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# Models and instruments of cooperation between Institutions, Regions and Territories from a globalised perspective: the case of European macroregional strategies and the Italian National Strategy for Inner Areas.\*

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**Content:** 1. The economic crisis and the adequacy of the regulatory framework. – 2. From regulation for competitiveness to regulation for the market. – 3. The role of administrative law. – 4. Regulatory capitalism and administrative cooperation. – 5. European Union cohesion policy. – 6. The macroregional strategy of the European Union. – 7. The EUSAIR strategy. – 8. Italian National Strategies for Inner Areas. – 9. Conclusions.

**Abstract:** This paper looks at the possible role of administrative law and regulation in a period of economic crisis when the previous systems in place to protect social values have failed because their primary interest lay in the market. From this perspective fundamental is the role of models and instruments of cooperation between Institutions, Regions and Territories, in particular multilevel governance and macroregional strategies. The paper will analyse macroregional strategy, in particular the Adriatic-Ionian Macroregion (EUSAIR), which presupposes an integrated approach, a collective action that aims at a common goal integrating different actors, policies and funds and whose objective is to coordinate the financial resources available for the benefit of the territories. From this perspective, “capacity building” of the territories and the administrations involved is of vital importance for the success of this new form of cohesion. It is declined in order to ensure the development of forms of cooperation and sharing of best practices, operating, not only at executive level, but also at programming and planning activity in a way to promote the competitiveness of the territories.

In line with this approach, looking at the Italian experience, we find the Italian National Strategy for Inner Areas which aims at integrating and encouraging the creation and/or consolidation of integrated forms of government of local municipal public services that respect local characteristics, the size of the entities involved and the needs expressed by the territories.

## 1. The economic crisis and the adequacy of the regulatory framework

The passage to the regulatory state, which summarises the changes in the nature of State intervention represented a challenge to the traditional conception of the centrality of the very notion of state on the one hand, and for the guarantee of fundamental rights and democracy on the other. A guarantee that is more difficult to ensure in a situation of economic crisis like the one systems went through in the last

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\* Riceviamo e volentieri pubblichiamo. Paragraphs 1, 2, 3, 4 and 7, have been written by Loredana Giani; paragraph 6 by Marina D'Orsogna; paragraph 5 by Annarita Iacopino, paragraph 8 by Ruggiero Dipace.

decade, in which the needs of globalised systems are barely reconciled with those of social systems, which for their part struggle to satisfy the essential needs. The failure of (market) regulation, as much as the failure of (state) regulation, gave new life to the debate on the role of the state in the economic system, making the issue – of the adequacy of the regulatory framework in order to meet the needs of the economic and social systems – more urgent.

The reference to the adequacy of the regulatory framework leads us to reflect on the relationship between state and economy and mainly on the contents of the legal rules, on the areas that it needs to involve, moving from those aspects of weakness of the liberal paradigm that the economic crisis has revealed and that have definitively debunked the “myth of the self-correction and self-regulation” of the market, showing the negative effects that its failures, and more in general the failure of regulation (intended as a form characterised, or dominated, by competition), had not only within the economic system but also in the social sphere.

The demolition of the myth of the viability of the market is certainly not without consequences. The first, and most evident, one is related to the necessity to set a legal and regulatory framework that responds to the needs of the market, in the widest meaning, granting not only the respect of the economic principle, and therefore its (proper/correct) functioning according to this principle, but also its stability and more in general its compatibility with the general principles on which society is based.

And it is precisely the consideration of the social effects of the crisis which show the impossibility of considering the market exclusively in its narrower meaning referred only to its economic principle (of competition) on which it is based, a principle chosen in the political scenario. It has to be considered in a wider sense, including other values (in addition to simply the economic one) such as stability, from a perspective that highlights the interrelations with the other (sub)systems, in particular the social. From this perspective the first issue that arises is related to the adequacy of the regulatory framework.

Here it is clear that the norm, the rule, does not have an adaptive/conformative (to the market) value, a negative element, according to liberal thinking. It cannot be treated as one of the imbalances that affect the competitiveness of the market, stifling the (economic) principle on which it is based, because the rule does not impose a different principle, it does not establish principles that are not in accordance with it. In other words, the rule is just one element, one of the prerequisites of value, along with the factual one, that the individual operator has to take into account in order to make a rational choice; a simple assumption of individual behaviour. Therefore, not a denial of freedom of competition, the lack of which has been interpreted as an element that affects the very ethics of the market, in favour of particular interests of certain categories, imposing on the market an (economic) principle that is different to its natural one.

## **2. From regulation for competitiveness to regulation for the market**

To avoid falling in the regulatory trilemma, characterised by the uneffectiveness of the regulatory system, the next step has to be referred to the consideration of the extent of state regulation.

In pondering the possible contents of the norm, it cannot be overlooked that once a certain economic model has been chosen at a political level, the legal system has a triple task.

The first is to provide a regulatory framework that, in application of the principles of solidarity and subsidiarity, guarantees the realisation and operation of the economic system in itself, through a regulation that orders and coordinates activities, and structures and solves conflicts. The second is to guarantee its adaptation to the interference (which expresses need) from the social system, functioning as a guarantor of respect for those fundamental values which are the natural and intrinsic limit for the choice of the economic model. And it is from the point of view of the intimate interconnection between social, legal and economic subsystems that the third task of the legal system emerges, also from a globalised perspective, that of guaranteeing the application of the democratic principle, in relation to the principle of constitutionalism and the rule of law.

And this is because the relationship between law and economics places itself in a position of mutual inter-systemic relations which affect each other, so that the political system takes the stresses from the non-legal pole and transforms them into rules which will have their effects on the economic and social systems. Relations whose limit has to be found in the invariance of the organisation or, more correctly, of those values around which the organisation is built, that is, those characters and networks of relations that determine the identity of the system itself. Relationships which, with reference to the Western countries, are declined in the constitutional moment, and more precisely in the invariable part of the constitution, and which, outside of national experiences, may well be traced in the international charters in which fundamental rights are provided.

In this sense “Die Systementscheidung”, the global decision on the system, cannot be separated from the realisation and guarantee of that catalogue of rights and values that form the core of the political constitution, even if a competitive economic model is chosen. So a global decision that cannot ignore the individual, who, in accordance with the individualist neo-liberal theory, is seen as a free agent, but free to move and act according to the rules of private law, exercising their freedom in accordance with the overall decision.

Given this general framework, the intervention of the State, therefore, must be functional to the competitiveness of the market, but at the same time it must be functional to the market considered as a whole and therefore must be realised through the introduction of external elements that also ensure a balance with elements of social policy in relation to which the state (or the public body) is the sole



guarantor and, at the same time, limit those effects, particularly evident in relation to globalisation, which leads to the construction of unequal citizenship in relation to the possession of means (not only economic) sufficient to ensure access to different and more convenient systems.

In other words, there should not be a separation between the economic and the social pole, the legal system having the duty to realise in itself the social order as well as the economic one, basing them on values that are implemented by the democratic state and expressed in the economic constitution, considered as the global decision on the organisation of the economic life of a community. So, the role of the state, and of any public body, even supranational or international, in the economy should be the result of the interaction between non-economic value, judgments between citizens, consumer preferences between public and private goods, business decisions on resources allocation and growth, and the idea of a fair distribution of income between the owners of the means of production, on the one hand, and the system of power relations within the public sector on the other.

In this sense, therefore, the regulatory choice becomes, from a finalistic point of view, compatible with the choice of the competitive market, as it is structured in accordance with the binary (revenue/costs) system of the economic sector, public regulation being in line with the choice of an economic model based on competition, and in accordance with the characteristics of the social system.

### **3. The role of administrative law**

The inadequacy of a “sole” market perspective, shown up as the economic crisis worsened, made the discourse on the role of the public sector more pressing.

The point of reference must be identified in the meaning of the expression “proper and efficient operation of the system”. It is clear, in fact, that if a perspective coordinated with the framework of fundamental values is assumed, it is not possible to ignore, or rather not to include, those profiles more closely related to the stability of the (economic) system – extended to the protection of its investors/users – widening of the concept of sustainability.

A question arises here. How the law, and with reference to the Italian system, administrative law in particular, through which public interventions in/on the market are performed, is functionalised, or rather, in order to be legitimate and compatible with the chosen market organisation, what form should (public) action take, and last but not least, which (public) interests should be pursued.

If we assume the perspective described above, public interest as the basis for regulatory choice must be functional not only for the market system, but more generally for its stability declined in the social context. Therefore, a complex interest that includes the interest in the respect of the rules of the game, but that inevitably has many other facets: the interest in the promotion and support of economic freedom,

understood from a systemic perspective as freedom of competition in the logic of the construction of trade relations between free and equal persons; an interest to which reasons of social utility, or general utility or social purposes cannot be extraneous, as well as the protection of freedom, security and human dignity, that is, that set of values that can be traced back to the invariable part of the constitution that act, together with the others, as a limit for the (political) choices not only of the economic model but of the very contents of the regulatory framework.

#### **4. Regulatory capitalism and administrative cooperation**

Given this framework, we should try to interpret the evolution of the legal system over the last two decades and, more particularly, the failures of the regulatory system based primarily on a system of controls exercised by the regulatory authorities on the actors operating in the national and global markets, that, in line with prevailing liberal teachings, stood on ex post forms of control of the activities of these actors, thus confining the scope of intervention of the regulator to two moments: the establishment of the rules, essentially strictly limited to the economic aspect, and the guarantees of their compliance, pursued largely through an activity of control following the course of action, possibly confluent in enforcement proceedings. An evolution because of which the many facets of the wide and complex concept of vigilance have, thus far, been neglected, in the name of free enterprise and competition; those aspects, and the reality in which we live demonstrates it, are essential for the guarantee not only of the competitiveness of the market but also of its own and social stability as well.

Therefore, the public sector should provide a control (vigilance) over the market, creating a structure that guarantees not only the proper functioning of the market, but also its operation and compatibility with the social system at the same time, and this since the market (which is also an economic fact) cannot be understood as a more or less abstract self-regulating entity, but rather as an entity that is only partly non-juridical and that requires, for its functioning, a legal status that necessarily has to be traced to a system of heteronymous rules, provided by the legal system and an adequate institutional system, as well with respect to which the (public) institutions play a central role. And on this point, we should recall the words of Galbraith who affirmed that the public authorities play a role in the market system that is even more complex than the one played in other circumstances. Competition, when it exists, inspires feelings of ambiguity, a deep attachment to the principle of the market, but the refusal to suffer imperatives. And to alleviate the pain, government intervenes to help even when oligopolies have trouble maintaining their competitiveness. State intervention, although in abstract it can be traced back to the concept of coercion, in fact is a necessary evil which, if not properly calibrated, can very easily turn into a factor of abuse of competition.

Going back to the evolution of the legal system in the name of the market and its competitiveness, due to the influence of the liberal theories, we witnessed a “downward competition” between systems, with a reduction of guarantees in the social spheres. An example can be found in the evolution of labour legislation, in the name of “deregulation and simplification”, aimed at attracting investments. A regulation that, as said above, that has demonstrated its inadequacy mainly with reference to the satisfaction of social (essential) needs.

In this framework, the state (the national public authorities) becomes only one of the possible actors in a wider system of rules, applied by the administrations and guaranteed by courts, in which the relations between state, market and other non-state actors are re-modelled from the perspective of the construction of a legal area, significantly defined as regulatory capitalism, which is characterised not only from the point of view of the rules (mainly the administrative rules which bring to a growth rather than a reduction of regulation) but also from a subjective point of view, and which can represent the instrument which guarantees that system of safeguards, and the same competitiveness of a healthy system that uncontrolled deregulation had substantially destroyed.

## **5. European Union cohesion policy**

The EU system, to which the origin of the abovementioned changes can be traced back, made its own the need to adopt a wider and more comprehensive perspective as the idea of a “political” Union advanced.

The idea of progress based on a "solidarity functional to economic prosperity and the reduction of social inequalities" emerges clearly if we consider the evolution of the cohesion policy of the European Union and its three dimensions: social, economic and territorial.

An idea already present in the Report on Economic and Monetary Union in the European Community, presented on 17 April 1989 by the Committee for the study of economic and monetary union chaired by Jacques Delors – *“Historical experience suggests however, that in the absence of countervailing policies, the overall impact on peripheral regions could be negative. Transport costs and economies of scale would tend to favour a shift in economic activity away from less developed regions, especially if they were at the periphery of the Community, to the highly developed areas at its centre. The economic and monetary union would have to encourage and guide structural adjustment which would help poorer regions to catch up with the wealthier ones”*. An idea that has been transfused in the article 174 of the Treaty on the Functioning of the European Union (hereafter TFEU), which underlines the central role of this policy for the harmonious development of all EU territories that can be achieved by reducing *“disparities between the levels of development of the various regions and the backwardness of the least favoured regions”*.

Therefore, a competitive market that cannot put aside, for its development, for its correct functioning, the social sphere.

The statement contained in Article 174 regarding the centrality of cohesion policy translates, in fact, into its ability to affect the economic policies of individual Member States (*“Member States shall conduct their economic policies and shall coordinate them in such a way as, in addition, to attain the objectives set out in Article 174”*, Article 175, par. 1, TFEU), and above all, the elaboration and implementation of all the policies of the EU, including the implementation of the internal market, which must also take into account the objectives set out in article 174 TFEU.

The idea of integration by cohesion, therefore, becomes complementary to that – which, traditionally, is opposed – of integration through the market that allows intervention to support the most disadvantaged and depressed regions within the limits of compatibility with the market balance and with the principles of competition, according to which any territorial disparities must be faced and overcome through the exercise of regulatory activity.

This perspective emerges clearly if we recall the different financial instruments supporting the social and territorial economic cohesion policy. Article 175, par. 1, provides: *“The Union shall also support the achievement of these objectives by the action it takes through the Structural Funds [European Agricultural Guidance and Guarantee Fund, Guidance Section; European Social Fund; European Regional Development Fund], the European Investment Bank and the other existing Financial Instruments”*. In particular, as regards Structural Funds, the Treaty itself emphasises the need for a regulatory source to discipline its tasks, priority objectives and organisation, as well as the provisions to ensure the effectiveness and coordination between the Structural Funds themselves and other financial instruments.

Therefore, it is clear that to guarantee the fulfilment of the objectives of cohesion policy from a market perspective, strategic planning and the principle of programming that governs financial instruments to support cohesion have a central role. In fact, Article 2 of Regulation (EU) No 1303/2013, laying down the common provisions of the Structural Funds and Cohesion Fund, states: *“<programming> means the process of organisation, decision-making and allocation of financial resources in several stages, with the involvement of partners in accordance with Article 5, intended to implement, on a multi-annual basis, joint action by the Union and the Member States to achieve the objectives of the Union strategy for smart, sustainable and inclusive growth”*.

Thus, in application of cohesion policy, EU has created a pluralist and polycentric system, based on an idea of territory and its institutions, which overcomes the traditional meaning of physical space, declining, from time to time, on the basis of objectives, programmes, plans, projects and specific themes and, consequently, from a geographical, locational-relational, zonal, functional and ethical viewpoint.



From this perspective, in which public regulation is aimed at promoting and financing interventions having a social relevance, we witnessed, within the EU dimension, and consequently within the national one, a rethinking of the very role of public authorities and the perspective from which the final aim of the policy is pursued. We gradually witnessed the abandonment of the traditional approach to EU funding, in favour of a bottom-up perspective which moves from the local dimension and aims at promoting and strengthening the capacity building of the territories, seen as the core for the development of the competitiveness of the territories.

## **6. The macroregional strategy of European Union**

The abovementioned evolution finds a clear statement in macroregional strategy.

Macroregions, as new functional areas, are the instruments through which EU is trying to achieve territorial cohesion, as set out in Article 174 of the Treaty on the Functioning of the European Union, at the same time combining with the solicitations arising from globalisation.

The first macroregional strategy for the Baltic Regions dates back to 2009, followed by the Danube Region Strategy in 2011, the EU Strategy for the Alpine Region in 2013, and the EU Strategy for the Adriatic and Ionian Region (EUSAIR) endorsed in 2014.

From a geographical point of view, macroregions involve EU and non-EU countries and offer a platform for multi-sectorial, multi-country, multi-level governance.

Their main characteristic is represented by the so-called “3 no/yes” approach (no new EU funds, no additional EU formal structures and no new EU legislation) which finds its key instruments in the “cooperation” and bottom-up form of programming.

For this reason, the leitmotiv of the strategies is represented, as pointed out in the Report from the Commission on the implementation of macroregional strategies (16 Dec. 2016, SWD (2016), 443 final) by the “optimal use of existing financial sources (e.g. the ESIF, Horizon 2020, COSME, LIFE), better implementation of existing legislation and better use of existing institutions”, all from the perspective of the development of links with non-EU countries.

In this context, the macroregional strategy of the European Union aims to develop innovative tools for integrating the balanced and sustainable development of certain pre-identified territories (also non-EU) with common characteristics.

The basic idea, which is easy to grasp if we abandon the traditional view based on an accentuated localism, is to develop an integrated approach – the real added value of the entire operation, as underlined by the Commission in 2009 – guaranteed by incentives for collective action, i.e. projects of intervention in the single areas which integrate different actors, policies and funds. Therefore, in order to guarantee the

fulfilment of the general aim (the cohesion of different territories), each strategy focuses the attention primarily on the capacity building of the areas, to improve their competitiveness. This is why the macroregion does not receive specific funds, but is a strategy that aims to integrate, within a complex programme, various existing ones, so to ensure a degree of cooperation between the regions, and the Member States (and non-Member States) who participate, aiming at ensuring the achievement of predefined objectives through actions that are addressed not only within, but also outside their territories. A perspective that goes along with a methodology that favours the adoption of a transverse approach. A natural logical assumption of the strategy of the macroregion is based on coordinating the various policies and financial resources.

A different perspective that was clearly described in the 2001 White Paper on multilevel governance, and later documents, which also in macroregional strategy foresees that all levels of government should be involved with their respective powers. From this perspective, the macroregion is, therefore, an instrument for coordinating the policy of cohesion that serves to rationalise, for the territories involved, the use of financial resources and, we might say, “to force” the territories themselves to formulate common policies of development. It is for this reason that its institution does not determine the need for new structures/institutions, the introduction of new disciplines or “dedicated” funds: the task of the macroregion is to coordinate existing funds, finalising them for the benefit of the territories that make it up and therefore, for the development of the entire macro-area, also through specific actions aimed at developing a capacity building designed to create participatory projects with the cooperation of the various institutional levels and private parties concerned: this consensus building and the inter-institutional cooperation on which governance itself must rest.

## **7. The EUSAIR strategy**

The above considerations are confirmed by an examination of the proposal of the Commission on the Establishment of the Strategy of the Adriatic-Ionian Macroregion (hereinafter EUSAIR) and the Action Plan of 17 June 2014, as well as the Partnership Agreement in which the abovementioned priorities are declined. In the latter, it reads, in fact:

*“Italy participates in the EU Strategy for the Adriatic-Ionian Region (EUSAIR), which includes the regions of Friuli-Venezia Giulia, Veneto, Lombardy, Emilia-Romagna, the Abruzzi, Marche, Umbria, Molise, Puglia, Basilicata, Calabria, Sicily and the autonomous provinces of Trento and Bolzano. The European Commission published on 17 June 2014 the Communication on EUSAIR and the associated Action Plan. The challenges identified are significant for the Italian territory, in which there are present all the critical issues pointed out in the Communication: the accentuated socio-economic disparities; the infrastructure deficit, including the intermodal connections and the traffic management systems, in*

*particular the maritime one and the one affecting border areas; the still low efficiency and diversification of energy supplies; environmental challenges; the critical issues in the management of risks and natural and man-made hazards as a result of climate change; the still insufficient administrative and institutional capacity. The opportunities identified by the Communication in the field of the blue economy, connectivity, cultural and natural heritage, biodiversity and tourism are equally significant. All areas in which the Partnership Agreement intervenes by creating the conditions so that the 2014-2020 programmes can effectively contribute to achieving the objectives set by EUSAIR Strategy” (Sec. 1A, 142).*

Putting aside the analysis of the four pillars of the strategy (sustainable tourism, environmental quality, blue growth and connecting the region), that have a relevant social impact in themselves, for the purpose of the present analysis, it is important to focus the attention on the philosophy of the strategy. In fact, it is based on the idea that to access existing funds what is needed is a project created to respond to a real need of communities and territories, which is placed at the centre of the initiative and acts as an attractor of partners and resources and for implementing the capacity building of the territories from a perspective of a multilevel governance.

It therefore seems essential (and innovative) to be able to align the existing financial resources with respect to individual Action Pillars of the Strategy, and then explain to participants the different financing instruments and so to encourage joint project initiatives that intercept EU policies and cooperation programmes of interest for the Strategy.

In this way:

- The planning of the territories and citizens is stimulated and enhanced in a propositional logic from below;
- Organisational resources are used more efficiently insofar as all the stakeholders with the greatest interest are involved in the governance of the initiative (who are not always those with an abstract and potential interest);
- Proactive ideas are encouraged of inclusion of new objectives and new subjects for future programming.

From a subjective point of view, the NETWORK, formal and informal, of the institutional partners of EUSAIR strategy and the other subjects involved in the governance of financial resources, has a central role. In fact, it must provide a way to allow that planning that stems from below, as an evolution of multilevel governance, which constitutes the truly innovative element brought to the EUSAIR Strategy. Within the network of these relations, therefore, the project is reconstructed to draw up the form of its governance each time, and to affirm it within the institutional context.

The network of relationships is then completed by the connecting mechanisms, coordination and continuous exchange of information between all the components (institutional or otherwise) of the Pillars and transverse axes.

To ensure better coordination between the parties to the strategy, in the document mentioned above, two main areas of intervention have been identified: the strengthening of the political leadership and the decision-making process in the countries involved; the increase of transparency in the organisation of work through a clear definition of responsibilities.

The reason for this choice is clearly stated in the document itself and confirmed in the analysis conducted on the individual pillars in the previous pages: *“Better governance of macroregional strategies does not mean new funds or new institutions. It should instead focus on a more intelligent use of existing resources”*.

From this perspective, the primary areas of intervention are: the definition of a political leadership and the definition of its ownership in order to have a clear specification of the general approach, priorities and, consequently, the fundamental decisions, so as to gradually abandon the model currently in place that counts on inputs from the Commission; coordination; the day-to-day implementation of the strategy. This is in line with the idea of increasing the competitiveness of the territories.

In relation to the first point, in the document mentioned above, it is suggested that the systematisation of *“ministerial meetings”* identified as a good practice in other strategies, attributing strategic functions to the ministries hosting the national contact point and identifying the different steps that should be taken by the individual national institutional partners for the implementation of good practices.

As for coordination, based on existing experience, what is identified as good practice is the establishment of *“a national coordination platform that brings together interested parties at national/regional level to facilitate the implementation steps”*, and the creation of *“a high-level group”* which brings together representatives (national contact points) of the countries that are party to the strategy in order to *“more actively ensure consistency between macroregional strategies and actions and the EU’s general objectives”* by sharing *“good practice on issues such as governance, the definition of objectives and indicators, monitoring and evaluation, as well as public awareness”*. The priority tools for coordination are identified in transnational cooperation programmes and INTERACT.

With reference to the implementation, its centrepiece is identified in the *“thematic experts and steering groups”* whose duties are summarily identified in *“facilitating the development and implementation of initiatives and projects, defining indicators and objectives, strengthening connections with corresponding funding programmes, such as the structural and European investment funds, Horizon 2020, LIFE and COSME as well as participating in the programme committees”*.

And it is from this perspective, of course, that a central role is assumed by *“capacity building”*, declined mainly with reference to the single pillars in order to ensure the development of forms of cooperation

and sharing of best practices between countries involved in the strategy, operating, therefore, not only at executive level, but also at the level of the programming and planning of actions to be taken for the implementation of the strategy as well as individual skills development (also therefore including profiles that affect education, life-long learning, etc.). Thus are also included two levels of institutional and individual intervention, including programmes for developing the skills of the human, scientific, technological, organisational and financial capital essentially aimed at creating the conditions for the implementation of the policy choices that require a different approach, largely based on planning, following a place-based approach, already adopted in the 2014-2020 programming which, in stressing the importance of the local level in cohesion policies, introduces the local partnerships formula (SLTP – CLLD and ITI), built on the LEADER method, identifying them as key instruments of sub-regional governance, with the exception of the EAFRD which provides for the obligation to develop local partnerships in the framework of the PO.

## **8. Italian National Strategies for Inner Areas**

In the wake of this new perspective, in Italy the National Strategies for Inner Areas (NSIA) has been implemented. It is a new integrated policy that Italy has put in place in the 2014-2020 programming period. The Strategy is one of the most interesting examples to ensure, in the European context, the objective of territorial cohesion, both in terms of content and of its goal.

This policy applies to every region and macro-area in Italy and aims to contribute to the country's economic and social recovery, creating jobs, fostering social inclusion and reversing the demographic decline of Inner Areas, in terms of both population size and age profile. The implementation process is based on previous experiences of local development in Italy, and is being supported by all the main EU funds, as well as dedicated funding provided for under the Stability Law (national funds).

Based on the objectives of the Strategy, the intervention, involving 72 areas, operates at a multi-governmental level and intercepts contributions from the various available European funds as well as ordinary interventions by municipalities, regions and central administrations.

The objective of the NSIA is to encourage the creation and/or consolidation of integrated forms of government of local municipal public services that respect the territorial characteristics, the size of the entities involved and the needs expressed by the state of implementation of the Strategy in the individual areas. From this perspective, Partnership Agreement provides that the municipalities are “the base units for the policy decision process and as aggregations of adjacent municipalities, local intermunicipal systems provide the institutional space for the production of services and development project



implementation”. The associated management of fundamental functions and services is, in fact, an essential pre-requisite of the development strategy.

The Regions are the key funders of the joint Strategy initiatives and of the local development projects *inter alia*. They begin the selection process and propose project areas on the basis of the shared criteria; decide the total amount of funding to be devoted to the Strategy, flag up the strategic objectives they intend to pursue and the financial resources set aside and make clear reference to the project timeframes. Central administrations agreed the selection of areas interested by the project with the Regions and the prototype with which each Region launched the Strategy in 2014, guaranteeing the consistency of criteria. They will draw up and implement the interventions required to make alterations to services through binding agreements. They also monitor the ongoing implementation of the Strategy encouraging the comparison between experiences in a way to implement the institutional and administrative capacity building of local government, seen as the principal aim of this form of cooperation to increase the sustainability and competitiveness of the territories.

## **9. Conclusion**

In the light of the above, the myth of the self-sufficiency of competitive markets has been debunked not only by the market failures themselves and the consequent social crisis that they provoked, but also by that system which, referring to our experience, emerged after the processes of deregulation and regulation of (in) the market traced back to EU system. The same system that, following the evolution toward a political union, has revalued those aspects connected to the social sphere that the adoption of the sole market perspective put in the background. The EU's cohesion policy, and above all its evolution and the rethinking of the structural funds system, shows how, even in the system which, more than others, has been influenced in its genesis by the choice of a systemic principle of a competitive nature, the acquisition of a political dimension led to the reconsideration of social values. In fact, the cohesion policy represents a rethinking of the regulatory system, precisely in the dimension of administrative cooperation that enhances and rediscovers the role of administrations and the different levels of government as drivers of community development from the perspective of sustainable growth, implementing the competitiveness of the territories.

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