



# Inequalities and Territorial Development: the Crisis and Prospects for Reform of the Cohesion Policy

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## ABSTRACT

The European Union is currently experiencing a legitimacy crisis due, among other things, to the poorly governed effects of globalization and financialization of the economy, and to populist and nationalist drifts that compromise the stability of the integration and peace project, built by our fathers. founders. Through an institutional reading of what can now be defined as the long path of the Cohesion Policy, we intend to highlight how the reference to supra-state regulatory mechanisms that favor strategies of integration and territorial rebalancing is necessary to relaunch the social pact between the community and the political authority, especially in a phase of serious economic and social crisis that we are experiencing due to the effects of the Covid-19 pandemic.

## KEYWORDS

territorial  
inequalities;  
European Union;  
development  
policies; covid-19



# **Inequalities and territorial development: the crisis and prospects for reform of the Cohesion Policy<sup>2</sup>**

## **Introduction**

In recent years, the European Union has been experiencing a crisis of legitimacy due primarily to the perverse effects of the growing processes of globalisation and financialisation of the economy, which have eroded the European social model and produced a new territorial fault that moves along the east–west direction of the continent, and which is added to the pre-existing north–south one. The opening of the markets, far from leading to a positive regional integration, has generated new territorial inequalities, also within the states, and increased the distances between citizens and community institutions, encouraging new forms of nationalism and sovereignty (Ottaviano, 2019), and resulting in Brexit, which undermines the stability of the founding fathers' project. It therefore appears necessary, especially because of the Covid-19 pandemic, to refer to supra-state regulatory mechanisms that favour territorial integration and rebalancing strategies, which are capable of relaunching the social pact between the community and political authority (Graziano, 2020).

This article aims to contribute to an institutional reading of what can now be defined as the long path of the Cohesion Policy. It constitutes one of the main interventions to contain the economic and social disintegration of the territories, despite the fact that some of the Italian scientific contributions, unlike the foreign ones, tend to favour the most deficient aspects (Viesti and Luongo, 2014; Provenzano, 2015).

The first part of the contribution will analyse the main peculiarities of the Cohesion Policy related, in particular, to the aspects that concern the place-based approach, on the one hand, and to the multilevel governance model, on the other. With reference to them, the second part will try to identify possible reform options that may affect the levels of efficiency and the institutional quality expressed by the territories, in view of achieving the objectives of the community policy. Then, an attempt will be made to evaluate the scenarios that the next programming cycle, in concert with the Italian National Recovery and Resilience Plan, can outline for the future of our country, with particular regard to the South of Italy. Finally, possible orientations for the future of social research will be identified.

## **1. Territorial inequalities in Europe. The role of the Cohesion Policy**

Since its inception, the construction of the European integration project has had to take into account aspects concerning the conditions of socio-economic disparity in some areas and territories of the continent, which hinder its full realisation and completion. Alongside the objective of economic and monetary unification, the objective of social and territorial cohesion between the various regions of the Union and/or within them has travelled on a parallel but perpetually delayed track (Provenzano, 2015).

As a superordinate and supra-state body, the Union has questioned the ways in which to remedy the growing levels of territorial inequality, socio-economic imbalances, and the risk of the social exclusion of more vulnerable categories of citizens, who reside in more deprived areas (De Vivo, 2008), and that monetary union alone has not been able to counter. The Economic, Social, and

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Territorial Cohesion Policy represents – by financial commitment, geographical extension, and time span – the most important European public policy for territorial rebalancing (Provenzano, 2016). It is one of the most important place-based programmes in the world for the redistribution of wealth between regions and countries, which is aimed at stimulating growth in lagging areas (Pellegrini, Tortorella, 2018). The territories, and in particular the regions, have become important strategic nodes for governance, also in relation to the superordinate level, and give legitimacy to the place-based nature of the policy itself. A place-based strategy is based on attention to places, and the awareness that the aggregation and enhancement of aspects, such as local specificities and skills, and the wealth of formal and informal knowledge, can build a project for change, and generate a significant return in terms of a more autonomous and cohesive development<sup>3</sup>. The corollary is constituted by a public action that affirms a multilevel governance process in which the Member States, and especially the Regions, retain the responsibility to adapt the interventions to their contexts, allowing the Union to respond to the expectations of its citizens to benefit from the economic advantages of unification, regardless of where they live, and to have equal access to opportunities and to face risks of social exclusion (Barca, 2009).

Also in the light of the definition of the inspiring principles of the Cohesion Policy, namely concentration, partnership, additionality, and programming, the framework of its institutional architecture is being completed and perfected, and is assuming a certain internal coherence. The place-based approach, the concerted approach, the partnership principle, and the multilevel governance structure are dimensions that have contributed to the construction and definition of a support system for the subsidiarity principle which, applied to the European Union framework, postulates the need to invest the political-administrative level closest to the citizens in the decisions and actions of which they themselves are beneficiaries, resulting in a better allocation of competences, responsibilities, and funds. This system benefits the regional and local dimension, which is expressly mentioned in the Lisbon Treaty<sup>4</sup>, in the wake of what was already hoped for in the 2001 White Paper on Governance.<sup>5</sup> Cohesion Policy becomes the privileged ‘place’ for observing the evolution of the multilevel governance approach, since the degree, modality, and outcomes, tangible and intangible, deriving from the involvement of actors coming from different institutional levels, are the thermometer of the effectiveness of both the decentralisation process, which follows a top-down trend, and regional and local level learning and empowerment skills, based on a bottom-up approach. In this sense, it can be seen that the greatest strength of the multilevel governance model coincides with its greatest weakness (Milio, 2011): when there are gaps in the path, the prevailing orientations on the one hand attribute the responsibility to the scarce endowment of political stability, institutional capacity, and the know-how of the sub-state level responsible for the implementation of interventions, but, on the other hand, they shift attention to the central level, with its weak function of accompaniment and the construction of local capacity building. The implementation of multilevel governance and the regional accountability process underwent a turn at the end of the 2000s when, following the economic crisis and the austerity policies aimed at containing public spending within the Maastricht parameters, many national governments opted for a re-centralisation of the management and allocation of Structural Funds. The 2008 economic crisis has done nothing but reveal some strong criticalities and cracks in the multilevel governance system; these and other aspects have inevitably compromised the effectiveness of the funds in terms of impact on the socio-

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<sup>3</sup> The debate on endogenous development is not new and dates back to the nineties when the evident failures of some public development policies imposed from above shifted attention to productive vocations, territorial specificities, and forms of underutilised social capital, to determine a new trajectory of growth (see Trigilia 2005, Becattini, 2000). Here it is understood, however, as a strategic option legitimised by the supra-state system with a strong anchoring to a hypothesis of multilevel governance.

<sup>4</sup> Article 3ter, paragraph 3.

<sup>5</sup> Among the proposed and hoped-for changes, we read: ‘the Commission, for its part, will establish a more systematic dialogue with the representatives of regional and local authorities, through national and European associations, right from the first phase of policy development’ (p. 4).

economic development of the territories and, consequently, on the level of European regional integration and convergence for which the Cohesion Policy was conceived. In the next section, we will examine more deeply the peculiar forms that the multilevel governance model can assume in particular territorial contexts, such as that of Southern Italy.

## 2. Multilevel governance and its social roots

The European Cohesion Policy, with its decentralised configuration and its multi-actor composition, constitutes a paradigmatic mode of promotion and implementation of the multilevel governance model. The latter is described in the White Paper on European Governance<sup>6</sup> as the best governmental structure of the European Union, and is configured as a system in which the responsibility for the development of policies and their implementation is distributed among the different levels of government and local institutions. More specifically, on the one hand the model indicates the dispersion of decision-making power between the various territorial levels (Milio, 2012) (the vertical aspect), and on the other, it is the interconnection of the multiple political arenas in policy making processes (the horizontal aspect) that become open to various actors, not only institutional but those typical of sub-state governments, variegated economic and social interests, and non-governmental organisations (Domorenok, 2014).

The specificity of the notion therefore lies in the reference to policy processes that involve the systematic involvement of a plurality of governmental bodies at different territorial levels, but which at the same time contemplate forms of participation extended beyond purely governmental and institutionally defined arenas. Simultaneously, we refer to lateral (sideways) processes of power dispersion that also involve, alongside the various jurisdictions, representatives of the market and civil society (Gualini, 2006). Depending on the contingencies, these interactions gradually generate peculiar outcomes in terms of ‘institutional compromises’, due to the fact that the boundaries of the different policy arenas appear mobile, and membership becomes multiple, flexible, and non-exclusive. This orientation, among other things, seems to be more in keeping with the theoretical model of type II multilevel governance,<sup>7</sup> that concerns jurisdictions (international, national, regional, local) operating on numerous territorial levels which generally overlap each other, with a flexible institutional design, and which are examined by assuming a specific policy as a unit of analysis (Milio, 2011).

In Italy, as in other European countries, this process was also shaped by the concurrence of endogenous pressures, namely the reforms that, in the 1990s (thanks to the orientation proposed by the Delors Commission towards a ‘Europe of regions’<sup>8</sup>) have accompanied local institutions and regions in particular, towards increased decision-making autonomy. The process of devolution of some regulatory competences<sup>9</sup>, and traditionally centralised practices, has contributed to fully applying the subsidiarity principle, and which is strategic in defining the multilevel governance model and practice. On the other hand, the normative-regulatory devolution took place at a time when awareness was already ripe of the fact that in defining the procedures for implementing public

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<sup>6</sup> European Commission, 2001.

<sup>7</sup> Type I multilevel governance describes jurisdictions that do not overlap each other and in which each level refers to a specific territory; type II, on the other hand, responds to an image of society as “without a center” (centreless society), in which the activities of the actors are regulated by several decision-making authorities, whose borders intersect and whose belonging is superimposed smoothly. See Hooghe L., Marks, G., *Unraveling the Central State, but How? Types of Multilevel Governance*, in *American Political Science Review*, Vol. 97, No. 2, May 2003.

<sup>8</sup> Jacques Delors, President of the European Commission in the period 1985–1995, guided the creation of a strong partnership between the Commission and the regions, where the former was able to develop a wide range of useful tools for promoting regional development which contributed to the sharing of good practices.

<sup>9</sup> Reference is made to the main territorial reorganisation drawings, such as the so-called Bassanini legislation, introduced in the two-year period 1997–1998, which were two legislative decrees on fiscal decentralisation and two constitutional laws of 1999 and 2001.

policies, the point of view of the legislator was no longer sufficient and that, also due to the few impacts that had emerged up to that moment on the Structural Funds front, there was a clear need to take into consideration the structure, attitudes, and behaviours of the recipients of the policies themselves (Mayntz, 1999).

These evolutionary phases can be further interpreted as a passage from a top-down approach to a more bottom-up approach, more suitable, compared to more centralised structures, for collecting multiple requests and needs for territorial development; and to face complex problems and situations in which policies are stratified one on the other (Milio, 2011).

Since the construction of the architecture of the Cohesion Policy, the privileged and chosen reference model has taken into account the fact that development problems, especially at the regional level, are characterised by a plurality of path dependency processes that are extremely different between them (Martinelli, 2020). From this perspective, the implementation is not so much based on hierarchically defined and controlled requirements, as on negotiation processes between the numerous institutions and organisations, including at the sub-state levels (Milio, 2011). And it is understood how, as the policy, in this case of cohesion, reaches the final levels of its path (sub-state levels), it can escape the original and ideal-typical regulatory mechanisms, to assume a spurious conformation, calibrated on the specificity of the local territorial contexts, and closer to the characteristics it expresses. The consideration is of the peculiarities of territorial governance and the analysis of the original forms assumed by the combination of logic, mechanisms, and political-institutional structures in relation to specific socio-spatial articulations (Gualini, 2006). And in particular, there is a consideration of the role played by the historical, institutional, and collective conditions of territorial development in understanding the methods of implementing the Cohesion Policy and the Structural Funds.

Already in the early 2000s, authors such as La Spina (2003) had linked the use of Structural Funds with the respective institutional and cultural contexts of implementation, by analysing the institutional and cognitive action of political and social actors, and therefore anchoring the implementation processes of the Policy of Cohesion to the characteristics of local governance. This aspect has undoubtedly contributed to an increase in complexity in the management of the multilevel dimension, and in the definition of more precise accountability processes that affect the performance of the policy.

The implementation deficit that characterises the Cohesion Policy in the southern regions, and which materialises in the poor spending quality of the Structural Funds, requires further reflection on the need to revise the governance model known so far.

The hypothesis that we want to demonstrate here, is that a renewed multilevel governance model can affect the use of Structural Funds and the impacts of the Cohesion Policy at the local level.

What is implied is that the performance recorded by the community intervention at the sub-state level can be understood as a variable dependent on the administrative and institutional capacity, specifically on the set of operating mechanisms that act between the actors and the system of opportunities. These are internal (regulatory, financial) and external (external controls, other levels of government, etc.). In other words, institutional conditions, as highlighted by some of the literature (Vinci, 2013), can favour or hinder their implementation. They call into question not only the formal and informal structures of governance, but also the way in which the relationships between actors and institutions develop and produce decisions (Domorenok, 2014).

In the next section we will try to define what could be the main areas of intervention for a restructuring of the multilevel governance model that contemplates the place-based matrix of European regional policy.

### **3. The prospects for reform of the Cohesion Policy**

#### *3.1. The multiple dimensions of place based*

The issue of strengthening the quality of governance, especially local governance, has accompanied the debate on the impacts of the Cohesion Policy since the first programming cycles of the Structural Funds. As anticipated, the quality of governance depends on the administrative and institutional capacity to pursue objectives of effectiveness and efficiency. In the case of European regional policy, it is linked to the management of European programmes that contemplate a set of rules and constraints, formal and informal, according to a model of decentralisation of functions and responsibilities defined by European regulations and the aforementioned national reforms of the 1990s, and its purpose is to allow the territories to reach certain levels of socio-economic growth. Given the many dimensions that contribute to the definition of this objective, the level of expenditure reached in the various programming cycles represented a sufficient but not exhaustive indicator; on the one hand, much progress has been made in the ability to measure development variables through economic and financial parameters, or by the performance of individual strategic axes (Aniello, 2015). On the other hand, many more difficulties have arisen and been recorded by giving weight to those factors and variables that are most able to take into account the dynamics of the context, and their interaction with the standardisation of the policy in explaining the different outcomes and performances accrued. The attention of scholars (Trigilia, 2015; Trigilia and Viesti, 2016; De Vivo, 2008) and policy makers has gradually shifted towards the analysis of those aspects more specifically associated with the peculiarities of places, but from the point of view of institutional and regulatory structures of power (Pichierri, 2002).

Over time, therefore, a bottom-up approach has been favoured which could enhance, on the one hand, the cardinal principle of the partnership but, on the other, the multiple dimensions linked to the place-based approach and the need for adaptability of interventions to places: not only the peculiarities of an economic and productive nature, but the concrete structuring of institutional and regulatory contexts, linked to formal and informal interactions between the social actors who are involved in them.

However, and despite the significant change of course compared to the past, this approach has not managed to sufficiently take into account the existence, at the local level, of institutional contexts with already consolidated forms of economic and social regulation, which influence the established structures to implement the Cohesion Policy. In other words, the place-based approach, although it represented an element of strong innovation and a point of no return with respect to the ability to link the policy to the multiple context variables involved in local development, failed to bring out, in the right measure, the factors capable of defining the territorialisation of the Cohesion Policy, and the existence, within the various reference contexts, of a structured governance model that constitutes a precondition for the assessment of the spending capacity of the Structural Funds attributable to the territories. From this perspective,<sup>10</sup> the implementation processes of the Cohesion Policy appear anchored to the dynamics of decisions, intentions, and specific political wills that characterise the different institutional contexts, including that of Southern Italy. In such contexts, the impacts of the policy cannot be studied apart from the analysis of power relations that structure the political, economic, and social assets that are involved in its implementation. In other words, they cannot disregard the consideration of a local governance already strongly characterised, before the community policy takes root, and they cannot ignore the logic of action available to the key actors within the possibilities of innovating their institutional actions.

These aspects, which are difficult to codify and evaluate, are not part of the community model of the place-based approach which, in its standardization, allows those countries with socio-institutional environments more favourable to the established growth objectives, to adhere more easily to the development model defined by means of the Cohesion Policy, being able to find a transversal line of

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<sup>10</sup> This is the perspective of the sociology of public action, widely debated in the volume of Vinci, F. (2013). *L'efficacia dei Fondi Strutturali Europei. Processi e protagonisti al vaglio della sociologia dell'azione pubblica*, FrancoAngeli, Milano.

agreement on the various interests at stake. Where, on the other hand, socio-institutional contexts do not allow this faithful translation, the place-based community model can retroactively and modify the ideal type, for the reasons argued.

Therefore, the renewal dimension of the place-based approach may reside in the particular way of reading the places discussed so far, which is inscribed, in any case, in the purpose of extracting and aggregating local knowledge. Thanks to this, it is possible to better design and implement public action (Barca, 2009), while taking into greater consideration some process variables involved in the implementation and evaluation of expected results and impacts.

### *3.2. The institutional innovation of multilevel governance*

The place-based approach also aims to trigger institutional change through multilevel governance, which must be achieved with policies that are not generic but effectively inclusive of the political-institutional conditions of the context, discussed above, and the specific growth objectives of the individual territories.

The governance model practiced so far in the management of Structural Funds has shown some criticalities, in some respects attributable, in part, to its national and local implementation. If, from a theoretical point of view, the design of multi-level governance has also been promoted through the various implementing regulations of the Structural Funds,<sup>11</sup> which call for concerted practices and a multiple composition of the local partnership, it should be noted that, in practice, the states have often retained ample room for manoeuvre, and adopted gatekeeping actions in the management of the Funds and in the definition of the overall institutional-organizational system. The alternating trends between decentralisation and re-centralisation of the regional and national levels see the latter maintaining control over the most salient aspects of programming (Domorenok and Righettini, 2012).

The reversal of the trend towards the re-centralisation of the management and allocation of Structural Funds, which currently accompanies the institutional confrontation, is a strategic option that, in the Italian context, has already affected the governance of the 2014–2020 multi-year cycle. This was a phase during which a greater role of the Agency for Territorial Cohesion was hoped for a central unit, starting with the questioning of the programming capacity of the regional actor. In its current configuration, the Agency has been vested with functions not only of a technical nature, but also of a political-regulatory nature, which can be found, for example, in the guidance activity relating to the use of funds, and in the contribution to the definition of regional development policies and in the preparation, if any, of reprogramming proposals.

From the point of view of the regional and local actor, the functions of the Agency are interpreted as an interference with roles that, by virtue of the principle of subsidiarity and the place-based option, should be held at the sub-state levels. Starting from this scenario, it is possible to consider, among the innovation options of the tasks of the Agency for Territorial Cohesion,<sup>12</sup> a function to strengthen the institutional quality, and in particular the capacity of local administrations, to be more incisive than at present. This materialises not only in the need to achieve the objectives set for the expenditure of the Funds, namely to monitor and evaluate the state of the implementation of the Operational Programmes, in relation to technical assistance for experimental research programmes (which already fall within the competence of the Agency), but also that of supporting the sub-state, at regional and local institutional levels, to achieve higher levels of internal accountability. This is the responsibility

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<sup>11</sup> Regulation (EU) of the European Parliament and of the Council No. 1303, 1301, 1304, 1299, 1302, 1300, 1305 of 2013 and 508 of 2014.

<sup>12</sup> The Territorial Cohesion Agency was established in 2013 with the task of strengthening the programming, monitoring, and support of the Cohesion Policy. This was an increase, therefore, of the powers of coordination, monitoring and evaluation that had to affect the deficient aspects of the governance system. The actual start-up of the Agency's activities was somewhat slow. It was relaunched in 2014 with the Minister for Territorial Cohesion, Carlo Trigilia, and it became a real Ministry. But it was only in 2016, three years after its establishment, and two years after the start of the 2014–2020 programming round that it began to operate with greater continuity.

of public and private actors involved in decision-making processes. In this way, for the Agency, an intervention that is not only *ex post*, as is currently the case, on the subject of accelerating the implementation of programs and the progress of spending would emerge. The Agency should be able to use financial resources with a restriction of destination and use on site, to the benefit of those who live in the southern territories (La Spina, 2013), thus affecting the institutional innovation processes of administrations southerners.

This function would be carried out in conjunction with the *Autorità di Gestione*, certification and audit bodies responsible for the management of EU funds, which could contribute to the objective of a functional renewal by taking over, almost exclusively, the monitoring and verification functions technique of the state of progress of the Operational Programmes, thus allowing the exclusion of any fear about the danger of overlapping or substitution between the two bodies. At the same time, the Cohesion Agency could act as guarantor, along the governance chain, of the implementation of certain *ex ante* conditionalities in terms of the institutional reforms necessary for the effective delivery of the policy (Polverari, Vitale, 2010), and in the reorganisation of economic policies for development (Domorenok and Righettini, 2012).

Considering the existing link between sub-state accountability and local governance, and given the relationship between local governance and the impacts achieved through the Structural Funds, the strengthening of institutional qualities must take into account not only the formal and informal structures of governance, but also the way in which the relationships between local actors and institutions develop and produce decisions, which then flow into the Regional Operational Programmes. The latter, as an operational level of programming, could more closely link the objectives and the definition of investment priorities to the composition of the local partnership itself, and to the possibility of carrying out an ongoing evaluation that is more stringent from the point of view of assignment of responsibility to the members of the partnership themselves. In this way the partnership component, which links the issue of legitimacy and responsibility of the decisions taken to an enlarged circle of actors, (Domorenok, 2014) would play a strategic role in the decision-making process more associated with the accountability dimension. The activation of certain paths of growth and institutional learning would take place through a process of internal capacity that has in itself components, such as strong political and technical leadership, the quality of the composition of the institutional and socio-economic partnership, and the transparency of objectives and interests (Cortese, 2011).

In summary, the restructuring of the multilevel governance model proposed passes through two essential elements: the first is linked to an enlargement of the dimensions contemplated within the place-based approach. This takes greater account of the conformation of local institutional contexts and their internal cohesion, before the community policy comes in, and is assumed as an independent variable with respect to the subsequent measurement of impacts. The second element relates to a re-functionalisation of the Agency for Territorial Cohesion, more oriented towards accompanying the sub-state, regional, and local levels, in the direction of an institutional learning process and the acquisition of solid accountability milestones, capable of raising the level of implementation quality of the Structural Funds. This could be a function carried out in concert with the *Autorità di Gestione* who, from a more operational point of view, can introduce mechanisms for greater formalisation of ongoing assessments, and who are currently left to their discretion<sup>13</sup> (Polverari and Vitale, 2010). This would have the possibility of influencing the composition and quality of local partnerships and, above all, the link they have with the legitimacy of the decision-making process. The two dimensions of the renovation, together, could contribute to the definition of a more precise instrumentation for

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<sup>13</sup> The Fifth Cohesion Report recognises that an adequate evaluation system is crucial to ensure both the strategic nature of the intervention and the orientation towards results; in particular through the strengthening of the monitoring and evaluation of the programmes, through a more accurate *ex ante* definition of result indicators and targets, and through *ex post* evaluations through which to evaluate the achievement of the same.

local institutional capacity building and they could determine a shift in the axis of interest, also in the study of interventions for the South, towards socio-institutional aspects. In the debate on development theories, attention to the role of institutions in economic change processes is now shared (North, 1990; Rodríguez-Pose, 2013): it is within the institutions that certain conditions can be created which enable growth socio-economic of a territory, in support of non-particular governance and development that is not exclusively market oriented (De Vivo, 2006; Cortese, 2011).

In the next section, we will try to re-read these aspects in light of the launch of the new programming cycle of the Structural Funds and, at the same time, assess the National Recovery and Resilience Plan, and its major implications for Southern Italy.

#### **4. The programming for 2021–27 and the National Recovery and Resilience Plan: between Regionalisation and Europeanisation**

The issue of critical issues relating to the implementation of the multilevel governance model has returned to being current, not only because the planning of the new cycle of Structural Funds started a few months ago, but also because the Covid-19 pandemic crisis has required rapid responses rapid both on the health and socio-economic fronts, where the repercussions will hardly be unravelled in the short and medium term.

The European Commission responded promptly to the pandemic events of early 2020 through some interventions in the programming cycle at the conclusion of the Structural Funds that were aimed at greater programmatic and financial flexibility, and which could be adapted to the new needs of the health crisis. In addition to the two initiatives CRII and CRII plus,<sup>14</sup> and in concert with them, the emergency response also saw the activation of the REACT-EU programme, which adds new resources to the programmes of the 2014–2020 and 2021–2027 cycles,<sup>15</sup> and the granting of an advance share of the Development and Cohesion Fund,<sup>16</sup> in order to contain the risk of increasing socio-economic and territorial inequalities between the different areas of the country, as a result of the health crisis (Centurelli, 2020).

Alongside the immediate response, the Next Generation EU extends the time horizon of additional allocations for the Cohesion Policy, covering the entire programming period 2021–2027. According to the guidelines of the Commission, the additional resources aim to give greater flexibility in the management of the funds, and to ensure that the Cohesion Policy is better equipped to respond to the new challenges of a green, digital, and resilient recovery of the economy. On the national side, the National Recovery and Resilience Plan, which systematises these objectives, aims to provide a coherent framework for the implementation of the purposes also contained within the South 2030 Plan,<sup>17</sup> which more specifically pursues the objective of territorial rebalancing and the relaunch of the South.

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<sup>14</sup> The CRII and CRII Plus (Coronavirus Response Investment Initiative) packages were made available to member countries of the European Union, in March and April 2020, respectively, to tackle the health and economic crisis. They allow greater flexibility in the use of EU funds, redirecting those not yet used towards the health sector, SMEs, the labor market, and setting aside the obligations of thematic concentration.

<sup>15</sup> Overall, 67.4% of the resources of the REACT-EU package (13 billion euros) are destined for the South. The most significant shares will mainly help to finance, across the missions: taxation benefits for work in the South (4 billion euros), interventions to revise active labour policies (1.1 billion euros), interventions for the energy transition and the circular economy in the South (800 million euros), and extraordinary expenses for health personnel to fight the pandemic (374 million euros).

<sup>16</sup> The Development and Cohesion Fund (FSC) has a territorial distribution of which 80 percent is allocated to the South; the main interventions will finance the material and social infrastructure of the South, and in particular a fast rail network, integrated ports, sustainable local transport, broadband and 5G, and an integral waste cycle.

<sup>17</sup> The Plan for the South 2030 is divided into five missions that respond to the priorities identified by the 2019 Country Report for Italy (Annex D) and are consistent with the policy objectives indicated by the European Commission for 2021–2027 cohesion policies. The five missions are defined as follows: a South aimed at young people; a connected and inclusive South; a South at an ecological turning point; a Southern frontier of innovation; a South open to the world in the Mediterranean.

The glue of these initiatives is represented by the expressed need for synergy and complementarity between the planned interventions and the relative resources, with a view to rationalising the programmes and funds already present within the national and community support measures. This is aimed at reducing the economic and social imbalances of the country and, in particular, between the actions and interventions envisaged in the National Recovery and Resilience Plan, and the objectives and priorities that will characterise the Cohesion Operational Plans. The goal is both to increase the size and intensity of the interventions intended for the South, and also to make the expected impacts more visible in terms of inclusive growth and social and territorial cohesion. It is anticipated that this will avoid the risk of overlapping or substitutions between the interventions of the National Plan (which refer to the resources of the Recovery and Resilience Facility) and those of the Regional Operational Plans (financed, instead, through the Structural Funds)<sup>18</sup>.

In reality, the two major interventions established for the recovery and growth of the country and the South have a different approach in terms of management: on the one hand there is the programming of the Structural Funds for the 2021–2027 cycle which, despite the critical issues discussed, responds to a logic of multilevel governance and, therefore, entrusts a large part of its implementation to the sub-state, regional, and local levels, according to the principle of partnership and a multi-actor structure. On the other hand, there is the National Recovery and Resilience Plan which entrusts the management of the interventions to the central state, bypassing local levels and the need to build development paths that are less ‘blind to places’ (space-blindness) (Barca, 2009).

Constant elements can be identified between the two types of programming: in both cases, these are development policies, and of a structural type, which seek to affect assets that are decisive for guaranteeing the minimum levels of social and territorial cohesion. Second, these are examples of development governance and community policies, which assign, however, responsibility for implementation to regional and local actors in the case of the Cohesion Policy, and directly to national states, with a stringent level of monitoring, in the case of the National Recovery Plan and Resilience. Therefore, through the National Recovery Plan and Resilience, the governance of development policies returns to be centralised, and tends to disavow, or at least de-legitimise, a construction that, both from the point of view of attributing greater legitimacy to policies for the local development (the involvement of local partnerships), and from a regulatory point of view (the reforms of the 1990s), has seen the need for the presence of the regional actor in the implementation of policies and in the definition of some milestones related to the multilevel approach. This construction, albeit tiring and in some ways still in progress, has made it possible for more than thirty years, through investments in economic resources and human capital, to give life to a learning process that attempts to make development trajectories more suitable for local instances, and which increases the ability to read the territories discussed among the local institutional actors.

In any case, in the next six or seven years, the governance of the development processes will double, configuring different scenarios: the re-centralisation of the Cohesion Policy, on the imprint of the National Recovery Plan and Resilience, with a view to a rethinking of Italian regionalism in 2021, or the opening of the latter to multilevel governance, and the ability of local actors to read the complexity of the problems, in order to obtain greater socio-economic legitimacy. In the latter case, the National Recovery Plan and Resilience could become a further moment to strengthen those institutional learning paths that are in some ways still weak, avoiding the worsening of institutional conflicts that would weigh heavily on the shared growth and development objectives.

The coming months will allow us to have a clearer view of some of the issues problematised in this paper. The hope is to witness the implementation of good policies. Good policies facilitate institutional learning, and good institutions make it possible to implement better policies (Donolo, 1997).

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<sup>18</sup> See National Recovery and Resilience Plan, Italian Government, 25 April 2021.

## **Conclusions: limits and future challenges of social research**

The reflection proposed here has focussed on the role of institutional factors and their impact on the growing levels of national and subnational inequality. The investigative perspective privileged in the analysis of institutional quality only partially crosses with a trend that has developed starting with the work of the University of Gothenburg on the development of the Quality of Government Index (EQI),<sup>19</sup> the European index of quality of government which is the only measure currently available at regional level, in the European Union, with features of multidimensionality<sup>20</sup>. It is designed to analyse the quality of public institutions, from the point of view and experiences of citizens.

Despite having offered a useful tool to researchers and policy makers on understanding the regional levels of quality provided, one of its limits concerns the scarce attention to the role played by the specific local economic and social regulation models from an institutional point of view. Within this dimension, the role of the top sphere of the decision-making process should be better understood and, in particular, the ways in which the actors in charge structure the public decision, and how far it deviates from the objective of offering goods and services efficient publics. In other words, it is necessary to define the relationship between knowledge, understood as the ability to develop programmes and services on the basis of the territorial reality of reference, and the decisions taken, intended as a way of responding in an adequate and timely manner to collective problems (Marra, 2015). Taking into account the quality of the political class not only in terms of skills, it is a question of understanding, also from a comparative perspective, at what point is the process of modernisation of political leadership structures. This dimension, to the extent that it directly affects the entire governance chain, conditions the levels of economic competitiveness and social cohesion of a territory, especially in a scenario characterised by strong economic interdependence, and the need to intercept EU funds that remain largely substitutes and not additional to lacking public resources, as in the case of Southern Italy.

Among the legacies that the long pandemic period seems to want to hand over to the current debate relates to the need to put the role and action of the central state at the centre of the discussion on public policies in defining development paths, including local ones, with a strong acceleration of attention to the urgency of interventions and the quality of the tools available.

This was an option that was set aside for a few decades, also in consideration of the limits of interventions characterised by an excessively centralised approach, such as the Extraordinary Intervention in Southern Italy (De Vivo, Russo, Sacco, 2021). This, on the other hand, calls into question a more territorialist approach, which has instead established itself in the last thirty years. The institutional renewal, referred to in the previous pages, tends to consider the function of the territorial socio-economic formations, as an element of internal differentiation in the macro-area of the South, to be preserved especially in a historical situation such as the current one where, as argued, there is a tendency to standardise models, development paths, and investment priorities.

Neocentralisation, the opportunity to increase the central public instrumentation in support of growth, could lead to the belief that the two visions are alternative and irreconcilable. The task of social research therefore becomes to analyse the ways in which the local institutional variable exerts its influence on the economic life of the territories, in order to design good public development policies: the definition of new governance models could, on the one hand, make local authorities responsible

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<sup>19</sup> The EQI was developed by the Quality of Government Institute with the contribution of the European Commission, and currently consists of surveys for the years 2010, 2013, 2017, and 2021. This allows for a historicisation of the data and a reading on the evolution of the three dimensions of analysis.

<sup>20</sup> The dimensions of analysis underlying the EQI are: degree of impartiality in the exercise of public functions, and level of corruption and quality in the provision of public services (health, education, security, etc.) in the regions of residence.

for promoting growth and for the enhancement of the public resources they administer and, on the other, to strengthen the links between local structure and central management.

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