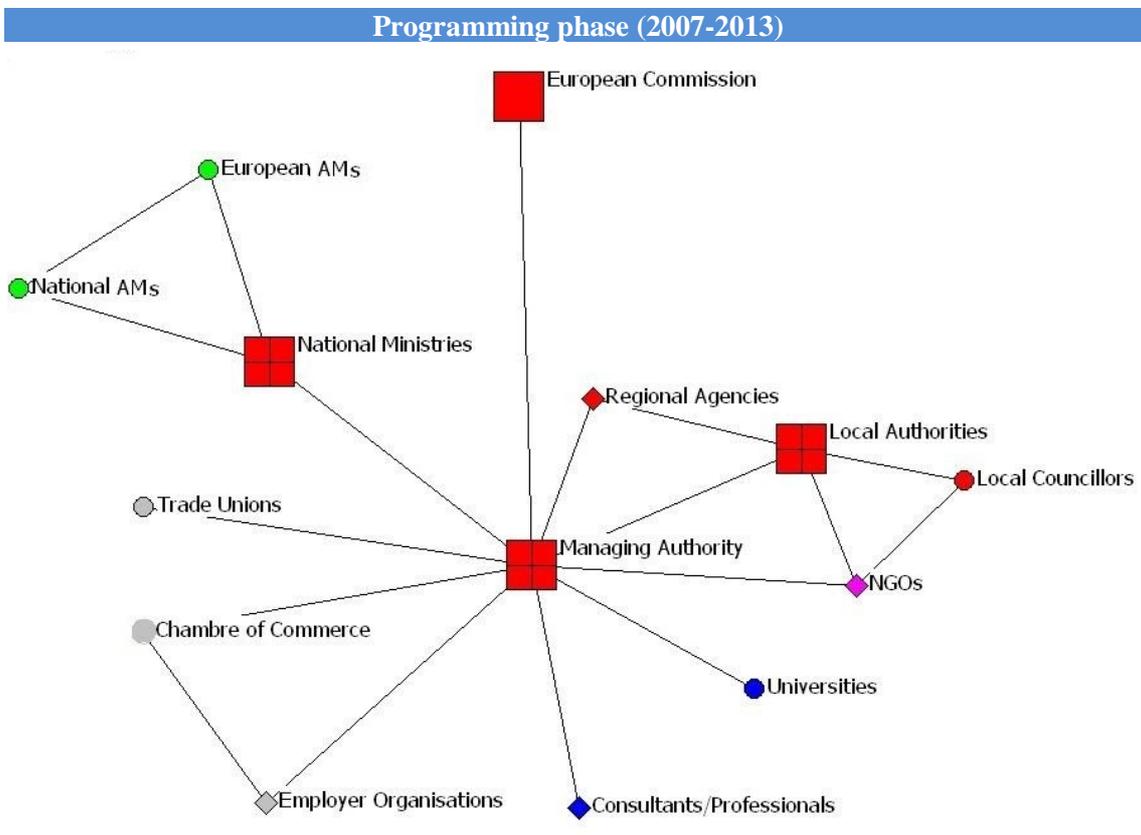
The implementation phase of PIT is characterized by the centrality of the PIT Office, a new actor in charge of the management of the LD plans. In this phase, a new national level actor with a financial role (CIPE) enters into the network. Moreover at the local level NGOs entered as partners of some projects and a Regional Agency (Puglia Sviluppo) that evaluated the request for incentives to businesses.

In the implementation phase the setting up of the PIT offices (one for each 10 PIT financed) simplified the network because it became the linking actor between Puglia Region and 245 Municipalities involved in the process.

The core of implementation phase is thus composed by only PIT Offices and Puglia Region.

The implementation of the Broad Areas is not described because it was not ready start at the time of the analysis.

West Wales and the Valleys



In West Wales and the Valleys, the LD interventions involve a network governance with a central role – in the Convergence Programme 2007-2013 – for the European Commission, the National Ministries, the Managing Authority and the Local Authorities. In particular, while the European Commission is relevant in the financing process, the other three main actors play a crucial role also as promoters, coordinators and in mobilizing resources.

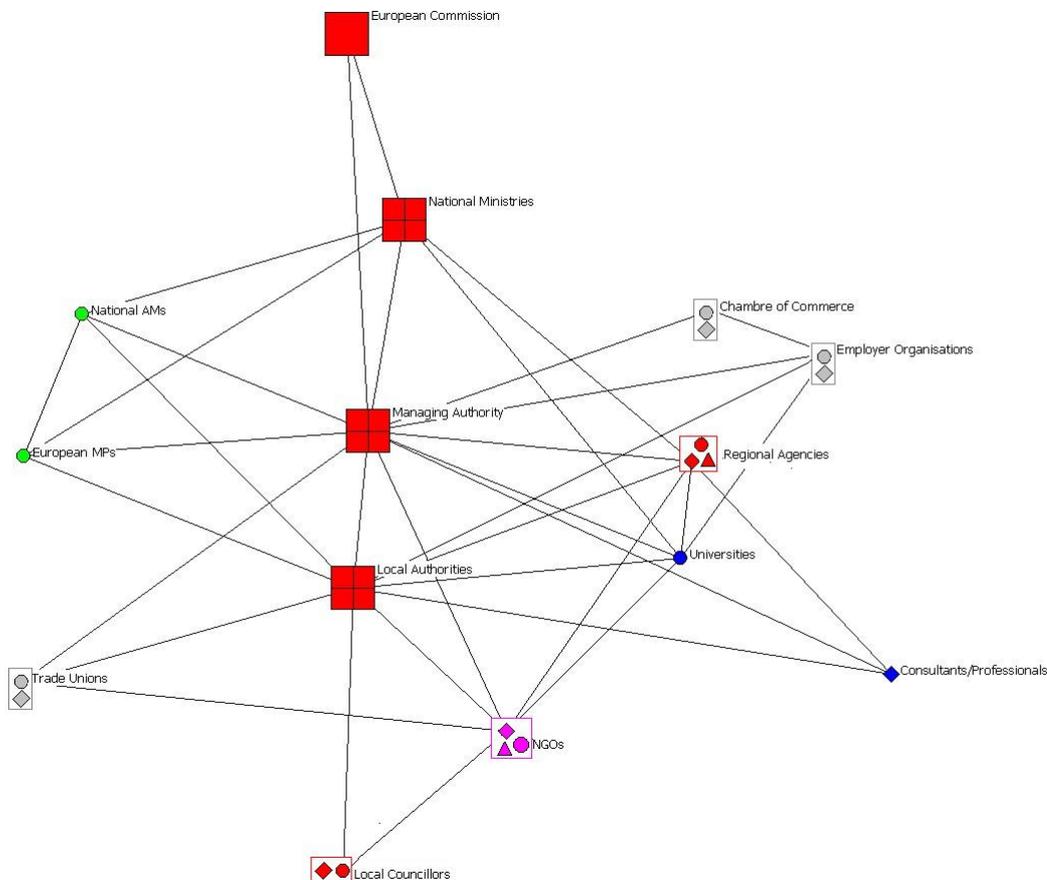
The **network is therefore dominated by bureaucratic actors**, with less extensive roles for politicians, special interest groups and experts.

The Managing Authority plays a crucial role as the primary linking actor in connecting otherwise disconnected subgroups of actors, mainly bureaucrats (on the right of the graph) and socio-economic actors (bottom left of the graph).

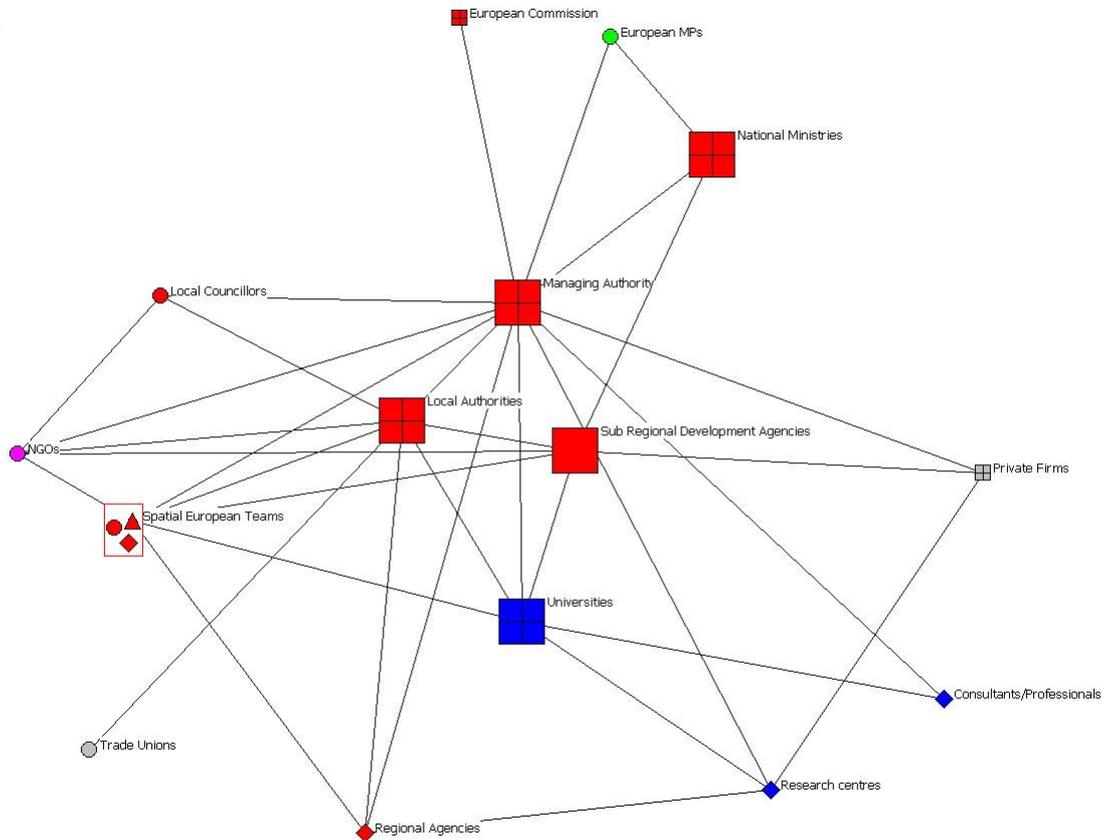
Also the expert (Universities and Consultants) develop direct relationship with Managing Authority.

Comparison with the previous programming period shows that the network is quite different. One of the primary reasons for the difference relates to the stronger, more central role of Local authorities and NGOs included in the core. As noted previously with regard to this programming period, the LDA strategy is delivered through formal local partnerships constituted to include public and social representatives.

Programming phase (2000-2006)



Implementation phase (2007-2013)



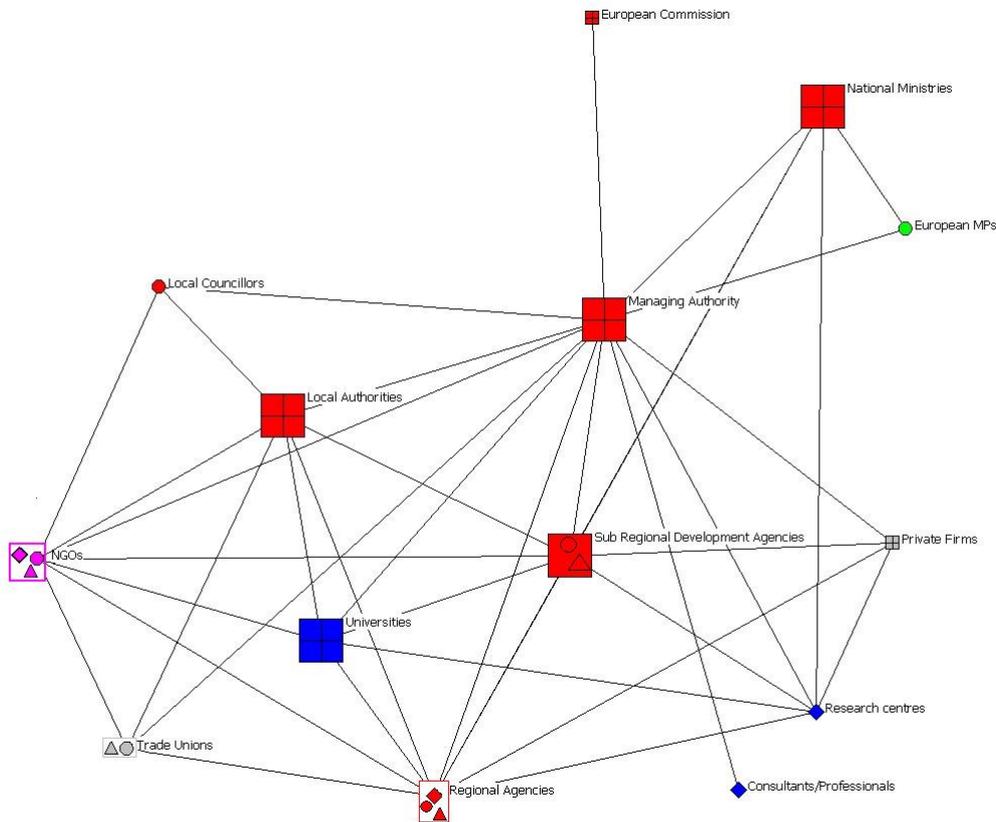
The implementation network is somewhat different. The **central actors are Managing and Local Authorities, which now operate at the core of the network.**

The role of the European Commission is less relevant, while the role of the national ministries, local authorities and managing authority is still predominant. In the implementation phase also Sub Regional Development Agencies and the Universities seem to become central in financing, coordinating, promoting and mobilizing legal, political, and cognitive resources.

The implementation phase broadens the range of actors involved in the process. For instance the increasing prominence of Local authorities, Universities and Private sector firms confirms that local funding partners play a fundamental role in intervention strategies.

Even in this case the core of the network is mainly composed of bureaucrats, in addition to the universities that play a crucial role as local funding partner.

Implementation phase (2000-2006)



As emphasised in previous chapters, the role of NGOs is more prominent in this programming period than in 2007-13. Indeed, delivery was ensured via formal local partnerships constituted to include public and social representatives. The above graph demonstrates that the role of NGOs changes between programming periods - NGOs did not only mobilise resources but adopted a promotion and coordination role.

Programming and implementation core actors: a comparison between cases

The comparative analysis on partnerships presented in section 4.1 showed how the programming of local development strategies related to the 5 case studies is generally less complex than the implementation phase.

Programming often involves only institutional actors, even if at different levels of government (Puglia Region 2000-2006 and North West Czech Republic) while in the implementation phase new types of actors are involved (experts and socio-economic actors). However, in some cases, these latter actors remain at the network edge and therefore are not part of the network core.

On the contrary, in other cases, the planning stage is more participated and involves non-institutional actors at local level (Berlin Metropolitan Area and West Wales and the Valley in 2000-2006 programme period).

This section presents an analysis not focused on the entire network, but only on core actors of the five case studies so as to describe the changes that occurred between the programming and the implementation of local development strategies²².

Table 1 and graph 1 summarize the indicators calculated on the programming and implementation network of the five case studies.

In particular - and in addition to the number of nodes and links of the network as a whole, the table shows the density index - the core of the network identified on the basis of the betweenness index and the complexity of the core itself (number of types of actors and local levels).

Graph 1 provides a comparison between programming and implementation phases for both 2000-2006 and 2007-2013. The X axis indicates the numbers of different types of actors while the Y axis indicates levels of government (1 local, 2 regional, 3 national and 4 international). The size of the bubble reflects the density indicator and the colour represents the type of LDA adopted.

In 2007-2013 programme period, the programming process shows a greater variability of the indicator density: Berlin Metropolitan Area and North West Czech Republic present a high level of density, while Puglia Region and West Wales and the Valley have less dense networks, probably due to the large number of actors involved in the process.

In the implementation phase, the density of the networks is characterized by less variability between cases (also with reference at the core). Furthermore, in this phase the density seems to be less variable than in the planning stage due to the involvement of new actors.

This difference is particularly marked in the Berlin case, which is characterized by a high degree of participation in the planning stage, and North West Czech Republic which has 8 new actors in the implementation phase.

With reference to the complexity, the graph shows that in the implementation phase, the core network is made of local governments, the Managing Authority and/or regional administrations. Only in the Andalusia network core a national actor (National Ministry) is present. During the planning process, national bodies and the European Commission (in the Andalusia and North West Czech Republic cases) are also part of the core network.

Only in the Berlin case, there are no national and international actors involved in the programming phase. With reference to the various types of actors, the core network remains essentially the same in the programming and implementation phase, being made of bureaucrats, experts and diffuses interest actors.

On the contrary, in the North West Cohesion Region bureaucrats seem to be the only actors involved both in the programming and implementation phase.

²² However, as already noted in the introduction, the comparison of so different local development experiences is to be read with extreme caution.

Core networks are more complex in the other cases: Andalusia core network is made of bureaucrats and politicians in the programming phase and of bureaucrats and experts in the implementation one; Puglia Region programming core involved bureaucrats and diffused interest. With reference to the West Wales and the Valley the core network is composed only by bureaucrats in the planning stage while the implementation core network involves also experts.

With reference to the 2000-2006 programme period, Puglia Region programming core involves bureaucrats and politicians actors while only bureaucratic are central in the implementation phase. In terms of West Wales and the Valleys, the network core in the 2000-2006 programming phase primarily contains local actors among which the role of NGO and Local Authorities is more relevant than in the 2007-2013, which involves mostly bureaucrats and politicians at regional level.

Core Network Indicators

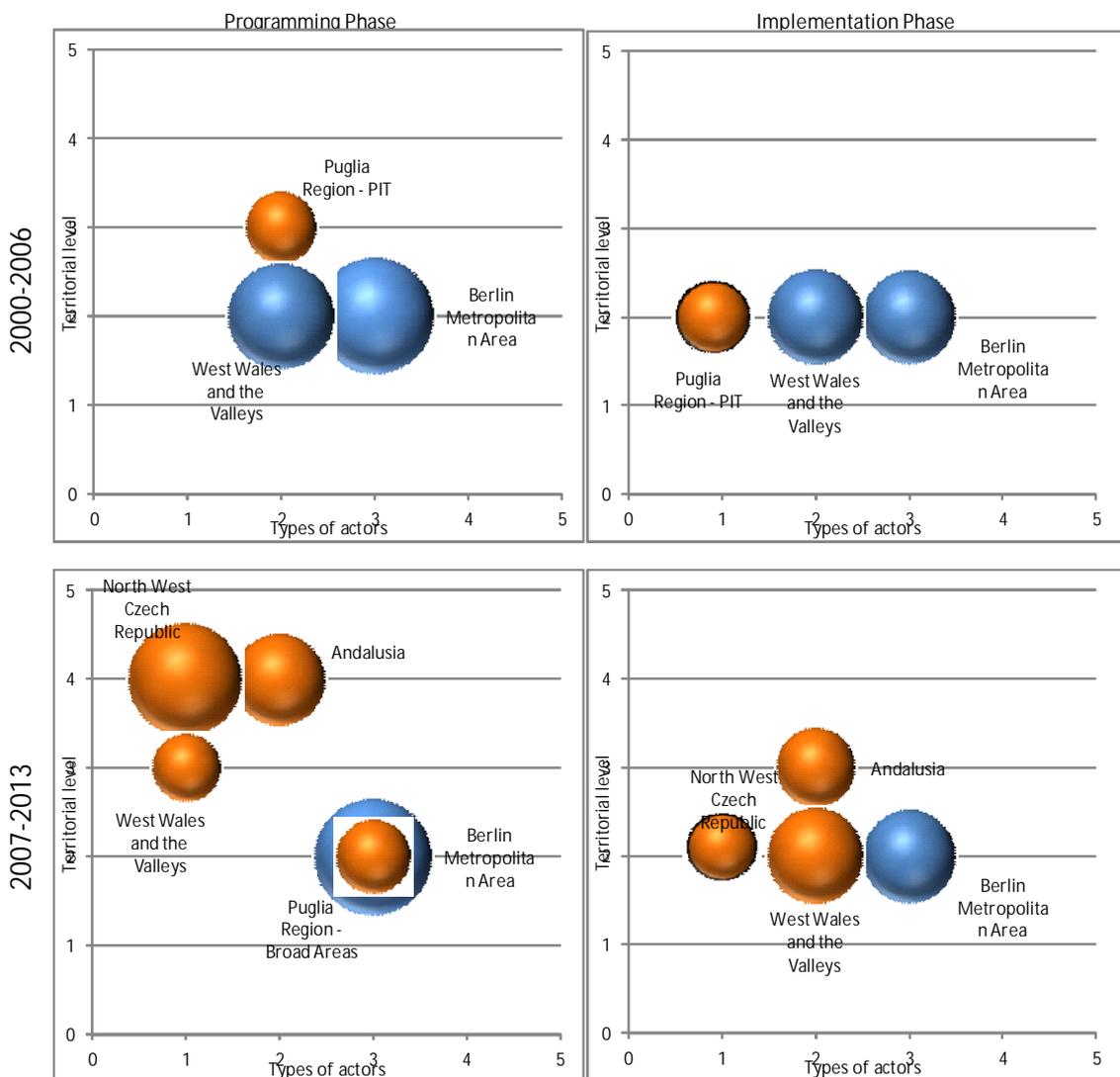


Table 5: LDA Networks of Actors – Indicators

	Phase	Number of nodes (categories of actors)	Ties (a)	Density	Core Ties (b)	Core density (b/a)	Core of the Network (based on Betweenness)		
							Actors	Territorial levels	Types of actors
Andalusia (Spain)	Programme	16	92	0.38	44	0.48	Andalusia Region, National Ministries, EU, Provinces and Municipalities and National MPs	4	2 (Bureaucrats, Politicians)
	Implementation	22	124	0.27	54	0.44	Andalusia Region, Municipalities, National Ministries, Trade Union, Employers' Organizations	3	2 (Bureaucrats, Special Interest)
Berlin Metropolitan Area (Germany)	Programme	13	94	0.60	51	0.54	Managing Authority, Private and Public Housing Associations, Local Authorities - Districts, Neighbourhood Management Teams, Neighbourhood Local Councillors	2	3 (Bureaucrats, Experts and Diffuses Interest)
	Implementation	12	52	0.39	25	0.48	Managing Authority, Local Authorities - District, Neighbourhood Management Teams, Private and Public Housing Associations	2	3 (Bureaucrats, Experts and Diffuses Interest)
Puglia Region (Italy)	Programme 2000-06	14	40	0.22	24	0.60	Puglia Region, PIT Elected Assemblies, Municipalities, DPS	3	2 (Bureaucrats, Politicians)
	Implementation 2000-06	16	54	0.24	27	0.50	PIT Office and Puglia Region	2	1 (Bureaucrats)
	Programme 2007-2013	12	22	0.24	16	0.64	Municipalities, Active Citizenships, Local MPs, Puglia Region;	2	3 (Bureaucrats, Politicians and Diffused Interest)
North West (Czech Republic)	Programme	10	50	0.56	35	0.70	National Ministries, Managing Authority, EU, Usti and Karlovy Vary Regions, Regional Committee (Council)	4	2 (Bureaucrats and Politicians)
	Implementation	18	64	0.21	24	0.38	Municipalities, Managing Authority	2	1 (Bureaucrats)

	Phase	Number of nodes (categories of actors)	Ties (a)	Density	Core Ties (b)	Core density (b/a)	Core of the Network (based on Betweenness)		
West Wales and the Valleys (United Kingdom)	Programme 2007-13	14	36	0.20	20	0.47	Managing Authority , Local Authorities, National Ministries	3	1 (Bureaucrats)
	Programme 2000-06	14	70	0.38	34	0.49	Managing Authority , Local Authorities, NGOs	3	2 (Bureaucrats and Diffuses Interest)
	Implementation 2007-13	16	66	0.28	32	0.47	Managing Authority , Local Authorities, Sub Regional Development Agencies, Universities	2	2 (Bureaucrats and Experts)
	Implementation 2000-06	14	75	0.41	44	0.59	Managing Authority , Regional Agencies, Sub Regional Development Agencies, Local Authorities, NGOs	2	2 (Bureaucrats and Diffuses Interest)

3.3 How local development works: main mechanisms at work

In this part we will answer to the last of the three research questions providing the context for the Literature review, that is:

How does local development work? Which characteristics of the context, of the policy or programme design, of the process through which is implemented are able to account for the quality of the results achieved, i.e. for the effectiveness of the LDA in delivering cohesion policy?

The theoretical background we will use in order to answer this question is the causal mechanisms approach, focussing on the mechanisms that can be activated by LDA specific strategies and tools in order to bring about the expected results.

The concept of causal mechanisms has a long tradition in the social sciences, but also quite different meanings in various disciplines (it is typical in biology but is by now usual in psychology, behavioural economics, sociology and more recently in the political sciences). Here we adopt a specific definition: with this concept we refer to the patterns of influence among actors that can activate or strengthen the social resources, coordinating efforts of the actors in order to reach the expected results. In this sense, the analysis is located not at the macro-level but tries to observe how “real” actors relate with each other in concrete policy-making situations. In this perspective, we consider as actors not only the individuals but also institutions, economic and social groups showing homogeneous kind of goals and system of rationality in the policy game (Coleman, 1974; Scharpf, 1997). This approach implies that the activation of specific causal chains can be detected by looking at the concrete characteristic of contexts and types of actors in real situations: the very same mechanism can be at work in some situation while in others stays latent and, depending on the characteristics of actors and context, can have either positive or negative effects.

In the literature review, we described some general mechanisms that can be triggered by purposive strategies of local development. We identified six “typical” mechanisms of the LDA policies and tools, and namely:

- (1) **imitation/bandwagon effect/threshold**, the mechanisms explaining how individual actors enter the partnership;
- (2) **attribution of opportunity/threat**, the mechanism explaining how the actors choose a specific strategy of action;
- (3) **actor certification/de-certification**, the mechanism explaining how is possible to enhance/reduce the role of a specific actor;
- (4) **rules of coordination**, the mechanisms favouring the institutionalisation of the development partnerships and facilitating their activity;
- (5) **public disclosure**, the mechanism defining the sanctions against defection or free riding;

(6) **performance feedback**, the mechanism for feeding the process of learning and at the same time promoting the feeling of efficacy of the cooperation.

In the following pages, partly amending the previous list we will make reference also to other mechanisms that seem to be relevant in order to explain the findings, and namely the mechanism of **framing** (favouring the adoption of a common perspective among the actors), of **blame avoidance** (explaining the sub optimal behaviours of the programme managers when confronted with perceived risks) and of **repeated interactions** (explaining how cooperation is generated).

We referred these mechanisms to the **four dimensions of policy design and policy process** more relevant in the field of LDA, also in order to address some of the issues raised in the ToRs (namely the question of institutional capacity and the impact of participative monitoring and evaluations systems), that is:

1. the structural characteristics of the actor network;
2. the institutional and administrative capacity;
3. the internal workings of the development partnerships;
4. the characteristics of the monitoring and evaluation systems.

Combining the different mechanisms with the four above dimensions we have then generated 16 hypotheses to be tested in the empirical research, thus completing the theoretical and analytical framework.

In the following paragraphs we will discuss the hypotheses basing the discussion on the qualitative evidence deriving from the regional case studies and the mini case studies. It is important to underline that the discussion is not intended to verify or falsify the hypotheses, as the cases examined are too few in number and too diverse in nature for such a conclusion. The aim of the discussion is rather to raise information about the different options that can be explored in the aforementioned four dimensions of policy design and policy process, on the basis of the concrete experiences, solutions and tools put in place by the LD programmes of Berlin, West Wales and the Valleys, Puglia, Andalusia and North West Cohesion Region-Czech Republic and the results (or even failures) of their solutions.

In effect, the use of mechanism as a concept allows to shift the attention from a very general consideration of what LDA is all about (importance of territory, stakeholder involvement and integration between different actions) to the conditions and tools of the concrete programmes as well as to the different strategies that can be employed, in order to achieve some expected results.

Hypotheses related to the structural characteristics of the actor network

1. The first hypotheses is that *imitative behaviours, or successful example from elsewhere, contribute to achieve the minimum size required for a LD partnership.* In other words, the fact that someone enjoyed some benefit, or have reached some interesting results, is perceived as an opportunity to act in a similar way. This is a classical **bandwagon effect** - I'm interested in something when I see others interested in

it. This is a positive mechanism that enhances adhesion to a particular initiative (such as a public grant) because others are interested in it; the willingness to adhere is reinforced when some form of prestige derives from it.

The Andalusia case-study is very clear in this respect: “*The Spanish municipalist movement is characterized by a strong imitative character. Everyone wants to do and have what the apparently successful neighbour does and have. When an initiative is prestigious and can show successful examples of its implementation it is much easier to find partners. (...)*”.

As explanatory mechanism, imitation is not a sufficient explanatory mechanism for cases that show a relevant **grass-roots participation**. On the contrary, the cases with broader grass-roots participation used **explicitly-driven tools to mobilize** inhabitants or particular category of stakeholders. In the PIT Tavoliere case, the social and economic partnership (with particular reference to the agricultural sector) was not perceived as a tool for delivering strategy but was as an objective in itself: for this reason, the management infrastructure provided for a permanent *Partnership roundtable*, made of representatives of the social and economic partners involved in the PIT, which represented the discussion arena of the PIT projects. Moreover, an extensive campaign of communication was carried out, and also (thanks to the cooperation of agricultural employers’ organizations) a number of seminars at the local level, in order to present the initiatives and the opportunities to the potential beneficiaries, and solicit their participation to bids.

Also in the 2000-06 West Wales and the Valleys experience, participation was an end in itself. Many activities were put in place in order to mobilize people, including enabling voluntary and community groups to fully participate to partnerships for regeneration initiatives, and supporting community-led initiatives and projects. The central Welsh European Funding Office (WEFO) was balanced by a very decentralised delivery structure, composed by nearly thirty partnerships (local, regional and strategic). As noticed in the case, “*bodies such as NGO’s and trade unions play a role in ensuring that take-up of opportunities is maximised*”.

The case of Berlin was the main example of “pure” LD approach. The entire process was bottom-up in nature, based in Neighbourhoods where there existed a prevalence of problems and unmet needs; inhabitants’ participation was particularly promoted by giving them the responsibility to decide on the financing of projects (through the Neighbourhood Council and the Action Fund Jury), but also with a complex management structure. The Berlin case implemented a **specific and complex institutional infrastructure in order to promote and manage the LD plans**. This was made through the integration of ERDF actions within the national framework and the use of different financial channels, and through the Neighbourhood Management (NM), a professional and multi-disciplinary-staffed structure, created ad hoc on a tender basis, with the main task to activate local residents, especially groups that had so far been difficult or impossible to reach: “*For the very first time, it was possible to mobilise residents to take responsibility for the neighbourhood they lived in across several different topic areas. The creation of NMs increased the number of groups and actors*

interacting within local communities, giving them the capacity to identify local needs and to act in order to find local answers (...) the setting up of (physically) local offices (NMs) brought public administrations (both Boroughs and Land) closer to citizens and reduced the gap between theory and practice. Most of the benefits stem from small local problems in which the added value is the participation of all the community, which becomes an active subject”.

2. Perception of opportunity (deriving from provisions such as external grants) or threat (such as, an expected crisis) favours the enlargement of the partnership. Case-studies have shown lots of examples of this kind of - quite trivial - mechanism. Grants stimulate the **perception of opportunity** of the potential partners and reinforce their propensity to adhere to the LD process. Sometimes, this propensity is enhanced by the fact that grants available now, will not be available anymore in the next future: when people think that there is a **short time period to benefit**, the perception of opportunity linked to the grant available increases. **Deadlines** and **appropriate tools of communication** can incentivize it. Quite on the contrary, when there is no chance to be included in the sharing of the grant, or in some benefit deriving from it, participation can fade.

The Czech IUDPs case showed, on the one side, the potential of attractiveness of financial grants; on the other, the great role of Municipalities within the programme made it not attractive for business representatives: *“The cities consider the creation of IUDPs (...) as a means to access funding for their own investments (...). A key-motivating factor for the cooperation of stakeholders is thus a potential subsidy. Moreover, according to Czech legislation, the position of a city is very strong in the process of IUDP preparation and implementation since it is the city that is responsible for development of its territory (by law), a feature that sometimes discourages the participation and cooperation of other potential stakeholders. As our interviews revealed some, and especially businesses, consider it “a waste of time”.*

In the West Wales 2007-13 period, after a downgrading of local partnership structures and a change of the general approach of the new programming period, *“Partners play a role in the design and update of the Strategic Frameworks but only remain actively involved if they are collaborators in a project application and/or delivery.”* This case shows that the maintenance of participation during the implementation phase depends on the direct cooperation to specific projects. The consequence is that the channels of **participation must be planned together with the mechanisms incentivising it**, both in the planning and in the implementing phase.

Financial grants, and other economic rewards, are powerful resources to incentivize participation, as they tap into the system of opportunity of potential followers; however, they do not guarantee about a “sincere” adherence to the local development goals (for example, cooperation). As an example, in the Puglia case, many of the *ad hoc* created consortia of firms, closed after the achievement of the grants. This has been explained with the theory of intrinsic/extrinsic motivation (in the former, motivation is linked to the pleasure or interest that one gets from the task itself, in the second is linked to some external incentive, such as money or rewards).

Obviously, opportunities are not represented only by financial grants. West Wales showed a very peculiar condition of the political context, which incentivized local actors to participate to the design of the Operational Programme Ob.1. In fact, in 1998, Eurostat agreed a reconfiguration of NUTS2 Areas in Wales and the birth of the West Wales and the Valleys area, entirely eligible for the Objective 1 funding; moreover, in 1999, it was instituted the National Assembly for Wales (NAW), “*which represented a fundamental change to the overarching political context within Wales*”. The new boundaries identified an area with specific conditions of sufferance that wasn’t patent in the former geography of the NUTS2: **the change of boundaries gave the population a chance of self-representation**. This new opportunity, very peculiar and context-related, can help to explain why participation in the first phase of the OP West Wales and the Valleys was so intense (and more intense than in the following programming period): “*The coincidence of such events gave immediate and very public prominence to the OI programme (...). Moreover, there was direct and public debate as to whether appropriate match-funding might be available. One of the by-products, however, was a high level of consultation with public, private and third sector stakeholders on the priorities for intervention and the emergence of a very organic, bottom up approach*”.

In other words, the **opportunity to be represented** is a mechanism that incentivizes participation (sociologists noticed that actors take part to collective actions as the participation contribute to the definition of their *group identity*: see Pizzorno, 1986). Self representation in LD is higher when the territorial focus of the programme matches with some relevant form of identification of people. Locality is one of them. Participation was relevant in the Berlin case, focused on neighbourhoods and directly involving citizens in the implementation of projects. Moreover, in the aforementioned Welsh case, the design of territorial borders gave inhabitants the opportunity to be recognized as a group of people with the same problems and unmet needs. The Puglia case is more complex in this respect: the territorial focus of the PITs was top-down defined on the economic characteristics of the areas, breaking down and recomposing the administrative boundaries. This choice led to brand-new territorial aggregation, different both from the previous Territorial Pacts, and also from the following Broad Areas. These frequent changes puzzled the potential participants, with some relevant exception (one being the PIT including Salento, a well-recognized area characterized by environmental and touristic resources and manufacturing goods. PIT attracted a number of stakeholders, in particular of economic type, interested in promoting Salento as a brand).

3. Competitive procedures for the allocation of the grants enhance the perception of opportunity; the selection on a competitive basis enhances the perception of the partnership’s efficacy. Some forms of (smoother or sharper) competitive procedures were adopted in almost all of the regional case-studies analysed. The general objective of competitive procedures is to force the proponents to prepare good quality projects (thought to be a pre-condition of better quality results) and to be coherent with the terms of reference. In Andalusia the call for integrated local and urban development projects, based on the size of cities (less or above 50.000 inhabitants), were considered

prestigious and the achievement of one of them tended to increase the **perception of efficacy of the projects and teams** that resulted successful: *“The websites of the cities that were selected show a certain pride for having achieved it. In a way, it is seen as an “objective” proof of the value not only of the project, and not essentially of the project, but of the team and the leadership that is behind it”*. In other words, the achievement of grants or awards influences the *certification* of the good quality of the winning partnership.

In the Northwest Cohesion Region of the Czech Republic an intermediate procedure was adopted for the Integrated Urban Development Plans (IUDP) and their projects: a competitive scheme on the selection of the strategic ideas, promoted by the ROP Managing Authority directed to the cities, and sub-projects launched from the selected cities after the assignation of the grant. This procedure in two steps gave time to the cities to prepare the detailed projects and to avoid competition with other local areas. Moreover there was the possibility for other partners to present “associated projects”: if they were approved by the managing structure of the IUDP, the associated projects would receive a 10% extra bonus in competitive procedures in other funds. This seems to be a *smart practice* able to stimulate the participation of non institutional actors and, at the same time, to promote the integration and coherence of the whole LDA programme.

It is noticeable that competition is not the only strategy useful to compose or reinforce the LD network. A typical alternative is *zoning*: this is a mainly top-down selection of the areas to be granted; the aim is **to force local territories**, characterized by homogeneous resources and problems, **to conceive themselves as potential partners** and to cooperate in order to achieve some development results. This is mainly the case shown by the Berlin experience: *“the identification of small areas (neighbourhoods) in which residents and local actors really know each other and can have effective mutual exchange contributed to a sense of “belonging to a community” that increased democratic accountability and had a strong impact in terms of participation in the programming and implementation of ERDF interventions”*.

By the way, a zoning strategy can be explained with reference to regional politics and its resources: do not exclude any local power (or political coalition) from the chance to participate, as political conflict would probably stop the entire process at the very beginning. This consideration was present, even if not explicit, in the Puglia case (PITs covered almost all the regional territory), characterized by some powerful local municipalities with which the Region had to reckon. Zoning, opposed to competition, forces broader participation but do not incentivize quality and timeliness (as a strategy to take resources off from somebody else). In the Puglia case, zoning, together with non competitive procedures, caused a slowing down of the entire programme, as all the local projects were approved at the same time by the Region (and the fastest had to wait for the laggards).

Hypotheses related to institutional and administrative capacity

4. The existence of a national/regional frame favours the effectiveness of bottom-up interventions. All the LD cases analysed have some national/regional frame prescribing the general objectives and characteristics of the strategy at the local level. Good practices showed the importance of procedures allowing a continuous dialogue between the local and the above-local level, in order to compensate the too narrow definition of the problems by the local actors: in other words, the *mechanism of framing* is relevant in this process.

The case of Puglia shows the difficulties deriving from “too much planning freedom” for the local partnerships. The 2000-06 PITs experience pinpoints an active role of the Region in the definition of rules, procedures and characteristics of the LD plans and projects; the budget of each PITs was also established *ex ante*. In the following period the Region made a step back and left the territories free to organize themselves, both in terms of administrative contrivances for the local development plans and in terms of objectives/contents of projects; moreover, it didn't identify the maximum financial amount expected from each territory, with the result that some local plans doubled the entire financial availability of the Regional OP. As a consequence, problems arose in terms of timeliness of the entire process, and specially in the concrete translation from the general plans to the operative interventions to be finally financed by the Region. The opposite shift happened in West Wales and the Valleys: problems derived from the bottom-up approach in the 2000-06 period (quality of projects; management of manifold intervention; monitoring shortcomings) resulted in a more centralized approach in the next period.

In the Northwest Cohesion Region of the Czech case, the European/national framework insured a relevant degree of stability for the implementation of projects: “*A very positive effect of IUDPs, and LDA under such development planning, is in the fact that they (formally approved by city assembly) are not subject to changes in political climate and have endured several elections at local level. In the past this was a problem since new political coalitions did not always agree with the investment priorities of their predecessors*”.

5. Trustworthy, high reputation promoters encourages other stakeholders to join. In this respect there are various example of procedure aiming at **certificating actors** in order to reinforce their credibility and the adhesion of partners. In the case of PITs 2000-06 of the Puglia Region, partners free to choose their leader in charge of managing funds and steering the process. In many cases the choice reflected the size of the administration (the greater is the leader) but sometimes the choice followed distributive rules: if yesterday you were benefitted from the management of some specific grants, now it is my turn. Undoubtedly, to be chosen as the leader of the local coalition was a point of honour for the administrations involved: it *certificated* their special role and ability among other partners and this certification motivated a certain degree of political competition among partners.

Reputation can be built also by the good results achieved. The Spanish case of the Urban Plan of Cadiz “*is generally considered a positive legacy for the city and a landmark for other urban regeneration projects in Spain. In 1998 it obtained the qualification of good practice, awarded by the Spanish Habitat Committee. In the opinion of a member of the managerial staff, "the Urban (project) generated confidence. Cadiz was not a waste, as many said, but a great city with great potential (...). Now the neighbours are proud of their neighbourhoods"*. This example show also the importance of communication of the good practices achieved in order to maintain the development push.

Building trust can be also a **basic tool of the local development strategy**. The Berlin’s Neighbourhood mothers project had the aim to encourage immigrants parents to bring their children to the kindergarten, engage with teachers, learn German etc, through direct contact with mothers with the same ethnic, knowledge and cultural background. This strategy reached good results: “*The commitment of the 115 women employed in the project has helped to raise awareness and a sense of responsibility among the residents in the neighbourhoods. They have also laid the foundation for a trustful relationship between immigrant families and local authorities.*”

6. The presence of multi-level actors favours mainstreaming of the proposed solution. Even if many cases show the presence (as the network analysis illustrates) of different level actors, there is little evidence of mainstreaming promoted by multilevel actors. One of the main example is represented by the Italian case: PITs were a LD instrument promoted by the Ministry of Treasure – department for Development Policies and diffused in all Objective 1 regions (Southern Italy), including Puglia, and in some Objective 2 regions of the Northern and Centre Italy.

In the 2000-06 period, the Ob.1 West Wales programme aimed to enhance and qualify the participation of third actors stakeholders. One tool was the rule of the “three third principle”, ensuring that a range of third sector actors would play an active role in the development arena; another was a project specifically aiming to strengthen the capacity of third sector infrastructure and resources. The WCVA Community Capacity Building project, infact, aimed to enhance the County Voluntary Councils through projects steered by the national voluntary umbrella organization, the Wales Council for Voluntary Action. “*The Building Community Capacity project built upon a community organisation infrastructure that was, to some extent, already in place prior to the onset of the Objective 1 programme period. This is a key feature of the underlying project context which may have implications for direct transferability elsewhere. (...) WCVA is of the strong opinion that one of the primary factors driving project performance has been implementation through a consortium arrangement that facilitates coordination but reduces the administrative burden on local delivery bodies*”. The project enhanced the capacity of local level Voluntary Councils to support development project, in the meanwhile promoting the institutional capacity of the National body, the communication and networking among the National and the local level.

Another tool for stimulating multilevel interaction is described in the case of Andalusia: the selection of the Urbana initiatives was realized by a jury composed by different-

level representatives, including the government: “*The jury of the call was composed by 3 representatives of the sub-delegated authority, one representative of the Managing Authority and, interesting enough, a representative of the Spanish Association of Local Authorities*”.

7. The attribution of relevant resources, functions, powers to a local actor (i.e. the leading partner) certifies its role in front of other partners and enhances its responsibility. This is linked to the mechanism of *rules of coordination*, i.e. the process favouring the institutionalisation of the development partnerships and facilitating their activity.

The Puglia case shows an interesting solution that allowed both the *simplification* of the actors involved at the local level and a *more rapid linkage* among multi-level actors. In fact, the local partnerships was forced to organize a PIT Office, a special administrative structure, composed either by internal staff of the partner administrations or by contracted out professionals, charged to manage all the requirements (about planning, support to the partnership, preparation of bids, monitoring, accounting...) for all the administrative partners of the PIT. This institutional and procedural provision has been recognized as a crucial factor in the good performance of PITs at the local level. This is particularly underlined by the case of the PIT Tavoliere: “*The good management of PIT Tavoliere together with the outputs and results obtained contributed in legitimizing the Municipality of Foggia as the leader of the local development policies in Tavoliere area. The Municipality was in fact appreciated for its competences in effectively managing complex projects and for having involved the territorial stakeholders in the PIT decision making process both in the programming and implementation phase*”.

Similar solutions were adopted with success in Urbana-Cadiz and in the IUDP Centre - Usti Nad Laben and therefore represents a clear case of smart practice.

Hypotheses related to internal working of the partnerships

8. Repeated interactions and/or previous experience of cooperation among partners facilitates the working of partnership. The importance of previous experience of cooperation and its link with better results is like a “folk theorem”. This is the mechanism of *repeated interactions* that is supposed to induce *mutual learning* among partners, and a more feasible cooperation.

All the cases analysed, but the Czech one, had previous experience of cooperation. In some cases the previous experience of cooperation led to a good institutional capacity as the use of monitoring committees, accountability and evaluation tools, etc. What is important here is to notice that the capital constructed by repeated interactions can last for a while, but also easily be wasted over time, when actors or rules change. Some *forms of institutionalization* are crucial in order to maintain the learning achieved. The termination of the programming period has frequently marked a change in the strategy pursued, sometimes at the expense of the knowledge capital acquired. The case of Puglia is an evident example of this kind of problem.

On the contrary, the Berlin case shows the results achieved thanks to the continuity, over time, of the LDA approach as a process in evolution: the *integrated action concept*

characterised all the three programmes analysed in the case-study (Ob.1 and Ob.2 2000-06; ERDF Convergence 2007-13). The case of Urbana Cadiz shows improvements deriving from the former urban experience, that allowed both the definition of a more integrated project and a simplification in the management structure.

9. The formalization of meta rules (such as rules on decision and coordination) and structures of cooperation makes the partnership more stable and durable.

Rules of coordination influence the internal workings of partnership. All the cases analysed underline the connections between the existence of rules of coordination and the maintenance of partnerships; various tools and formula were put in place.

In the Puglia case, the implementation of the PITs projects was preceded (in 2005) by a formal agreement signed by all the administration representatives of the local coalitions and by the Regional administration, and notwithstanding a very relevant political turnover (both at the local and at the regional level) the commitments were never changed until the end of the projects. The formula of the PIT Office (acting on behalf of the other municipalities for specific procedural steps, such as preparation of projects and bids) was also useful in order to simplify the overall procedure and promoting professionalism in the management structure. Moreover, the Region defined in a quite strict way the fields and rules of the bottom up interventions: this seems to have facilitated the process (specially in comparisons with the 2007-13, more loosely steered, approach).

Particularly interesting are the rules designed for the management of the bottom-up participatory process in the Berlin case, characterized by multi-level committees, appointed management structures and various forms of exchange and consultation (see point 1 of this paragraph) that supported grass-roots participation all along the process (both for planning and implementing interventions).

10. Rigid contracts favours formal compliance. All the cases analysed showed some complaints about the complexity of the formal procedures (both for the requirements imposed by the European level and the ones deriving from the national or regional legislation).

As the Andalusia case pointed out, rigid contracts don't allow budget deviations and contracting processes are burdensome and sometimes "desperately long". This enhances the *perception of risks* connected to action for programmes' managers, which seek for compliance as a strategy for *blame avoidance*.

Moreover, as the Berlin case pointed out, complex administrative procedures tend to restrict the access of small local actors, such as volunteers, to the advantage of professionals. This passage from open participation to professionalism was explicit in the West Wales case. The new 2007-13 programme period showed a shift toward procurement and project sponsor, together with a new rule of payment by results. This allowed a greater focalisation on outcomes than in the (more participative) past and more value for money considerations. The participation decreased and partners remained actively involved only if they collaborate in a project application or delivery.

Burdensome administrative requirements are particularly negative for economic actors. In the IUDP Centre case, the complex system of bureaucratic controls of the managing authority made the business actors very critical to all administrative requests, and participation on IUDP is sometimes assessed as wasteful. In the Puglia PITs, some firms renounced to the grant due to the excessive administrative requirements and other complained the long time required for the reimbursement of grants.

11. Procedures giving specific resources and powers to partners (such as the right to vote, the compulsory approval of programme's progresses or amendments) reinforces the contribution of stakeholders.

As we noticed at the point 1 of this paragraph, when there is no incentive, participation fades. The Berlin case on Urban Neighbourhood is a good example of how broad participation can be ensured by a deep involvement of people in the policy cycle, through the involvement in the Neighbourhood Councils. *“Since 1999, local residents and local actors from across the entire community have played a strong role both in programming and implementation phases starting with identification of the development potential of a neighbourhood (a partnership between local stakeholders and the municipal managing authorities) and reflecting socio-economic characteristics and disparities. The involvement of local residents and actors grew, over time, and the participatory approach at the heart of LDA activities strengthened in moving from the previous programming period (2000-2006) to the current one. In particular, since 2005, the participation of local residents within Neighbourhood Councils has been extended through their role in the decision making process. NCs strengthen the participation of residents by **giving them the responsibility to decide on the financing of projects**”*. It is worth noticing, however, that in the Berlin's LD experience the involvement of population hasn't been based on spontaneous organization but was supported by appointed management structures composed by professionals and various linking structures among the administrative levels.

Also the IUDP Centre (one of the three urban regeneration programmes promoted by the City of Usti nad Labem) promoted the **participation of stakeholders in the implementation of the project**. The general public submitted more than 450 project ideas, via project fiches. Even though not all of them had been supported (due the conditions posed by the ROP NW, only 40 out of 450 were approved), all suggestions were added in the project pipeline, and the city find a way to ensure financing for some of them at least. On the other side, as already noticed, *“the limited list of eligible applicants disqualifies many other stakeholders and weakened IUDP as a coherent tool of regional development”*; moreover, *“with the gradual restriction of eligible activities and increasing administrative burden, some stakeholders lost interest in participating”*. In other words, participation of stakeholders is enhanced if some form of power/resources is provided for them; if not, participation erodes quite easily.

12. Involvement of partners in the planning phase promoted the mediation of interests and reduced the risk of challenges in the implementation phase.

The involvement of partners in the planning phase is quite obviously a way to secure their attention and cooperation. The West Wales case has shown that the involvement of the local actors was enhanced by their inclusion in the projects' selection phase: *"the ability to scrutinise project applications gave a sense of local empowerment and ownership even though ultimate approval decisions were taken elsewhere and funding and compliance regulation remained within the remit of the managing authority."* However, the inclusion of local actors in the programming phase determined **the emergence of large numbers of small-scale projects**, which provoked a relevant burden on the management structure. The Berlin's LD experience involved citizens directly in the choice of interventions to finance, with also the power to determine the funding within a (rather small) maximum. Both cases show that a sophisticated level of supporting and management is needed when dealing with something like "pure" local development approaches: broad involvement can be conducive to unmanageable problems of implementation.

In general, the analysed cases don't shed light on particular situations of conflict, during the implementation phase, deriving from oppositions of actors excluded by the programming phases. The main problems derived from the **loosening of the partnership in the implementing phase**. The Puglia's PITs experience has shown that some big projects, defined in the programming phase thanks to the commitment of above-local actors (such as, large transport agencies), were subsequently abandoned due to the retrenchment of those actors, probably because the scale of those projects was unmanageable in a LD environment. Another point evidenced by the Puglia case is that when a local development partnership is effective, i.e. it is sufficiently complex and collaborative, the programming phase produces more *integrated* development projects, as the mini-case of PIT Tavoliere: *"In accordance with the nature of the policy instrument, PIT Tavoliere foresaw not only an integration of funds but also an integration of the interventions to be implemented: training interventions, ICT and hard infrastructural development for the support of the agro-industrial sector, process and product innovation and diversification and territorial marketing interventions. While the local level did not have a central role in the definition of the development strategy, geographical borders and financial resources, it became central in the definition of the PIT projects translating the development strategy into concrete actions. PIT projects were defined by local authorities involved in the PIT together with the socio-economic partners called to support the definition and implementation of PIT Tavoliere."*

What it is worth noticing here is that the LD experiences sometimes show a relevant level of integration among actors, and as a consequence, higher integrated plans (higher than in the absence of a LD strategy), from the point of view both of strategy and resources. One relevant case is Urbana Cadiz project: it devises an integrated action plan with a good balance between different fields of intervention, and engages the most relevant and representative actors of the urban area.

One crucial condition for the cooperation conducing to integration is **territorial focus**: it forces the partners to canalise their contribution under a shared knowledge of the main constraints and resources of the territory and to assume the reciprocal interests,

capacities and needs of the other actors of the same context. The territorial boundaries should be agreed by all the actors involved and should not change unless strictly necessary.

Hypotheses on monitoring and evaluation

13. The achievement of intermediate results reinforces the role of the project leader

As the West Wales case has pointed out, providing timely performance data defines the reputation and credibility status of project leaders or partnerships. The flipside of the coin is that failure to offer adequate feedback will undermine the credibility of delivery partners just as much as negative performance.

Strategy can provide for a reinforcement of the communication tools, in order to maintain the credibility of partnership with timely progresses; a complementary strategy is *according preference for short-time-ready projects*, as was noticed in the Puglia PIT experience. In the Berlin case, projects were divided into groups by dimension: a specific jury (the Action Fund Jury) composed by neighbourhood residents - called "local experts" - was charged for the selection of small scale projects and a annual budget of 15.000 euros. This strategy allows offering ready results (*low hanging fruits*) that contribute the maintenance of the partnership's agreement, while no results or "great planning disasters" can produce fatal consequences on the project leader reputation. In this case, as in the following hypotheses, the mechanisms of *performance feedback* and *public disclosure*, play a major role in generating the positive and negative incentives able to explain the behaviours of the LDA actors and mostly of their managers.

14. Feedbacks on the performance achieved allows the managing authority to make incremental changes and to anticipate failures

Generally, the monitoring and evaluation tools and procedures put in action in the experiences analyzed appear to be not adequate to steer, support and evaluate the local development results. In the Puglia experience the monitoring system was *mainly procedural* (respect of deadlines), the use of specific, more advanced monitoring system was promoted by some PIT manager. No quantitative analysis (for example, based on performance indicators) was used; moreover, the regional monitoring system had many technical problems in order to sort out information referred to PITs (the main reference being OP priority themes, without the possibility to identify the inclusion in a LD initiative or not).

A similar problem was found in the Andalusia case: even though well-designed procedures to assess financial performance and physical accomplishment, the evaluation system at the local level wasn't developed so far, "*despite many pages devoted to evaluation and the many proposed indicators (...) And still more problematic is the fact that there are no indicators related to key aspects of the LDA, such as issue integration, participation, public-private partnerships and the building and management of networks*". Moreover, "*A focus on process led some partnerships to concentrate on issues such as eligibility at the expense of assessing potential impact and that lack of*

collaboration between local partnerships might have inhibited larger and more innovative projects”.

In the Czech case, the monitoring system focused only on technical outputs and results of construction/refurbishing works, while no monitoring of partnerships performance was required. *“Managing authorities adjusted rules for the implementation of IUDPs as a response to the problems and bottlenecks that appear during implementation, often stimulated by the feedback of actors in the IUDP system”.* This adjustment, however, regarded only the administrative procedures, while **substantial changes were practically impossible.**

In the Welsh case, the more participative 2000-06 period provided for some shortcomings in the monitoring system: *“The MTE for example reports that the involvement of local and regional partnerships with monitoring and evaluation was “patchy” with lack of clarity about who had responsibility for monitoring and evaluation, very limited contact between members of partnership secretariats and project staff, post approval, and ambiguity in WEFO’s view on whether this was a task that partnerships should undertake (...) Stakeholders report that matters improved over time but the information loop remained an area of concern and it is difficult to get a sense that impact evaluation was an issue of core importance for many projects within OI”.* A change of the general approach derived from these considerations (but also from a change in the political climate), towards a more centralised approach. The monitoring systems and evaluation was strengthened, with specific guidance and advice on the evaluation planning and on the indicators that will be used to assess performance. Moreover, it is worth noticing that in order to promote evaluation, all project sponsors are required to undertake or commission project evaluation with the extent of the exercise commensurate with the project scale, agreed as a part of the project development process and with associated outlay defined as an eligible cost. External evaluation by independent contractors is mandatory.

In effect, feedbacks on the performance of local development initiatives do not derive only from formal monitoring systems, but also from more qualitative evidences about the functioning of the partnership or the change in the behaviour of the target population of the LD projects. Moreover, as we have already noticed, it is not to be overlooked the importance of diffusion of information about the intermediate results achieved and the good practices realized, in order to both stimulate learning and to give signals to the partners about the effectiveness of cooperation in a complex environment.

The experience of Berlin’s Socially integrative city programme is very relevant in this respect. many organizational structures (Neighbourhood Councils, Action Fund Juries, thematic working groups, Steering and Coordination arrangements at borough level) were established at various level for the Neighbourhood management, and meetings among teams were also very frequent. The NCs (charged with the decision about medium-sized projects) meet at least once every two months, Action Fund Juries every 4-6 weeks. *“Besides the regular working groups and meetings at the neighbourhood level, different coordination meetings of the Managing authority, the Borough administration and the Neighbourhood managing team are held during the year, in*

order to improve coordination of activities, provide information and exchange best practices". A particularly interesting smart practice of coordination appears to be the procedural tool of the "Jour fixe". The Jour fixe is "A central instrument for the implementation of LDA at neighbourhood level (...). The "Jour fixe" brings together all Borough coordinators, all 34 NM teams, the Senate coordinators, and relevant authorities (Service centres, other Senates, Job centre). It is held every three month and is organised by the Senate. This meeting is intended to provide information, and present good- practice projects".

15. Procedures that compel transparency on the results achieved favour the production of flexible forms of feedbacks from partners

Monitoring procedures are frequently seen more as an administrative burden than as a resource for the project and partnership management. As noticed in the Andalusia case: *"The management and monitoring principles were directly adopted from the EC normative (1083/2006). The different actors and authorities interviewed for the case study agree in saying that, over the years, the procedures have become too complex and strict, particularly those processes related to public tenders, evaluation and controls. Its accomplishment is very time-consuming and it can divert the attention from the substantive aims of the projects".*

The mechanism activated by such a kind of procedure is the **avoiding of blame**, more than the *learning from the others*: in other word, prevent problems than search for better results. Also in the Puglia case, the monitoring system was largely unsatisfactory in general and, in particular for the PITs, oriented to the financial aspects, not at all to the output and results of the local development projects. Even though, some local PIT manager used specific tools for monitoring and evaluation, in order to steer the partnership and reinforce the management structure. More in general, at the regional level no evaluation occurred before the change of the local development strategy in 2005 and, as the implementation of the PITs was then just preliminary, a new model (the Broad Areas, more bottom up and participatory in nature) was thought necessary. In effect, some of the PITs' model flaws were overestimated (the results of the PITs implementation, in 2011, were in fact quite satisfactory) and the new model of Broad Areas didn't retain some of the good ideas of that experience (such as the relevance granted to the PIT Office as a manager of the entire local coalition).

Formal monitoring procedures and their outputs are not the only way to be transparent about the results achieved. Some cases have shown that the **direct participation to the LD programmes** gave a sense of **higher accountability and transparency** to the entire process. The LD experience of West Wales shows, for example, that transparency of LD process was perceived more in the O1, more participative, era, than in the more centralized convergence era, notwithstanding the introduction of linking structures such as the Spatial European Teams intended to provide coordination between local and regional interests.

More or less intense **forms of communication of the results** achieved can also activate the reactions of partners or anesthetise their interest. Some project has a stronger power

of communication to the broader audience: they are, for example, some infrastructural-type projects, such as the restoring of decayed buildings, or interventions that provides for **immediate facilities for people**, as illustrated by the mini-case of IUDP - Centre in Usti nad Labem: *“The citizens assess IUDP benefits for the city positively, especially the implementation of the most visible infrastructure sub-projects. It is symptomatic that the new cableway built within first period of IUDP CENTRE implementation has become a “brand” of this IUDP, the most visible mark of changes inside the centre of Usti nad Labem. Great IUDP benefits can be seen by people in the social sphere - a sub-project for seniors citizens and sub-projects focused on well-functioning of the city offices.”*

16. Sanctions in case of non-compliance focus the efforts of the actors

As already noticed, the monitoring and evaluation procedures were generally focused on the compliance to the formal requirements. Compulsory deadlines and rules for the acknowledgement and reimbursement of expenses were certainly a resource able to guarantee the achievement of an at least partial coherence with the requirements of the European funds, but frequently they became the main preoccupation of the managers.

The sanctions in case of non-compliance are in effect very powerful for them (one of the interviewee said that “who touches the ERDF dies”, in terms of career), putting too much pressure on civil servants – that often protect themselves through overwhelming requirements from other stakeholders (such as, local partners). The flipside of the coin is that compliance becomes a priority for all the actors involved, even over the possibility to achieve better results or save resources.

4 Main Conclusions and recommendations

As stated already LDA has to be conceived as a *conscious effort developed at the European, national and regional level to trigger a process of economic growth, social development and improvement in the quality of life of specific areas*²³, with some *specific characteristics* that differentiate it from other approaches and namely:

1. *focus on the social and economic development of specific areas;*
2. *reference to a specific territory in which there are resources that can be exploited in order to reach the development goal;*
3. *integration of different sectoral policies;*
4. *mobilisation of a plurality of different actors also at the local level.*

The first and clearest conclusion that can be drawn from the evidence collected in this study is that in adopting the local development approach, member states and managing authorities accepted and sometimes encouraged a large amount of variation.

This means that we found the basic elements of LDA (again: territorial focus/concentration, integration between different policies and interventions, involvement of socio-economic and institutional partnership) in all the case studies but that all these elements vary in a substantial measure between the different member states and often within the individual Operational Programme analyzed. Further proof is represented by the fact that we found a variation also at the level of regulation between the different programming period.

LDA comes in all shapes and ways and to reduce it to a single model (according a to a sort of “one size fits all” philosophy) is clearly impossible.

This means that there is not one possible answer to the first of the two research questions listed in the Foreword to this Report - What are the effects of local development interventions in terms of socio-economic development, better living conditions and territorial balance within regions? – but that, as we have seen in chapter 4 of this Report, there are different answers in the different cases, as the models employed are different.

This said, on the basis of the existing literature, we hypothesised that there are three main models of LDA, with different purposes and different features, namely:

1. *pure LDA* characterized by: small territorial focus; (mostly) integrated thematic approach; partnership as a goal and inclusive partnership.
2. *LDA as a corrective in sectoral policies* characterized by: wide or small territorial focus, depending on the policy; single thematic focus; partnership both as a tool and as a goal and selective partnership.

²³ It can be applied everywhere, but it has more potential in disadvantaged areas.

3. *LDA in regional policy* characterized by: wide(r) territorial focus; integrated thematic approach; partnership as a tool and selective/strategic partnership (including multi-level governance).

In the investigated case studies we found scant evidence of the second model. Before entirely discarding the hypothesis of its existence and relevance, however, one has to remember that:

- The investigated sample is by no means fully representative of what happened and it is happening on the ground: it is possible that in other member states or ROPs this model is at work
- Actually there are some hints that the model was explicitly adopted in one region (the so called Integrated Sectoral Projects – PIS – in Puglia in which the integration effort revolved around cultural and/or tourism policy). Unfortunately there is no evidence whatsoever available about the working of these experiences.
- Finally, at least in Spain (with the Urbana Programme), in the Czech Republic (with the so called Integrated Urban Development Projects) and in Puglia (with the Integrated Programme for the Regeneration of the Peripheries in the 2007-2013 period) the LDA was used as a way to implement urban regeneration policies. It is important to note that these programmes were considered as a way to exploit the experience of the Urban Initiative, often regarded as a successful attempt to adapt the LDA's characteristics to the urban context.

In relation to the latter point it is important to emphasize how the Proposal of the European Commission for the next ERDF programming period explicitly forecasts “integrated actions for sustainable urban development” in order “to tackle the economic, environmental, climate and social challenges affecting urban areas”. Our recommendation is therefore that the link with the Urban Initiative experience and the LDA aimed at urban regeneration should be made more explicit in implementing these provisions. One has to remember that several MS do not have a fully institutionalized national urban policy and therefore ERDF interventions are of strategic importance. More in general we believe that most of the lessons drawn in the present study and that the suggestions we will make in the following pages are directly relevant for the implementation of articles 7, 8 and 9 of the Commission proposal on ERDF.

As far as the two models about which we found more evidence the main conclusions are the following.

The “pure LDA” model does exist (in West Wales and the Valleys in the 2000/2006 programming period and in Berlin throughout all the investigated period), with all its essential elements (small territorial focus, widely integrated approach, creating strong partnerships with grass roots actors as one of the main goals of the whole effort). At least in the investigated cases it is considered successful in achieving its goals, i.e. in bringing about an activation of the local society (local residents, business and industry, clubs, associations and other local players) in a wide range of different policies ranging from urban and labour policies to social inclusion policies.

From the analysis developed it looks like this approach (as already shown by the long experience of the LEADER method) is of particular importance in all the cases in which for social (deprivation, immigration, social exclusion, etc) or geographical (peripheral or isolated areas) reasons the activation of the local actors is not one of the elements of a successful development strategy, but the essential precondition for any attempt to prevent marginalisation, depopulation of rural or mountain areas, dependence on welfare, etc. It is not by chance that the selection of the neighbourhoods eligible for intervention in Berlin was made on the basis of a composite deprivation index and not (as it was the case for instance in the Czech Republic) by looking at the development potential. From this point of view one could say that in this LDA model the goal of generating positive externalities at different geographical scales, is somewhat less important than the pursuit of social inclusion in the selected territories.

Two common features a successful “pure LDA” experience appear to be:

1. **the availability of time.** The time needed in order to see positive impacts is, according to what we were able to gather, quite long. This implies that *the continuity of the programmes from the territorial, thematic and governance points of view is of paramount importance*. This is true also for the other LDA model(s) but in this specific case is essential as the empowerment of local actors and the birth of an active citizenship have to overcome a series of obstacles whose importance cannot be overestimated. Therefore the stability of the rules of engagement looks fundamental.
2. **the capacity issue.** The importance of capacity has been stressed by the literature and by the assessment of the programmes in all versions of LDA. However in the “pure LDA” case it acquires a specific meaning. At the very least it means spending a large amount of resources in capacity building projects (as the one documented in the Welsh mini case study) mostly aimed at giving support and assistance to the grass roots actors (small NGOs, social enterprises, micro firms, individuals) in order to build up the capabilities needed in order to play a significant role in community development. But it also means the ability to put in the field competent staff, funded directly by the LD programme or project, specialised in this sort of activity. Said in a blunter way *the “pure LDA” approach works if and only if capacity building is one of its goals and one of its main types of intervention*.

These features are of particular importance in the light of the Community Led Local Development (CLLD) provisions, envisaged in the Commission proposal for the next programming period. In implementing this approach MS should be aware of the challenges it poses, mostly as far as the availability of competent staff and the existence of sufficient financial resources for capacity building policies are concerned (in the two case studies already referred to, a large chunk of the money for capacity building was provided by national or regional sources).

This is even more true in the light of the provision made by art.29 (4) of the proposed regulation when it states that “The selection and approval of all local development

strategies shall be completed by 31 December 2015 at the latest”. From the evidence collected it appears that to bring together the specific actors needed in order to deploy this specific type of LDA is a fairly long process. The consequence is therefore that, even if the existence of precise deadlines is a powerful incentive to focus the efforts, MS and the EU Commission should be aware of the risk of excluding from the decisional phase exactly the type of partners that constitute the real target of the whole effort.

If we now shift our attention to the alternative LDA model, “LDA in regional policy”, we found this alternative approach in several case studies (Andalusia, Puglia, North-West Region). What characterizes this model is basically the fact that the territorial dimension is rather large (at least in the sense that the effects of the policy include externalities at a larger scale than the area of intervention), that the integration of different policies revolves around a specific strategy of economic development, and that the partnerships activated include usually large organizations (business associations, universities and other educational establishments, Chambers of Commerce, local authorities at different levels, big NGOs actively involved in the different policies that seems important to integrate, etc.) and more rarely grassroots actors. Sometimes, but by no means always, the partnership are selective, in the sense of including only the actors involved in the main mission of the LD experiences. Always they are instrumental in the sense of being a tool through which the strategy is conceived and delivered, rather than a goal in themselves.

All in all, on the basis of several case studies, we can also say that this model demonstrates some successes, and that the positive results achieved through this model are mostly in the field of socio-economic development, like for instance supporting local economic activities (Puglia), improving the quality of life and the attractiveness of the territories (Andalusia and the North-West Region), fighting unemployment that in some of these areas is structural (again Andalusia), creating new business opportunities and new jobs, almost everywhere. Of course this does not mean that it has been always successful, even because it has not always been implemented in a correct way.

This finding is important because it suggests that a strict reading of CLLD provisions - identifying it with a “pure LDA” model - should be avoided if the benefits of an emphasis on territorial focus/concentration, policy (and funds) integration and involvement of stakeholders are to be reaped. Likewise, a broader interpretation does not exclude cases in which the main goal of the intervention is not the activation of grass roots actors but the deployment of a more or less “classical” economic development strategy. In our reading the Commission proposal permits such an interpretation, in which case the CLLD approach can be identified with a “place based” development policy in line, for instance, with the Barca Report. In other, and perhaps simpler words, the Commission should make clear that CLLD is only one possible way to articulate LDA and that other alternatives are possible and indeed desirable under different circumstances.

However we found an enormous variation as far as the working and mostly the institutionalisation of the partnership is concerned. This is very apparent not only in the comparison between the different regional case studies, but also within the individual region. There are cases in which the partners are actively involved in all the stages of the programme, while in others the participation of the stakeholders is merely symbolic. In the middle there are the cases in which the participation is restricted to the planning phase. As it is apparent from the mini case studies of Andalusia, Puglia and the North-West Region of the Czech Republic, but also of West Wales in the current programming period, good results are associated with strong(er) partnerships in which there are at least some elements of institutionalisation, i.e. of permanence in the implementation phase and more in general from one programming period to the other.

This point is of particular importance in the context of the CLLD provision. The proposed regulations seem to forecast (art. 29) that the main tasks of the Local Action Groups (LAG) are either in the preparatory phase or in the selection of the projects to be funded. While it is certainly positive that the provisions call for a minimum amount of organisational stability of the LAGs (e.g. by forecasting the possibility of creating a legal entity), the Managing Authorities should be aware that the involvement of the partners in the implementation phase is often an added value that should be actively promoted in order to guarantee the stability of the partnership.

Also in the case of “LDA in regional policy” the two features of time and capacity are important. Not surprisingly the selection of the actions to be financed, and even more the building of a common vision about the future of the territory, take time if these tasks have to be done in a truly shared way. Hence the risks of delays, and of a compressed implementation phase. As far as the capacity is concerned, the evidence collected shows that what is more relevant in this specific model is the administrative capacity, and in particular to come to grips with the intricacies involved in the interaction between the European and the national regulations. But this aspect is more easily solved than the problem of overall capacity in the “pure LDA” case. The creation of an administrative and managerial centre of the LD project seems to be relatively easy, as shown in the chapter on process, in which we have documented some “smart practices” in this respect, where we show how this can be done both by creating an ad hoc structure or by transforming the traditional authorities at the local level.

It is now the time of trying to reach some general conclusions, that apply to LDA in general, regardless of the specific model employed.

The first evaluative lesson is largely positive. In general terms one can say that the main result of LDA, almost everywhere, is the fact that it entails a **significant amount of policy integration**, in the sense that in the same areas there are different types of interventions, different types of funds are used (mostly ESF and ERDF), a certain coherence of the interventions themselves, and a somewhat clearer strategy. This judgment should be qualified: this does not mean that the level of integration reached is optimal, but only that we found evidence of serious attempts to increase the diversity of the projects and interventions financed within the LDA exercises in order to achieve

synergies around a common idea. This is particularly evident, not surprisingly, in the mini case studies. In other words, a well defined territorial focus and the activation of external demand through the establishment of the partnerships appear to be able to overcome the natural tendency of cohesion policy, reinforced by the organisation of Structural Funds delivery through specific axes and operative objectives, to be structured around vertical and sectoral networks with only little, if any, search for integration and synergies. The second research question listed in the Foreword to this Report - To what extent can the local development approach contribute to the effective delivery of Cohesion Policy? – receives thus a clear answer:

The main contribution of the Local Development Approach in the delivery of interventions co-financed by the ERDF is the dimension of policy integration.

Putting it in another way, the litmus test indicating that an LD approach is both useful and necessary for a development problem, is evidence of a need for policy integration.

If – as it is certainly the case when the main problem is fighting social exclusion, or to develop the internationalisation of a specific industrial district, or again to exploit the touristic potential of a given area - there is the need to combine infrastructural interventions with training, job creation, etc., then LDA – with its emphasis on clear territorial concentration and the activation of stakeholders at different levels, both in the public and the private sphere, is certainly an alternative to be explored in depth. If on the contrary this is not the case, because the development need is clearly defined and mostly specialised – e.g. realising a large infrastructure or foster technological transfer – then other approaches are probably needed.

A second point is what we can label as the importance of the “institutional partnership”, that boils down to **the involvement in the programming and even more in the implementation phase, of the local governments**, almost invariably at the municipal level. It looks like the major advantage of LDA is its ability to give an important role to the basic administrative levels and to the local political élites. National and regional governments find this as an attractive proposition in so far it increases the points of delivery of the policy (and therefore is able to partially ease the perennial problem of spending capacity), prevents grass roots criticism about centralism, and increases the visibility and legitimacy of European cohesion policy. Of course there is variation between the case studies and the programming periods, but all in all the LDA approach is largely based on the activation of municipalities as one of the major players. A word of caution: this does not mean that the involvement of municipalities is always and invariably positive, but only that it is somehow inevitable and that therefore in planning LD programmes the likely positive or negative effects of this involvement should be considered in order to exploit the former and find antidotes to the latter.

The most frequent institutional arrangement of the LDA is the involvement of municipalities in the planning and implementation of European cohesion policy.

The third general conclusion is much more critical and it concerns multilevel governance. Here we found a huge variation in the relationship between the “centre” (be it at the national or at the regional level) and the periphery. However **the ability to develop a constructive dialogue between the European, national, regional and local institutional actors is always scarce**. What we found is a complex picture with at one extreme the case in which the degree of freedom of local actors is almost total and at the other a strong amount of central determination of what has to be done and how it has to be done. The Puglia Region is a good example of this: in the 2000-2006 programming period the freedom of the local partnership was severely reduced by the provision that all the PITs should include the same actions (university masters, web portals for internationalisation, physical infrastructures for the delivery to services to the firms, specific types of incentives to the economic activity). In the subsequent period almost a total freedom was given to the municipalities to include in the strategic plans whatever project they selected. Probably both approaches were sub-optimal. The reasons for this problem can be different. In the first place an important factor can be the lack, at the central and at the local level, of sufficient knowledge about the specific needs of the different areas. It is not always clear – and it is rather unlikely – if the centralist approaches are justified by a better knowledge, but on the other hand one cannot assume that the local knowledge in itself (one of the main arguments, as recalled in the Literature Review, in favour of LDA) for being a necessary ingredient is also a sufficient one. In the second place it may be that the difficulties are related to the type of instruments used in order to secure central coordination and steering. They appear mostly regulatory in nature, and therefore often inflexible, generally trying to generate uniformity of behaviours, and almost always more procedural than substantial. Here the main lesson and warning is that the refusal of the “one size fits all” philosophy should apply not only between MSs and OPs but also within the individual OP. Obviously the “superior” levels of government have to define rules (e.g. about eligibility, minimum and maximum size of the territory, etc), deadlines and conditionalities. However the ability to adapt them to the different situations in space or time (think of external shocks like the present economic crisis, certainly impossible to forecast during the planning phase of the current programming period) should be the product of an “informed interaction”. From this point of view the importance of the evaluation of the intermediate results, of the main obstacles encountered, of the new opportunities arising is of paramount importance. But this points out also in the direction of looking at the capacity of the centre, and not only of the periphery, and at the actions needed in order to increase it from the substantial (what has to be done here and now) and not only from the procedural (how we can get better results? which is the best possible dispositive?) point of view.

The main challenge facing the LDA approach is the aspect of multi-level governance, where it seems necessary to walk a very thin line between the excesses of centralism and localism. As no clear universal institutional models are available this is one of the main fields in which further study seems needed.

The final point is simpler and more at the operational level. As we have already seen one certainly underdeveloped component of the LDA is represented by monitoring and evaluation. What it is striking is not the fact that sometimes the data are lacking or that the monitoring system does not take into consideration the territorial dimension, but that the main intermediate results of LDA itself (policy integration and the institutionalisation of effective partnerships) are not considered at all. If the main goal – as it is the case in the “pure LDA” model – is the activation of the societal actors, this cannot be measured by counting the new jobs created (or at least not only in this way). The network analysis conducted within this study is a first, exploratory, attempt to figure out variables and indicators adapted at measuring the transformation of the governance structure both in the planning and the implementation phase. It was not possible, given the terms of reference of this study, to fully develop the approach, that probably entails the analysis of the actors in the individual decision processes in order to aggregate the results in a measure of governance. However this is certainly one of the directions in which further study is needed. Putting it in another way, in the LDA experiences the “prospective impact evaluation” forecasted by the Barca Report should include not only the main goals of socio-economic development, but also, and may be mainly, the expected transformations of how the policy game is played, of the level of institutionalisation of the partnerships, of the level of integration (between policies, funds, public and private actors, territories) desired, and so on. This can be done in different ways, like for instance:

- self-evaluation, by adapting the Common Assessment Framework developed by the Innovative Public Services Group within the European Public Administration Network (EUPAN);
- peer-review within national or international networks, like for instance the platform for urban development forecasted in the Commission proposal for ERDF
- new indicators based on the network analysis

To evaluate the contribution of LDA, and more in general LD experiences, new evaluation approaches and tools are needed, not necessarily only qualitative in nature, in order to capture the intermediate goals of the approach, namely the integration and partnership dimensions. Also in the light of the CLLD provisions included in the Commission proposal for the next programming period, this is another field in which further study seems necessary and urgent.

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