Relationship between territory, enterprises, employment and professional skills in the typical products sector : an analysis in the Umbrian territory

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Abstract

This paper addresses the subject of the development of typical products of Umbria, a small region in central Italy. While not boasting the production of typical products of great national or international renown, it can count on a wide range of local products of extreme interest.
This paper begins with a survey of the products that are typical, or that have qualities which can render them typical, and which were identified in a study carried out in the Umbrian territory. This will be followed by a socio-economic analysis, conducted on a sampling of enterprises which produce typical products, aimed at verifying potential for growth in this sector, the level of training acquired in this sector, as well as the degree of training required. After that, we examine the Regional policy enacted regarding those products, as well as the initiatives of greatest interest undertaken on a sub-territorial level with the Leader II Projects. In the final part of this study, a number of thoughts on the relationship between territory, enterprise and human resources will be formulated, while a number of synthesising considerations will conclude the present study.

Keywords : typical products, enterprises, human resources

INTRODUCTION

Umbria, a small, hilly region in central Italy, having a surface area of 8,456 square kilometres and a population of a little over 811,000, is busy launching economic development and employment programs, while safeguarding and strengthening the assets of the territory in which it operates.

The model of development in Umbria is generally defined as "bipolar". One "pole" is formed by the industrial components, which in recent years has been primarily characterised by the presence of small and medium-sized enterprises. The other "pole" is that which derives from the growing integration of the sectors of tourism, agriculture and the environment. It is precisely in this second pole that the entire Regional economy can find its own distinctive qualification, on a strictly productive level as well as on an occupational one.

The Regional territory of Umbria can be defined as rural because the following four basic components co-exist (Jacoponi, 1992) :

1) Demographic characteristics different from urban ones[1].
2) A natural environment not menaced by residential centres and/or by economic activities.
3) Agricultural activity which is significant and not marginal.
4) The widespread presence of small and medium-sized enterprises which are operative in other economic sectors.

Wide "production districts" are present in Umbria. These are of a mixed type in which activities in the fields of tourism, craftsmanship and agriculture coexist ; all of them are searching for new types of products as well as for an economic position that can establish a realisable alternative to the one which now exists.

The exploitation of local products is one of the foremost objectives of the agricultural policy of the Region, which is aiming its particular attention at the essential factors necessary for the development of those enterprises that operate in the field of typical products, while strengthening the synergies between the territory and the enterprises themselves. At the same time, the Region is trying to make use of the local human resources, which, in some cases, run the risk of "not up-dating themselves" if they are not adequately supported and remunerated.

But successfully accomplishing a policy of development or the local agricultural products is not simple to realise in Umbria, since the components to be identified are many, beginning with the classification of what is typical and what is not. Moreover, the economic dimension of the problem, the entrepreneurial situation (generally quite varied) which exists at any given time, the level of training required, and the consumer model which proves most contextual to the development of the products and to the initiatives of marketing must all be considered.

In this paper, without any pretension of giving complete answers to the numerous questions which characterise this sector in Umbria, we shall try to point out and analyse a number of the components indicated also with respect to some of the prior studies carried out on this subject.

1. THE AGRO-FOOD PRODUCTS TYPICAL OF UMBRIA

Within any fixed territorial limits, we can define as "typical" those agricultural food products which more than others will prove connected to the economic-production fabric of the local agro-industry, but also to the relative socio-cultural context, in such a way as to contribute to the definition of the profile and the image of the territory itself in that the products are an expression, not only of the traditions that belong to the food and agricultural fields, but are also part of the entire heritage formed by the history, the culture and the traditions of the delimited area.

Through an analysis of the literature existing on the subject (Insor, 1998, 1991, 1995) and as a result of the studies carried out (ADAPT, 1998), it has been possible to compile two lists of "typical" Umbrian products.

The first list (Table 1) includes those products with the greatest distribution and which are part of the system of protection controlled by EU regulations (EU Reg. 2081/92, Protection of the geographic indications and of the origin label of agro-food products ; EU Reg. 2082/92 Declaration of the specificness of agro-food products ; Law 164 of 10 February 1992) and/or have received an official recognition by the Ministry for Agricultural Policy.

The factors that determine the typicality of these products take the following fields into consideration : *historical memory* (the product is associated with the history and with the traditions of the place of production), the *geographic localisation* (influence of the pedoclimatic environment), *quality of the raw materials* and *techniques of preparation*.
In the second list (Table 2) a whole series of minor products can be found which belong to the productive and gastronomic traditions of Umbria and which, to this date, have not obtained any official recognition (source : the study conducted by the economic initiatives group ADAPT).

In this case, the factors which define the typical aspects of these products refer more to the *characteristics of the raw materials*, to the *techniques of preparation* and to the *traditional recipe.*

Table 1 : Typical products of greatest distribution

Wines	Colli Altotiberini (DOC), Colli Perugini (DOC), Montefalco (DOC), Montefalco Sagrantino (DOCg), Colli del Trasimeno (DOC), Orvieto (DOC), Torgiano (DOC), Torgiano riserva (DOCG), Colli Amerini (DOC), Colli Martani (DOC) ; the typical geographic indications recognised for the Region of Umbria are : Allerona, Assisi ; Bettona, Cannara, Lago di Corbara, Narni, Spello, Umbria (on the whole)
Dried ham, salami and products di norcineria	Prosciutto of Norcia (PGI), Salami of Norcia, Porchetta of Bastia Umbra-Bettona, Capocolli, Mazzafegati, Deer-meat Prosciutto from Norcia, Umbrian mortadella
Meats	White veal of the Apennines (PGI)
Types of cheese and dairy products	Pecorino (sheep milk cheese) of Norcia, salted Ricotta of Norcia, Umbrian Pecorino, truffled Caciotta from the district of Gubbio and Gualdo
Olive oil	Extra virgin of Umbria (PDO)
Truffles and derived products (sauces and so forth)	
Lentils	From Castelluccio of Norcia (PGI), from Colfiorito, etc
Vegetables	Red potatoes of Colfiorito

Table 2 : Minor typical products

Typology	Product	Characteristics of the raw materials	Local techniques of production	Traditional recipes
Baked products	Ciaramicola, Pane di Strettura, Pinolate, Rocciata, Torcolo di San Costanzo, Torta al formaggio o di Pasqua, Torta al testo	X	X	X
Gastronomic products	Patè vari e salse, alcolici tradizionali	X	X	X
Products of the land	Broccoletti e fagiolina del Lago	X	X	X
Baked products	Fave dei morti	X	X	
Gastronomic products	Pasta di olive	X	X	
Salami, packed salt pork	Budellacci, Ciauscolo, Coglioni di mulo, Coppa di testa, Corallina, Guanciale o barbozzo, Insaccati di cinghiale, Prosciutto nostrano, Robba cotta, Salume umbro, Salsicce, Sanguinaccio, Spalla, Ventresca	X	X	
Baked products	Filone perugino, Frappe, Frittelle di San Giuseppe, Pan caciato, Pn mostato, Pani rituali, Pinoccate, Schiacciata con cipolla, Stinchetti, Strufoli, Torciglione		X	X
Products of the land	Ceci e cicerchie, Cipolla di Cannara, Farro, Miele, Sedano nero di Trevi, Spremuta di girasole	X		

Source : Adapt Research

The Region of Umbria as a whole, therefore, possesses a conspicuous basket of typical-traditional products, and although it is considered first of all as a land of olive oil and secondly as a land of wine, it shows some noteworthy potential for development in the meat and cold cuts sector as well as in the products of the land (lentils, potatoes, etc.).

It has been estimated that the typical Italian products represent 8% of the gross national agricultural production. According to these estimates the value of the typical products of Umbria could be quoted at about 40 million Euro as a base value of which 38% could come from extra virgin olive oil (50% of the total gross olive oil production), 30% from quality wines (25% of the total gross wine production), 12% from cheese, 11% from bovine meat (10% of the total gross bovine meat production), 7% from packed meat and 1% from lentils.

1.1. The wines

The production of DOC and DOCG origin labelled wines makes up only a small part of the Regional wine sector which includes about 5,570 hectares (amount for the year 1996) and 25% of the total Regional production.

In Umbria, the wine sector with 45.5 million Euro of Production (average 1995-1997) represents 9% of the total amount ; therefore, we can estimate that the production of quality wines is stable at around the base value of 11.5 million Euro of gross production, which reaches at least three times as much, on the market. We therefore arrive at an estimated market value of the quality wines of about 35 million Euro. Obviously such estimates are wholly indicative and are useful only in giving an idea of the economic dimension of the product under examination, and of why, for some quality products, commercial and organisational initiatives are indicated, while for others, these same ventures do not take place or, at best, find it difficult even to start.

The Umbrian area most inclined to a production of quality wines is that of Orvieto. This area alone produces around 65% of the quality wines of the Region ; *Orvieto*, recognised with D.P.R. 7/8/1971, for years has maintained a high quality standard and therefore has all the rights to be considered the standard-bearer of the Umbrian wine tradition, *Torgiano* "red and white wines can be considered by the same standards, but with clearly inferior traditions". These are the wines with the oldest registration in the DOC origin labelled category, going back to 20 March 1968 ; the production of these wines is stable at around 16,000 hectolitres a year, with an incidence of 7% on the quality wines of the Region.

The liveliness of this sector in Umbria is proved by the recognition which other wines have had between 1979 and 1989, such as *Colli Altotiberini, Colli Martani, Colli Perugini, Colli del Trasimeno, Rosso di Montefalco, Sagrantino di Montefalco* and *Colli Amerini*.

The structural changes of the Umbrian grape cultivation for the most part are linked to the EU policies, which, on the one hand have encouraged the uprooting of vines (EU Reg. 822/87 and 1442/88) and on the other, have favoured the restructuring of vineyards (DOCUP Objective 5b, 1994-1999, Region of Umbria, Measure 2.1).

1.2. Extra-virgin olive oil

Among the products of greatest prestige, the production of extra virgin olive oil undoubtedly constitutes the feather in the Region's cap. In fact, it has always been recognised as having a very high quality ; it succeeds in obtaining prices which are clearly much higher with respect to other Italian extra virgin oils and can be compared only to the extra virgin olive oils from Tuscany and from small areas in Liguria and Lake Garda.

The Umbrian olive production sector proves to be rather broken up ; in fact, it is marked by the presence of 30,000 olive oil producers, about 270 oil mills and 20 bottling centres among which are to be found a few brands which are leaders on a national level.

The production of extra virgin olive oil, throughout Italy, is more or less 7,200 tons per year ; it is estimated that about 50% is set aside for home use, 30% is sold near the place of production and only 20% or about 1,500 tons, are put on the market. The truth of the matter is, however, that the oil sold and passed off as extra-virgin oil produced in Umbria proves to be about 10,000 tons.

In Umbria, the olive oil production sector amounts 30.5 million Euro of gross production (average from 1995 to 1997) representing about 6% of the total ; it can be more or less estimated, therefore, that the production of extra virgin olive oil destined for the market is steady around the base value of 6.5 million Euro of gross production and it can be assumed that, put on the quality market, its value doubles in. We can therefore arrive at a market value estimate of the extra-virgin olive oil put on the quality market of about 13-14 million Euro (1.5 million litres at 8.5-9 Euro per litre).

In order to evaluate an already very esteemed product of quality and with the goals of protecting the income of the producers and of safeguarding the consumers against adulteration and alterations with oils coming from outside the Region or from abroad, in 1993 the procedure to request recognition of the protected origin of denomination[2] (PDO) was set in motion. This recognition was granted in 1997. Only recently was the Protective Association established which should guarantee a greater effectiveness in this process. In the first year of certification of the product, 170,000 litres were put through controls. That amount is equal to 11% of the estimated quantity intended for the quality market ; this is a fact that points out the long road that must be followed in order to exploit the entire Regional production to which the PDO applies.

1.3. The products with Protected Geographic Indication (PGI)

There are three Umbrian products which to this date have obtained the PGI recognition : the dried ham (*prosciutto*) from Norcia (PGI since 1997), the lentils from Castelluccio of Norcia (PGI since 1997) and the Apennine white veal (PGI since 1998). These products come from two mountainous areas of the Apennines which are very proud of their particular and numerous historic-cultural traditions.

The lentils from Castelluccio of Norcia represent an excellent example of the conservation of a local germoplasm thanks to the collaboration among the various institutional entities that have carried out agronomic and morphological characterisation of these ancient varieties.

The production of these lentils comes to about 100 tons (50% of the total Regional production) equal to an estimated value of 500 thousand Euro. The united effort within the Umbrian territory of infrastructures for concentrating the offer, for processing and for marketing the lentils made it possible to certify 100 tons of product, the first year following the EU recognition ; this represents the entire PGI production.

The area of Norcia is noted above all for its ancient knowledge in the art of processing pork and has the merit of having brought to the attention and, therefore, to the appreciation of a vast public, its mountain dried ham (*prosciutto*), today widely present in the large-scale retail trade[3].

The rich local agro-food panorama also boasts the presence of two types of cheese of great interest which could very soon be subject to EU recognition : the sheep milk cheese (*pecorino*) from Norcia in its two forms : "of the shepherd" (600 tons equal to a value of about 3.5 million Euro) and "of the dairy" (200 tons for a value of about 1 million Euro) ; the salt ricotta from Norcia[4] (50 tons which can be valued at about 350 thousand Euro).

The substantial agro-food quality production has allowed a significant increase in the commercial activities and in the growth of the small entrepreneurial class, destined to grow stronger thanks to inclusion of the Norcian territory in the Natural Park of the Sibillini Mountain which has stimulated a continuous expansion of tourism in the area.

Only a small part of the production of bovine meat, which on the whole is estimated at around 43.5 million Euro (average from 1995 to 1997, about 8% of the Regional average), is produced by the raising of native white veal bred with traditional techniques. The continuous efforts to exploit this production has led the producers in the section to request EU recognition. This venture involves beef-farms situated in a vast inter-Regional area. The area of Umbria particularly concerned is that around Gubbio and Gualdo where numerous farms dedicated to traditional cattle raising still remain.

2. THE ENTERPRISES OF THE SECTOR

The sector of the typical agro-food products is a little known entrepreneurial reality : the studies carried out so far have been directed completely to the study of the products and of their characteristics, while the analysis of the producing enterprises and of their organisational and occupational structures has been neglected.

The statistical surveys of the production and entrepreneurial activities do not furnish any more information on the subject, because they incorporate that sector in the larger one of agriculture and/or of the food industry. It is therefore difficult to separate it and study it as a distinct economical reality. The lack of systematic statistical references in the field of typical products can, in any case, be traced back to the great heterogeneity of the field. Those which can be included are : animal production farms, co-operatives and producer associations, agro-food industries of various types and of various company titles, agro-touristic structures, etc., without forgetting, however, that the enterprises themselves can have diversified productions, which is not limited exclusively to typical products. Referring to the official sources of information of the Region of Umbria relative to all the Umbrian agro-industrial enterprises[5], which are around 1,000 units and reach a total sales proceeds of a little over 570 million Euro (for 1995), we have chosen all the enterprises that belong to six food sectors within which the recognised typical products such as wine, olive oil, cheese and dairy foods, dried ham and products from Norcia, truffles and lentils can be found.

Altogether, there were 268 enterprises (27% of the total) of which 67% have under 5 workers and 33% have more than 5 workers (Table 3). As regards the stratification per product, the most representative class was found to be the one involved in the production of olive oil[6] ; this was followed by the production of wine, of Norcian products and of cheese and dairy products, of truffles, mushrooms and typical sauces and finally, of lentil producers[7].

Table 3 : Number of workers in Enterprises concerned with typical agro-food products in Umbria.

Productive/Product sector	Enterprises per number of workers								
	< 5	6 - 10	11 - 20	21 - 30	31 - 40	41 - 50	51 - 100	> 100	Total
Cheese and dairy products	17	5	5	-	2	-	-	1	30
Salami, Norcian products	23	6	9	1	2	1	1	-	43
Olive oil	94	11	2	1	3	3	3	-	117
Wine and liqueurs	36	12	5	1	2	-	-	-	56
Truffles, mushrooms and various sauces	6	6	2	2	3	-	-	-	19
Lentils	3	-	-	-	-	-	-	-	3
Total	179	40	23	5	12	4	4	1	268

Source : Sviluppumbria, Aziende manifatturiere e di servizi in Umbria; Pagine Gialle On Line

2.1. The results of an actual study

In order to be able to obtain an overall view relative to the enterprises involved in the production of typical products we refer to the data obtained from an actual survey, through interviews conducted using suitable questionnaires and, carried out on a sampling of 30 enterprises, equal to about 11% of the total. The methodology used derives from the integration of the quantitative approach with the qualitative one, using structural techniques. For the sampling research, we used the qualitative method called Delphi.

The following aspects in particular were analysed : organisational characteristics ; occupation and professional resources ; innovation and technologies ; labour demand and training requirements.

The present research, even though it suffers from the difficulties encountered in the selection of a truly representative sampling, has allowed us to furnish an initial description of the structures and of the characteristics of the enterprises which operate in the typical products sector.

The typical products sector is by nature very "heterogeneous" in that it concerns enterprises that often operate in different merchandising sections (wine, olive oil, lentils, truffles, gastronomy, dried ham and Norcian products, cheese and dairy foods) and which have a variable quota of production of typical products with respect to the total sales turnover.

The enterprises examined thus present many-sided characteristics with respect to different parameters :

- By level of sales volume (from 50 thousand Euro to over 2.5 million Euro[8]) ; in particular the enterprises producing wine and those producing gastronomic products record the highest sales turnover (all of them above 500 thousand Euro) ; these are followed by the farms that produce cheese and dairy products (67% with sales volume above 516 thousand Euro and 33% with sales turnover between 50 and 250 thousand Euro) ; the enterprises concerning dried ham and Norcian products (75% with sales turnover more than 500 thousand Euro and 25% with sales volume from between 50 and 250 thousand Euro) ; the enterprises which produce truffles (33% with sales volume above 500 thousand Euro and 67% with sales turnover between 50 and 250 thousand Euro) ; finally, the oil enterprises and those producing lentils all have a sales volume under 250 thousand Euro.

- By the number of workers employed (from 1 to over 40 workers[9]) ; in particular the analysis of the level of occupation demonstrated the liveliness and the potential for growth in a sector in continual expansion, in fact : 33% of the enterprises have increased the level of occupation in the last three years ; 60% foresee an increase of employees within the next three years ; 84% of the present workers are under 40 years of age, a percentage which indicated a tendency for growth. From an examination of the occupational trend for each section we can find a positive dynamic for the wine, the dried ham and lentils sectors, while the trend in the dairy foods sector is substantially stable. Such a situation does not fully reflect the present economic situation of the various areas, proving the fact that the typical products are characterised by particular specific market results and are divergent with respect to the traditional products. The occupational trend per level of sales volume does not show any significant correlations : there are records of alternate trends for both the small and the medium-sized enterprises.

- By the market to be reached, almost all of the enterprises (97%) were found to be operative in the local markets ; about half of them also spread out to the national level, with 40% of the enterprises going so far as to place their products on the European market and 20% going even beyond the European markets. If, however, we also consider the distribution percentage of the production share, we find that the relative figure seems much less flattering for the firms interviewed : those able to operate in foreign markets do so with modest - if not with very modest - quantities, most of the production is at the present time absorbed by the national market and above all by the local one ; the local market is, at times, concentrated in districts even more restricted than the Regional boundaries. The few number of enterprises outside their own local limits can be attributed, for the most part to the characteristics of their products. These are traditional and well-known in their traditional or local areas of production, and have a demand which tends to be concentrated in that particular place ; while the small economic dimensions do not seem to exercise any limits to the activation of valid market policies suitable to increasing the presence and the diffusion of their products on the national and/or the international markets when the products turn out to be well differentiated as in the case of lentils and truffles.

In relation to the indications furnished by the sampling under consideration, in fact, lentils and truffles appear to be the products with the greatest degree of diversification with respect to being placed on the markets by the enterprises themselves, while dried ham and dairy products have a distribution much more bound to the territory, with olive oil and wine in an intermediate position.

Our analysis has also pointed out a number of elements that associate the firms even beyond the product treated. The most relevant of these elements are :

- The necessity of innovation ; 60% of the firms considered innovations within the productive sector as indispensable and/or necessary, and 37% in the sector of marketing of the products. Minor importance was attributed to the introduction of innovations in the field of planning and even less in those of providing raw materials and of finance.

- Means of updating ; a little over one-third of the enterprises considered had not carried out any activity of updating, in recent times, and did not foresee carrying out any at all. The rest of the enterprises considered satisfied their demands for updating for the most part as a consequence of the purchase and/or of the modernising of their machinery.

- Tendency towards investment ; there was a medium-high tendency towards investment in 75% of the firms interviewed. These generally resort to self-financing and only in 23% of the cases did they resort to medium-long term loans.

- Adoption of innovative processes ; the major part of the enterprises expressed having some difficulty in adopting innovative processes ascribable primarily : to problems connected with the quality of production and to their certification ; to the low possibility of finding highly specialised personnel ; to the retraining personnel after adopting the innovations ; to the high costs relative to the realisation and launching of the innovated products.

It does not appear arbitrary to state that a good part of the obstacles and of the difficulties just listed often go back to the low techno-economic dimensions of the enterprises considered. These firms do not lend themselves easily to absorbing, in a "painless way", the burdens, financial above all, which derive from preparing and putting into practice the innovating projects and/or renovations ; it is also significant to note that there is a lack of professionalism, know-how or the ability to conceive and to plan new projects, all of which the enterprises, always due to their not very lofty size, not only are unable to have within their own confines but often also find it hard to obtain even from outside their range of action.

- Future prospects and objectives ; the enterprises interviewed are all looking forward to consolidating and improving their market positions through the improvement of the quality of their products, through increasing production and through the use of a network of commercial agents.

A further aspect which distinguishes, in an unequivocable way, the entire panel of enterprises considered is goes back to the sphere of entrepreneurial management, characterised by what we might define as a particular capacity for self-determination, due to the fact that every entrepreneur trained him or herself and still continues to store from the viewpoint of the "self-made man". He carries out his own choices, picking out from his park of knowledge which is above all the result of his own practical experience, of his own individual capacity for learning, of a personal professional intuition and of a series of notions closely connected to that of "tradition" which distinguishes the products and which are transmitted with it.

This fundamental way of thinking, based therefore more on empiricism than on a solid managerial background, has not represented, up to now, an absolute limitation as to the beginning of activities of these enterprises and not even as to their success. However, we must retain that it might prove potentially penalising for a subsequent phase of growth and expansion and/or for their consolidation on the market.

It is precisely on the commercial level, in fact, that most of the enterprises reveal the greatest shortcomings ; this is a sphere considered by everyone to be of strategic importance but, at the same time, the need is greatly felt to improve its performance, above all with respect to the creation of new market outlets, to the search for innovative forms of commercialisation, to the diversification of the commercial channels, etc.

The entrepreneurial aspect will therefore have to be ready and receptive, able to wager on young people and to know how to seize, in the best way possible, the commercial opportunities offered by the local products ; passing both through the standardisation of the traditional products as well as through the improvement of each enterprise's capacity to operate on the market.

It will, after all, be important to give absolute priority to an increasing the cultural level ; to improving the entrepreneurial training, in order to render the management able to capitalise the margins of profit offered by the sector, while guaranteeing adequate returns in terms of occupation.

Another aspect which it seems indispensable to aim at will be that of making use of the local human resources. This aspect must be intended, above all, as a precise will and capacity to exploit the professionalism connected with traditional productions, which, in some cases, even run the risk of disappearing if they are not justly remunerated.

This research has brought attention to the fact that the professionalism of the people employed does not require formative courses which are set up in advance, in that the training and the innovation are prevalently carried out within the walls of the enterprise itself. The work offer is addressed, in a preferential way, to subjects endowed with such qualifications as versatility of employment in the various duties involved, motivation in their work, and openness to a flexibility in work hours, all factors which can become of primary importance above all in small sized enterprises.

Even for these reasons, the selection of personnel in most cases is based on direct acquaintance of the worker assumed or else comes about through his or her being mentioned by trusted persons : personal relationship is considered able to furnish greater guarantees regarding the conformity to the required qualifications than any other method of selecting personnel.

The fields in which the demand for professional persons is most noticeable are connected with the functional sector of production and of commercialisation. In the sector of production, both skilled and unskilled workers are needed (cheese technicians, confectioners, machinery servicing workers, etc) while in the sector of commercialisation, two professional figures are very much requested : commercial agents (both inside and outside the enterprise) and clerks (for the direct sale of products).

As regards training requirements, our study showed how training is much more requested and appreciated if it is carried out in the enterprise itself, above all because in that way it becomes possible to meet the specific needs of the enterprise itself. These necessities, often with difficulty, are able to be standardised.

3. THE REGIONAL POLICY AND CURRENT INITIATIVES

The measures concerned with exploiting and promoting typical Umbrian products both on national and foreign markets make up a recurring element in the interventions of Regional agricultural policy, beginning with the Integrated Mediterranean Programmes - IMP (1988 - 1995) and going up to the present Rural Development policies, with the objective, in particular, of promoting the image of the entire Region as a territory of high quality agro-food and agro-touristic sectors.

The trend of the Regional agricultural policy with respect to typical products has obviously followed the one approved on the EU level. The exploiting of typical products, with the establishment of the IMP, fell within the model of integrated development of the territory, and was an expression of the close union between the topics of agriculture, of the territory and of the environment. Subsequent to the coming into force of the system of protection, regulated by the EU 2081/92 and 2082/92 Regulations, the policy for typical products has in fact become a part of the quality policy. In this context, some of the principal typical products of the Region (oil, lentils, dried ham or prosciutto, white veal of the Apennines), have found a niche for their recognition, while other products of ancient tradition run the risk of becoming "outlaws" in that they cannot have access to this system of protection.

In order to avoid a dispersion of the Italian gastronomic heritage, the decree 173/98 was passed. It the Ministry of Agricultural Policies together with the Ministry of Industry, which delegates the Regions, asked the Regions to prepare a list of typical and traditional products whose raw materials have territorial origins. The Region of Umbria, therefore, is at present committed to preparing a list of its particular traditional agricultural products whose methods of processing, preservation and seasoning have been established over a long period of time ; products for which derogations to the hygienic-sanitary norms now in force will be granted, and for which the Region is directly called to control and to assure satisfactory hygienic levels.

That decree, in some way, shifts the attention of the Regional operators from the system of protection of typical products disciplined by the regulations of 1992 to a self-management system of typical-traditional products.

3.1. Typical products and the Integrated Mediterranean Programmes - IMP

An aspect of the Umbrian IMP was entirely dedicated to the promotion of typical products singled-out from among the total products of Umbria. These were : extra-virgin olive oil, wine and some other minor products such as truffles, lentils and potatoes. The interventions foreseen, for an overall financing of 22,705 million Euro (1988-1994), of which 11.5% were of private participation, included the carrying out of informational and publicity operations (8 publications, 5 films, 91 publicity editorials, and 1 promotional project were created) ; contributions for performances which took place in the Regional territory (30 initiatives carried out) ; participation in performances in Italy and abroad (11 initiatives carried out) ; spreading of the CO.RE.OL trademark (Regional Association for Olive Oil).

The action of greatest practical impact, that is, spreading of the CO.RE.OL trademark, was a failure ascribable to excessive fragmentation of the productive sector, both because it was mostly diffident about the initiative, and because of the difficulties met by the Consortium in acquiring market space, also as a result of the fact that the product was little known outside the

Regional boundaries. The problems of spreading of the CO.RE.OL trademark influenced obtaining the present PDO, somehow putting it into operation.

The experience gained in the field of the IMP has brought out the necessity of inserting the promotional programmes in an integrated overall strategy of all the promotional activities which take place in the Region. In Umbria, more than in other Regions, considering the size of the territory and the fragmentation of the supply, it is necessary to plan promotional activities which are inter-sectorial in such a way as to put them into only one "parcel" which includes both agricultural products and the crafts, artistic and cultural attractions.

3.2. The Document of Programming (DOCUP 1994-1999) and the typical products

In the One Document of Programming (Objective 5b) the initiatives in favour of producing the typical products of the Region are contained in the sub-programme of the "policies of quality" and in the one regarding "agricultural qualifications and innovations".

In the field of quality policies, two paths have been traced :

- Improvement and qualification of the products and of the processes of production.
- Market research product promotion.

With the first path the structures of analysis, control and certification of the products have been created ; manuals regarding the product (for extra-virgin olive oil, cereals, tobacco, vegetables, bovine meat) have been prepared as well as the technical regulations for the control and the visibility of the rules regarding production. The analysis laboratory, established at the *Parco Tecnologico Agroalimentare,* a structure founded together with the IMP and delegated to having the principal role in the Regional agro-food quality policies, has been accredited by the National System for the Qualification of Test Laboratories as provided for by the system of protection regulated by EU Regulations 2081/92 and 2082/92.

Certification began in 1998 for extra-virgin olive oil (PDO) and for lentils (PGI), then, in 1999, for the white veal of the Apennines (PGI) and for the ham of Norcia (PGI). The overall cost of the operation amounted to about 1.05 millions Euro.

With the second path joint projects have been set up, that are co-ordinated by the Agro-food Centre of Foligno, a Regional structure created precisely to promote the image of Umbria. These projects have included the participation of the enterprises in fairs, both national and international, and their presence at local happenings inserted in the Regional programme of fairs and exhibits. The promotional activity amounted to 2.95 million Euro.

In the field of the policy which refers to agricultural qualification and innovation, those interventions which surely stand out are those in favour of the "major" typical productions, such as the renewal of vineyards in the DOC area (78% of the total expense) and of the olive groves (5% of the total expense). It must be emphasised that even programmes in favour of structures for the processing of minor products, were foreseen. These, however, do not yet appear to be active, thus demonstrating the structural difficulties that distinguish the "minor" typical products.

3.3. Typical products and the experience of the Leader II Programmes

The Leader II Programme (1994-1999), set up for the development of rural areas, is co-ordinated on the priority axes pointed out by the Plan for the development of rural areas. It is an instrument that is a multiplier of the impact of the predicted actions, and operates in close union with and complementary to the measure provided by the Docup Objective 5b, while characterising itself for its bottom-up approach to defining the initiatives of the local operators.

The rural animation, directed towards the management in common of the territory and of its resources, constitutes the common-type character of all the actions proposed ; these, moreover, present, even though to a different degree, the requirement of the ability to transfer to other contexts and to demonstrate the system of management activated for their being put into effect.

The Groups for Local Action[10] (GAL) all together foresee programmes for an overall value of 16.85 million Euro of which 9.7 million is of public contribution ; on the average, every PAL (Plan of Local Action) is divided into 25 and up to 30 typologies of intervention for an overall number of 174 actions. *The Tourism in rural areas* *sector* is the most remarkable one, both in terms of total cost and in the number of interventions. The *sector of Technical Assistance* absorbs about 20% of the funds and of the overall number of interventions. The sectors which follow these, in order of importance, are : *Protection of the Environment, Exploitation of Agricultural Products, Small and Medium-sized Enterprises* and *Area Services, Professional Training.*

Treasuring the experience gained with the IMP's, the GAL's are working on the specification and creation of new forms of promotion and exploitation of typical agro-food products, and on the establishment of a "binomial" between these and the traditional resources of the area and tourism.

Among the initiatives being studied, three are attempting to obtain the realisation of a trademark. The first regards the "Gubbian-Gualdese GAL" which, in order to exploit the local quality meats, intends to obtain a *private, collective commercial trademark ;* the second, "Trasimene-Orvietan GAL", would like to obtain an "umbrella-type" trademark to exploit a *"basket of local typical products" ;* the third, "Umbrian Valley GAL", is preparing a *territorial or area trademark* aimed at promoting the territory on the whole.

The action being carried out in the Gubbian-Gualdese mountain territory is substantially aimed at grouping the producers of the local meat through the use of a private, collective trademark. The promoter of this initiative is the Meat Association *(Assocarni),* an association made up of the producers of bovine meat and the Union of "producers of quality meat" formed 4 years ago thanks to the commitment of the Mountain Community of Gubbio. The Consortium hopes to become the holder of a private-collective trademark which will be used to identify the origin of the cattle, using as a warranty of their quality, either a trademark already recognised by the Ministry, that is, the Trademark 5ERRE, and/or the protection trademark PGI, recognised for the white veal of the Apennines.
This idea of a linked use of different types of trademarks could be an answer to the problems of compatibility with the rules regarding competition.

The "Trasimene-Orvietan GAL", basing itself on the concept of the *"basket of local typical products"* is evaluating the possibility of accomplishing, in accord with the Region of Umbria, a sub-provincial *"umbrella-type trademark".* The studies conducted on an exploratory level have revealed two orders of difficulty : one linked to the identification itself of the basket of local typical products ; the other revolving around legal problems.

The research carried out to evaluate the presence and economic importance of a basket of typical products in the area has thrown light on the existence of : major products defined as "superior typical products", such as extra-virgin olive oil for which a sales volume of 2.85 million Euro has been estimated, and the wines, subdivided into the denomination of origin labelled (DOC) product (22 million Euro), the common product (8 million Euro), the IGT product (2.4 million Euro), the typical product called Game wine (65 thousand Euro). Then there are the typical products of the land, such as string beans and small broccoli, worthy of being preserved, but which are economically irrelevant to the economy of the area (an estimated sales volume of 200 thousand and 20 thousand Euro respectively). The complementary products which play a fundamental role in maintaining an artisan-type knowledge (prepared meats, cheeses, baked products), can be classified more as traditional products than as typical ones.

The results have demonstrated that, excluding the wine and the oil, typical products able to give life to a "basket" of these products does not exist either in terms of quantity or in relation to the uniqueness of the products themselves.

The legal motivations are consequent to the coming into force of the system of the protection regulated by EU Reg. 2081/92 and 2082/92 Regulations, in that the European Commission intends to put an infringement on those Regional trademarks which, besides identifying the products' origin also identify one of its particular qualities.

The "Umbrian Valley GAL", instead, is putting the finishing touches on a trademark which is *territorial or of the area,* the finality of which is to promote the territory in its entirety. The territorial trademark "Valle Umbra" has already been registered at the Office for the Harmonising of the Internal Market of the European Community. At present, the general rules of operation of the trademark and the specific rules for each single product involved, are being studied. Those responsible for the project intend to grant the use of the trademark to the producers whose activity constitutes an attraction to the territory, ranging from the agro-food products (oil, wine, cereals, legumes, meats) to products of craftsmanship (wood, wrought iron), to rural tourism. The basic requirement will be that of a connection with the territory, while the intrinsic quality of the product will be guaranteed by its belonging to one of the systems of protection already in force (PDO, PGI).

This initiative is based on the French experiment of the *Pays Cathares* in the *Pyrénées*. Their area trademark was put into effect 10 years ago through the initiative of the Province itself, and provides for the establishment of a european network whose purpose is the joint promotion among the territories which have given life to the area trademark.

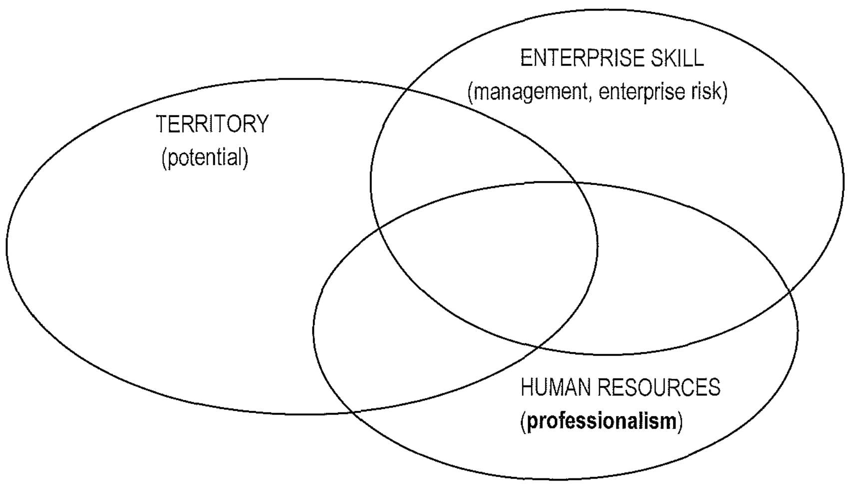
4. TERRITORY, ENTERPRISE, AND HUMAN RESOURCES

The research carried out on the agro-food farms involved in the production of typical Regional products has emphasised, and in some ways even confirmed, the fact that the essential factors which assure the success of the enterprises considered goes back to the entrepreneurial aspect, to the exploitation of human resources, and to the dependence on the peculiarities of the territory (Figure 1).

The Umbrian territory expresses noteworthy potential for the development of typical products and of products having characteristics, which can render them typical. This, however, can come about only on two conditions :

- By means of making good use of the human resources, that is, the skilled workers who produce these typical products (local human resources which are partially disappearing ; for example, the dairy technicians and those of the Norcian packed pork production).
- By means of the professional **training** of the entrepreneurial resources in order to expand the market of the local typical products and create different occasions for its purchase, both inside and outside the territory of production.

Figure 1 : Relation between territory, human resources and enterprise



If the potential of the typical products and the professionalism are both endogenous to the territory, the entrepreneurial skills in many cases are exogenous to the territory and can be motivated through professional training and job creation.

The research carried out has suggested the finding of a type of analysis having a "typological systematic nature" through the level of education-training acquired by the entrepreneur and the potential for growth expressed by the enterprise, from both the occupational and training points of view.

The *level of education-training* acquired by the entrepreneur was measured and then evaluated through the level of education reached and the number of courses followed. From a combination of the answers given, a level of education-training was singled out which, according to the cases could be defined as medium, low and high (Outline 1).

The *potential for growth* was instead measured through the occupational predictions expressed by the entrepreneurs for their enterprises and through the request for courses of training explicitly made by the entrepreneurs themselves. Even in this case, from a combination of the answers furnished, a potential for growth which, according to the cases, can be defined as medium, low and high, was singled out (Outline 2).

Outline 1 : Combination between education and professional training of the entrepreneur : level of education-training acquired

Number of courses of training followed	Level of education		
	grammar school diploma	high-school diploma	Master's degree
none	low	low	medium
at least two courses	low	medium	high
more than two courses	medium	high	high

Outline 2 : Combination between demand for professional training and occupational forecast : potential for growth

Request for training courses	occupational forecast			
	uncertainty	reduction	stability	growth
none	low	low	medium	medium
at least two courses	low	medium	high	high
more than two courses	medium	medium	high	high

At this point, having defined the level of education-training of the entrepreneur and the potential for growth of the enterprise, we singled out the possible typologies of the enterprises relative to the training involvement (inattentive, attentive, active, "fence sitter" or undecided, aware, involved, inattentive/undecided, attentive/aware, active/involved) as reported in Outline 3.

The enterprises which operate in the typical products' sector belong essentially to the typology of a low level of acquired education-training and of medium potential for growth (attentive enterprises), and to the typologies of a low-medium level of acquired education-training and a low potential for growth (inattentive and undecided). Only two enterprises of medium potential for growth also reached a medium level of education-training (aware enterprises), and among the enterprises with high potential for growth, two have a low level of education-training (active enterprises) and a medium level (involved enterprises) (Outline 3).

The medium-low level of acquired education on the part of the entrepreneur can be considered an aspect peculiar to the typical products sector, and a result of its historic-evolutive development ; more of a problem, instead, appear to be the levels indicated as to the potential for growth of the sector, which, if on the one hand shows flattering expectations for growth, on the other underlines a training involvement which is extremely contained.

These results were confirmed during the meetings held with ten preferential interlocutors operating in the compartments examined (Delphi Method). The experts consulted, in addition, emphasised the fact that in the sector we can find : a scarce knowledge of the Regional labour market ; a strong lack of trust as to the professional training at one's disposal both because of the organisation of the service and subject matter of training ; a greater propensity to employ personnel already having a good training ; the preference for resorting to the use of apprenticeship ; entrepreneurial skills strongly linked to knowledge of the markets.

Outline 3 : Typologies of the enterprises with respect to relationship enterprise/training : the training involvement

Level of education/training acquired	low	medium	high
Potential for growth			
low	UNATTENTIVE 1 milk and dairy products ; 1 lentils ; 1 truffles ; 1 various	UNDECIDED : 2 oil industry ; 2 milk and dairy products	UNATTENTIVE AND UNDECIDED
medium	ATTENTIVE : 4 salami industries ; 2 oil industry ; 2 milk and dairy products ; 1 lentils ; 1 truffles ; 2 gastronomic products ; 3 wineries ; 2 various	AWARE : 1 gastronomic products ; 1 winery	ATTENTIVE AND AWARE
high	ACTIVE : 1 milk and dairy products ; 1 various	INVOLVED : 1 truffles	ACTIVE AND INVOLVED

During a collective meeting with the male and female entrepreneurs of the sector, furthermore, the "shortcomings" of the Umbrian enterprise came to light : isolation and tendency to a lack of co-operation. Every enterprise has an original history, which is the fruit of a story, of individual aspirations, of elements of causality, of the original combination of the aspects of technology and of commercial relations. We should avoid thinking that specificness means a pulverisation and an isolation of the enterprises. Today more than ever the enterprises, and above all those that promote quality services and/or products, that work in well defined territorial context and with a high potential for development, must collaborate in the creation of systems that allow the enterprises of the Region to development successful networks.

In order that all this come about, a qualitative leap is necessary, along with the spreading of a mentality for change. Even in this task, the system of professional training is called into act : spreading the principle of co-operation among future entrepreneurs in the search for the right synergies between art, environment, culture, and the typical flavours of the territory.

SOME FINAL CONSIDERATIONS

The development of the national and international demand, ever more attentive to making use of the scenic resources, of the artistic and historical heritage, of the country traditions and of the production of quality foods, can find adequate answers in Umbria. Umbria, therefore, is called upon to show, with greater strength, the real identity of its particular sites through the identity of the people who operate in them.

Exploiting Umbria's typical products follows three necessary paths : following the rules of the European Community regarding those products having the required characteristics ; promotion of the local system of production of which the typical product is one of the components ; singling out the strategies for collective marketing which requires a greater vitality of the private component and more incisive public initiatives.

We have been able to ascertain that there are many products that have obtained the recognition of the European Community, but that the economic initiative of the subjects involved still finds it difficult to begin moving, subjects who perhaps still lack an entrepreneurial culture oriented towards change.

The production districts, through the concerted action of the GAL's, are assuming the role of a strategic resource able to revitalise the economy of the area involved, by using the right synergies which tend to exploit the environmental advantages, the natural, historical and artistic values, as well as the human resources and the entrepreneurial capacities of individuals. We hope to be able to verify very soon the effectiveness of the prearranged actions which have all the characteristics not to remain just simple declarations of intent.

The acceptance of the typical agro-food products reflected in the market response. Specific studies towards this end, relating to the index of the elasticity of the expense with respect to the income, have shown that this index is greater that one for those products (Vellante, 1998). This is the sign of a good inclination to purchase which is met with difficulty for other food products.

But in order to develop the agro-food compartment of a local system of production, the consolidation of a specific culture of collective marketing is indispensable. This culture presupposes an action of promotional communication of a collective type (carried out by the public institutions) as well as a sales action (of enterprise marketing) co-ordinated by a private entrepreneurial type structure. The action which is typical of entrepreneurial marketing could be carried out by a structure put together ad hoc, such as a local association of producers, an agency promoted by a public subject, a society of mixed capital (public and private), a consortium of enterprises, or something else. This structure should take on the task of carrying out the activity of strategic marketing (analyses of the needs and of the behaviour models of the consumers ; analyses of the segmentation of the demand ; studies on the strategic positioning of the products ; development of new products, etc.) as well as the activity of operative marketing (price policies, policies regarding products and product mix, as well as policies on communication and distribution policies) for the common benefit of a group of local producing enterprises associated with it.

The activity of collective marketing should make up for the lack of marketing that the associated enterprises show. The difficulties are essentially two. The first regards the characteristics of the behaviour of the associated enterprises : heterogeneity in the entrepreneurial formulas, in strategies, in capacities and in resources ; individualistic closure ; inclination towards opportunistic behaviour ; low commitment to **training**. The second difficulty has to do with the capacity, on the part of the structure exercising collective marketing, to welcome and to make the most of the differences between the enterprises, besides rewarding the aspects of homogeneity. In other words, the variety within the associative base is to be interpreted as opportunity (logic of minimum common multiple) and not as bond (logic of the maximum common divisor).

This is a small part of the challenge which must be faced by the Umbrian entrepreneur who shows some limits in the co-ordination of his personal powers and in showing a culture for change which exploiting of the territory requires.

NOTES

(1) Of the 92 Umbrian towns and cities, as many as 84 are defined as "very rural" and another 4 simply "rural" (Rurale 2000, 1994). Of the entire Regional population, 89% resides in these centres.

(2) The Regulations specify five sub zones for the production of the "Umbria" extra-virgin olive oil: the Fore-Apennine Hills (Colli Pre-appenninici), the Martani Hills, the Amerini Hills, the Hills around Lake Trasimeno, and the Hills of Orvieto.

(3) The controls began only a few months ago in the same way as they did for the white veal of the Central Appenines.

(4) A product which became part of the list of the thirty-eight "magnificent" typical products to be saved in derogation from the European Union's normative rules on production.

(5) The following reference sources have been used: Sviluppumbria of manufacturing and of service enterprises in Umbria with more than 5 workers ; Yellow Pages On Line ; IRRES- Umbria ; Data Bank of the Chamber of Commerce of Perugia and Terni.

(6) This category goes under the heading of "Food oils and oil mills" ; the figure reached, in view of the characteristics of the fatty substances sector of the Regional agricultural industry, is to be regarded as a good approximation or, at any rate, close to the productive reality concerned with olive oil (enterprises dealing exclusively with the production of oils different from olive oil are practically non existent in the Region).

(7) The figure relative to the lentil producers, even though reduced to its minimum terms, must not be deceiving, in that we have referred to those subjects able to operate on the market, among which the associative structures that include the greater part of the producers concerned with this product in the areas investigated of Colfiorito and Castelluccio.

(8) It must be kept in mind that some of these enterprises join the production of typical products to that of products with mass appeal, while other enterprises exclusively produce typical products.

(9) Many of the small and medium-sized enterprises are managed by the family itself.

(10) With its own deliberation number 6804 of 1 October 1996, the Regional Committee declared admissable the following 6 GAL's: Upper Tiber Valley of the Peoples ; Gubbian-Gualdese zone bordering the Perugian ; Umbrian Valley ; Trasimene-Orvietan ; Tiber Mid-Valley ; Sibilline Umbria.

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