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## Implementing the Future Rural Policy. A Multi-stakeholder Governance Test in Reality

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### Abstract

In a changing and turbulent economic global scenario, the public sustain to agriculture will face counteracting local forces originating from some local actors, unwilling to accept all the facets of the CAP and the RDP. Power and leadership of actors and main social leader can help or contrasts implementation of public policies. So that policymakers will not avoid the confrontation with people and the hard work to continuously survey their willings and interests. The comparison between two case-studies located in different Italian regions (the Marches and Friuli Venezia-Giulia) showed the essential role of local interests in the success/failure of implementing the public interventions. The paper reports results of case-studies located in different socio-geographical areas, the case of the 'Verdicchio of Matelica Wine Road' in the Marches, and the case of the 'Rural District Bassa Pianura Friulana'. The failure of a proposed rural policy depends on local counteracting interests. Implementing the Future Rural Policy in a view of positive success does necessitate the continual and fatiguing consultations with local communities.

JEL: R58; O15;

**Keywords:** Rural Development Policy; Stakeholder Analysis; Social Network Analysis; Multi-stakeholder Governance;

### 1. Introduction

The overall future scenario for the Italian agriculture will be quite different from the actual due to the global economic turbulences and non agricultural interests increasing requests. Public policy intervention should appear clearer and more intelligible for the entire society—even besides its rural component—in order to achieve goals of feasibility, efficiency and effectiveness. Mainly, the RDP will further encourage farmers to adapt their choices to market conditions, even more linked to social and environmental objectives. Following some preceding findings (Idda & Benedetto, 2003) the empowerment of self governance in local communities is to be considered fundamental for ensuring a self-regulating and self-sustainable development. This is an evolutionary mechanism originating within the singular local economies in view of the valorization of identity and the territorial assets as strategic values for the sustainable development. Such a bottom-up approach is able to guarantee a certain stability to the started economic development, because it directly involves local actors by providing a path-oriented design to meet the needs of the involved actors or, at least, consider their opinions, when gathered during any preliminary investigation. Moreover a major involvement and commitment of social actors allow to avoid money waste, and a better spending capacity, but also a better internal coherence looking at the relationship between the quality of objectives, action taken to pursue them, and the correspondence between the objectives. The problem of capacity and the efficiency of public spending, already highlighted at the end of the Nineties (Reho & Zolin, 1998; Mantino et al., 2000) is still very important and closely connected to the quality of human capital, especially to the social capital that qualifies the diverse areas in which the RDPs are to be implemented

(Idda & Benedetto, 2003). Supporting the creation and strengthening social relations in a given place, in pursuing socio-economic common goals, would promote the effectiveness of RDPs. Therefore, tools capable of supporting and promoting consultation and planning activities and practices, in view of rewarding the collective skills in pursuing objectives of local development, are strictly needed. The structure of relationships that embody a 'district organization' are successful and stable cases of new links between economic development and governance, that are based on the enhancement of the existing—or even in fieri—social capital (Idda et al., 2007). In this sense, districts are privileged places of origin both of business networks and trust and cooperation among actors, and would be necessary to direct the path of development of a given territory towards this form of territorial organization.

Literature on SNA (Social Network Analysis) and the SA (Stakeholders Analysis) shows the possibility to implement those tools for the assessment of policies and their effective implementation. The research question examined in this paper is how patterns of social interactions among policy-makers and other stakeholders influence whether the proposed policy will achieve its social and economic goals. Analyses performed in diverse territories, and their consequent comparison, can help to enlighten possible different causes of success/failure of RPD implementation. Definitively, the paper aims at demonstrating the necessity of using tools of social involvement for the more effective future implementation of rural policies.

The paper is structured as follows. Paragraph 2 reports the background theory literature on Network Theory (NT), Stakeholders Analysis (SA) and Case Study Research (CSR). Paragraph 3 illustrates the methodology, paragraph 4 reports the results and paragraph 5 give the discussion and conclusive considerations.

## 2. Theory Literature

### 2.1. Network Theory

In policy making, features of society matter, and in social analysis network matters too. Borgatti and Lopez-Kidvell (2011), in making theory on network distinguished two kinds, a theory of the networks, which considers the antecedents of network phenomena, and a network theory, which, on its turn, considers the consequences of network phenomena. The first refers to a theory of tie formation, considering arguments that determine the network phenomena, and the second to a theory of the advantages of social capital, considering the consequences of the network phenomena. This latter stresses the strong ideas in the social sciences individuals are embedded in dense webs of social relations and interactions. Thus societies are actually 'systems of relationships' between actors seen in their capacity of playing roles relative to one another (Nadel, 1957), with a major relational perspective in economic sociology named 'embeddedness', the idea that economic transactions among actors are influenced by the social relations among the same set of actors (Granovetter, 1985). The behavior of people, can depart from market, political expectations and other type of ties (i.e. friendship, kinship) (Borgatti et al., 2009).

### 2.2. Stakeholder Analysis

After Freeman's theoretical statement (1994), Stakeholder analysis (SA) became popular, due the increasing appreciation for how the characteristics of stakeholders—individuals, groups and even organizations—influence the decision-making process. Roots of the SA are both in the political and policy sciences, and management theory, and have yet evolved into a systematic tool with clearly defined steps and applications for scanning the current and future organizational environment (Schmeer, 2000). Stakeholder analysis can identify key-actors and understand their behavior, intentions, interrelations, agendas, interests, and the influence or resources they have brought—or could bring—to bear on decision-making processes (Brouwer et al., 2012). As a

cross-sectional view of an evolving social picture, the utility of stakeholder analysis for predicting and managing the future is time-limited and it should be complemented by other policy analysis approaches (Brugha & Varvasovszky, 2000). Moreover, 'a participatory, multi-stakeholder approach tries to approximate the diversity of interests and positions, not only to further democratic principles but also to increase the practical likelihood that the proposed actions and plans will be accepted, implemented and effective' (Connelly, 2012, pp. 8).

### 2.3. Case Study Research

Cross-site comparisons of case studies have been identified as an important priority by the scientific community in different applied fields, offering an excellent starting point for overcoming most difficult methodological barriers, such as managing qualitative and quantitative data (Datta, 2006). A Case Study Research (CSR) is a method whose defining features are: i) empirical study of contemporary situations in a natural setting; ii) a focus on asking "how" and "why" questions; and iii) the treatment of each case as an experiment in which the behaviors cannot be manipulated (Myers, 2009; Yin, 2009). In CSR, data collection can be accomplished using quantitative or qualitative methods (Dooley, 2002; Yin, 2009). Case studies an iterative process employing a variety of data collection methods to compare within and across cases to research validity (Duxbury, 2012).

## 3. Methodology

Considering the theory literature, we chose to perform a comparison between two case-studies located in different Italian regions, the Marches and Friuli Venezia-Giulia, adopting a qualitative survey technique, in order to assess the role of social network in implementing a RDP measure in a natural setting. This doesn't mean the refusal of qualitative methods of assessing the RDP implementation, but a proposal of integration between different methodological approaches.

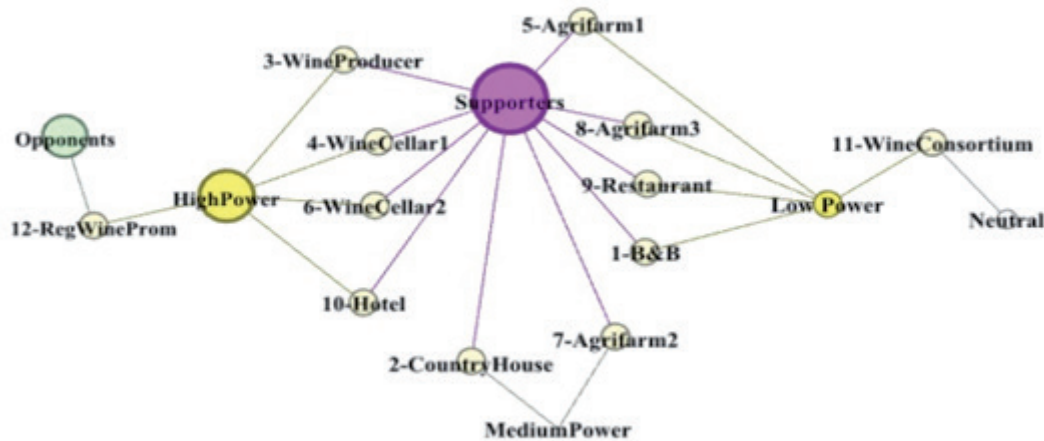
The use of qualitative case-studies, can help in discussing the eventual different successful/unsuccessful results of the RPD implementation as due to different patterns of local communities, and infer a relationship between the local society and the feasibility of RDP. Knowledge of the actual shape of local communities' vision of RDP can help policymakers in avoiding errors and political compulsions.

## 4. Results

### 4.1. The case of the Verdicchio di Matelica wine road

The case study has been carried out applying SA guidelines stated by Schmeer (2000), selecting and interviewing the selected key-informants in order to figure the map of Leadership and Power of the 12 selected key-actors-informants (see fig. 1), involved in the supposed proposition and promotion of the wine-road. The detected overall mood seems to be favorable to the adoption and management of the road, but in a framework of fragile personal and institutional relations. In fact, many declared to fear local constraints, struggles, social divisions, and unwillingness to invest private money and prefer to have public financial support. We can infer that any of the key-stakeholders is waiting the first movement from others, especially from public bodies.

Fig. 1. Map of power and leadership in the network of key-actors committed to the Verdicchio di Matelica wine road



Source: Face-to-face interviews with Key Informants: 1. B&B; 2. Country House; 3. Wine Producer; 4. Wine Cellar 1; 5. Agrifarm 1; 6. Wine Cellar 2; 7. Agrifarm 2; 8. Agrifarm 3; 9. Restaurant; 10. Hotel; 11. Wine Consortium; 12. Regional Wine Promoting Body.

From the interviews, a noteworthy picture of the relation between power and leadership and the mentioned lack of money to invest emerges. The map of power (and leadership) is clearly dual shaped, dividing the stakeholders in two equally numbers of low and high power agents. The problem is within the high power group, within which we identified a strong opponent of the wine road (n. 12 informant) who declared: ‘I don’t believe that wine roads are the best leverage for promoting the wines of our region’. The political importance of this opponent, and its contiguity with policy makers, put in light the actual lacking of a constructive linkage between the local willingness to implement the ‘Verdicchio di Matelica’ wine road and the ‘central’ (at regional level) propensity to support the same vision.

#### 4.2. The case of the Rural District Bassa Pianura Friulana

Concerning stakeholders involvement in order to carry out rural districts planning in the Friuli Venezia Giulia Region, it seems to be worthwhile to remember a detailed feasibility study that has been developed by the Chamber of Commerce of Udine (2008).

The study aimed to enhance the implementation of a rural district in the southern area of the region. To achieve this target, the study tried to increase interest in creating and/or in recognizing districts in rural areas through the integrated planning approach. This task arose from the thought that the ability to co-operate between enterprises and other actors belonging to a specific rural area is quite low in the Friuli Venezia Giulia region. The region, in fact, did not show a long history of co-operation like some other Italian regions (i.e. Tuscany, Emilia-Romagna, Puglia). Nevertheless a group of 34 municipalities with the support of the Region asked the Chamber of Commerce of Udine for the development of a project aimed to incentive the development of a rural district in the southern area of the region.

In this local area, the primary sector is an important economic activity. This sector is the organizational focal point of several local production activities. As this rural areas are very complex to

implement a development process, it seemed to be necessary to consider not only the primary sector, but also other facets. According to the statement that rural development process has to be strictly linked to the rural area as it is necessarily an integrated endogenous development process, based on local resources, the Chamber of Commerce of Udine promoted co-operation between key actors and local stakeholders. A bottom-up approach with the participation of all key institutional actors was considered essential. Consequently, several local stakeholders were asked to take part in the process. The majority decided to participate proving to have good management skills to promote the official recognition of this area as a rural district. They stated that the rural development concept is wide-ranging: they agreed upon the improvements deriving from a districts, like the opportunity to diversify local economic activities (i.e. handicrafts, small industries, rural tourism, etc.), improve infrastructure connecting extensive rural areas, increase the supply of services for local residents, further equal opportunities between genders, maintain environmental resources, etc. Moreover local stakeholders considered that the rural development concept has an integrated logic that considers the economic, social and environmental dimensions of a rural area to achieve several targets. They helped to collect and analyze several technical-economic data in order to point out the main local economic chains and resources (enterprises, farms, etc.) with the aim to valorize them and more in general to improve competitiveness of the territory.

The widespread occurrence of geographical concentrations of agro-food actors has led stakeholders to form and build up clusters/districts. The district tool seemed to fit the rural development governance of this area, where the link with the territory appeared a fundamental characteristic of the whole development process and the change from a firm-based to a territory-based competition perspective seemed to be strategic.

However, the support of the region and the large involvement of local stakeholders were not worthy to obtain the official recognition.

## 5. Discussion and Conclusive Considerations

The research has been performed comparing only two case-studies, being this an actual limitation. That can be resolved only by enlarging the number of considered cases in the future. Nevertheless, findings are useful for the upcoming debate on implementing effective rural policies, mainly because they demonstrate that local communities' behaviors do effectively affect the actual effectiveness of RDP, and definitively success/failure of public interventions. Finding of the two case-studies show struggles and lack of effective communications between local enterprises (farmers as well as managers of hospitality and other economic local activities and their respective professional boards) and regional policy makers are to be considered amongst the main causes of weak social network, unable to achieve more common positive goals. In the first case-study, the declared local willingness to join collective efforts to produce a stronger marketing efficacy is defeated by the absolute lack of capacity to effectively collaborate and contract with policy makers the actual content of public intervention and money investment. The second case study shows a social network with more willingness to cooperate and a more diffused sense of membership and community. The territory of the rural district is very complex and necessitates a very integrated and coordinated vision on the future socio-economic development. The extraordinary number of public and private stakeholders that have freely participated in the project showed the eventual feasibility of the rural district.

Nevertheless the rural district didn't pass the law statement owing to the lack of political-institutional stability. In the both cases, the lack of feasible communications and micro-linkages between private and public actors are the base of a weak governance. The 'territorial logic' and the 'administrative logic' of procedures didn't match at all, facing big dis-tuning and dis-timing and,

therefore, impeding to goal the proposed collective objective. Today local policymakers have to make choices in a very complex environment, within a system of multidimensional values that include not only economic goals, but also political ambitions, social, ethical, religious, communication and other objectives: This complexity requires instruments able to manage—and ensure the effectiveness of policies—over long periods complex processes that include a varied number of stakeholders (multi-stakeholder) often counter parting the public choice.

In the both cases, the lack of feasible communications and micro-linkages between private and public actors are the base of a weak governance. Results of the case studies are useful for policy-makers as well as for farmers, and their political representatives in boards of policy-making, for future better arrangement of social relationships oriented at enhancing the level of social benefits. The more diffused and continual use of the SA, within the framework of a well defined network of local interests, embodied by the actual SN, will help the policy-makers so that the implementation of CAP and RDP should switch from the high declarations of common intents to the factual.

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