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THE RURAL DEVELOPMENT PROGRAMS 2007-13 OF THE ITALIAN REGIONS A QUALI-QUANTITATIVE ANALYSIS

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Abstract

This paper presents a preliminary evaluation of the 21 Rural Development Programs (RDPs) of the Italian regions and Autonomous provinces. A quantitative analysis of the Italian RDPs will be carried out investigating the distribution of the European Agricultural Funds for Rural Development, considering national and regional co-financing, in order to highlight the different allocation of funds between axes and measures across the regions. To support quantitative analysis a qualitative investigation, and related methodology, will be presented and applied to three Italian regions. This combined methodology allows a gathering of different aspects of rural development policy, thus to reveal the objectives pursued by the regions often hidden “between the lines” of the RDP texts.

Key words: Rural development policy, Italian regions, Evaluation of efficiency and Effectiveness, In progress support to policy decisions

JEL Code: Q18, Q19

Introduction

After the approval of the Council Regulation 1290/05 establishing the European Agricultural Fund for Rural Development (EAFRD) and the Council Regulation 1698/2005 in support of the rural development by the EAFRD, the Commission adopted the Community Strategic Guidelines (Decision 2006/144/CE) in order to address the National Strategic Plan (NSP) and for the implementation of rural development policy. The NSP represents the framework for the Rural Development Programs (RDPs) through which the policy is to be realised. Each Member State (MS) has chosen different organisational solutions in applying for RDPs. Italy is characterised by a decentralised application of rural development policy across 19 regions (NUTS 2) and 2 autonomous provinces (NUTS3).

Even if a richer appraisal will only be possible when all the implementation steps (emission of tenders, applications, selection of beneficiaries, contracts subscriptions and their implementation, payments and final monitoring) have been carried out, an initial evaluation in comparing the contents of the RDPs could be particularly interesting. The analysis will be divided into two parts. In the first part, a quantitative analysis of the Italian RDPs will be carried out. The research will analyse, above all, the distribution of the EAFRD considering all the 21 Italian regions and autonomous provinces, and will examine the different distribution of funds between axes and measures aiming to point out the different priorities across regions and the elements of similarity at a national level. The second part aims to investigate the qualitative aspects of the RDPs. This is a more complex and delicate task, since the results are partly influenced by the subjectivity of the analyst even if it is structured in such a way as to be as objective as possible. For these reasons the analysis is particularly articulated, based on a list of key words and related to fundamental questions in which three selected RDPs of the regions Marche, Veneto and Calabria are examined. This analysis allows some fundamental aspects to be discussed which cannot be identified in the quantitative one.

The resources of the RDPs: a quantitative analysis

The approval procedures of RDPs were particularly complex and expensive in terms of time. In the meantime the NSP was under examination by the European Commission. Most of the Italian regions had already been working on their RDPs which, for example, had a different methodology as regards the classification of the sub regional area applied by each Region. This could be interpreted as a sign of inefficiency of the central administration but also induces us to think that the programming procedure set up by Brussels was too complex in contrast to the simplification policy which the Commission has sanctioned (Frascarelli, 2008). In fact, together with most of the Italian regions many other MSs, such as Denmark, Spain, Romania, and Wales, were later with the programming schedule than the Italian regions, and consequently with the implementation phase. The risk is that the delay

accumulated by the MSs could incite a rushed management of the implementation phase, in order to avoid the automatic decommitment of the unused funds (the first deadline is at the end of 2009). On the other hand some regions had a consistent overbooking from the programming period 2000-2006, thus, some of the funds spent in 2007 had been addressed to accomplish “old obligations”. So, for the entire programming period 2007-2013, 8,292 million euro are available for the Italian RD policy, of which 7,451.5 come from EAFRD, 297.6 million euro deriving from the debits of EAGGF of the period 2000-2006 (overbooking) and 501.5 million euro from the CMO tobacco reform (Reg. n864/2004).

Before going through the analysis, it is necessary to consider that a substantial difference characterises Italian regions at the level of EU support: the 4 (plus one in phasing out) regions belonging to the “convergence objective” have at their disposal a greater quota, a minimum of 3,341 million euro, than the 15 (plus one in phasing in) belonging to the “regional competitiveness and occupation objective”, as provided by regulations n. 1698/05. As a result of the decisions settled at a national level on the division of the community fund, all the five convergence regions (figure 1), such as Campania, Calabria, Sicilia, Puglia and Basilicata (in phasing-out), receive approximately an additional 800 million euro more than the minimum level established by the Commission, so the total amount for these regions represents roughly 50% of the entire Italian EAFRD support.

Fig. 1 - Italy: regions Convergence and regions Competitiveness.



Source: Inea, 2006

Subtracting 41.4 million euro assigned to the national rural network, to the EAFRD funds must be added resources which come from obligatory modulation and national and regional co-financing; with respect to the national agreement on the division of the EAFRD

funds between Italian regions. The financial distribution for rural development policy is shown in table 1.

Tab. 1 - Total Resources emerging from Italian RDPs, period 07-13.

Regions	EAFRD	Co-financing	Total	EAFRD/Total
Val d'Aosta	52	66	119	44,0%
Piemonte	395	502	897	44,0%
Lombardia	396	504	900	44,0%
Bolzano	138	175	313	44,0%
Trento	101	155	256	39,3%
Veneto	402	512	915	44,0%
Friuli V.G.	109	138	247	44,0%
Liguria	106	171	277	38,3%
Emilia Romagna	411	523	935	44,0%
Toscana	369	470	839	44,0%
Umbria	334	426	760	44,0%
Marche	202	258	460	44,0%
Lazio	288	367	655	44,0%
Abruzzo	169	215	384	44,0%
Molise	86	109	195	44,0%
Campania	1082	800	1882	57,5%
Puglia	851	629	1481	57,5%
Basilicata	373	275	648	57,5%
Calabria	623	461	1084	57,5%
Sicilia	1211	895	2106	57,5%
Sardegna	551	702	1253	44,0%
Italy	8251	8354	16604	49,7%
- Competitiveness	4110	5293	9403	43,7%
- Convergence	4141	3061	7201	57,5%
North	2109	2748	4857	43,4%
Center	1194	1520	2714	44,0%
South	4947	4086	9033	54,8%

Source: authors' own elaboration of Mipaaf data

Of the total of 16,604 million euro, 7,210 million are taken-up by convergence regions (57.5% of the EAFRD and 42.5% of the co-financing) and 9,403 million euro by “competitiveness” regions (43.7% of the EAFRD and 56.3% of the co-financing). It can be noted that mainly competitiveness regions have taken advantage of the national co-financing rather than the convergence ones, counterbalancing, partially, the distribution of the EAFRD (the five convergence regions had passed to represent 40% of the total funds instead of 50%). In some cases, the national co-financing has been further integrated by regional funds (Trento and Liguria).

A Comparison of Regions

In order to understand RD Policy better a comparison between regions will follow taking into consideration the annual average of their financial endowments (EAFRD and co-financing) and some characteristic parameters representing regional agriculture¹ (Table 2).

Tab. 2 – Intensity of RDP Spending.

Regions	RDP Annual expenditure/		RDP Annual expenditure/		RDP Annual expenditure/		RDP Annual expenditure/	
	AWU (€/AWU/year)		Value added (%)		UAA (€/ha/anni)		Firms (€/n/anni)	
	€	It=100	%	It=100	€	It=100	€	It=100
Valle d'Aosta	6521	350	42,6	557	313	173	3326	275
Piemonte	1745	94	6,6	87	119	66	1581	131
Lombardia	1160	62	3,5	45	131	72	2097	173
Bolzano	2189	117	9,8	128	161	89	2058	170
Trento	2632	141	9,7	126	244	135	1407	116
Veneto	1279	69	4,5	59	157	87	897	74
Friuli V. Giulia	1535	82	6,1	79	161	89	1396	115
Liguria	1946	104	5,8	75	785	434	1401	116
Emilia Romagna	1173	63	4,0	53	124	69	1529	127
Toscana	2228	119	8,7	113	148	82	1335	110
Umbria	6872	368	25,5	333	301	166	2497	207
Marche	2488	133	8,7	113	128	71	1182	98
Lazio	1414	76	5,7	74	129	71	717	59
Abruzzo	1725	92	6,5	84	131	73	881	73
Molise	3201	172	13,7	179	130	72	1019	84
Campania	2213	119	11,4	148	477	264	1562	129
Puglia	1417	76	7,2	94	165	91	745	62
Basilicata	4822	259	20,8	272	167	92	1243	103
Calabria	1453	78	9,5	124	284	157	950	79
Sicilia	2143	115	9,4	123	237	131	1029	85
Sardegna	3469	186	15,6	204	155	86	2084	172
ITALY	1865	100	7,7	100	181	100	1209	100
Convergence	2501	134	12,7	166	319	176	1362	113
Competitiveness	1400	75	5,0	66	116	64	1054	87
North	1444	77	5,0	65	147	81	1440	119
Center	2391	128	9,2	120	161	89	1214	100
South	2051	110	10,1	132	215	119	1111	92

Source: authors' own elaboration

The average annual intensity of spending is 1,865 euro per annual work unit (AWU), and 181 euro per hectare of Utilised Agricultural Areas (UAA), 7.7% of the agricultural value

¹ The parameters used are mainly representing agriculture which have been chosen in order to provide a coherent basis for comparison. The division by those agricultural parameters reflects the overall dominance of measures addressed to the farmers.

added and 1,209 euro per farm. They are very significant figures, but still a long way from Pillar 1 spending (almost 4 times greater considering EU funds).

If we consider the expenditure concentration, by equalizing the national average to 100, it emerges that the expenditure per AWU considerably diverges between convergence regions (134) and competitiveness regions (75). This may depend on the fact that to the regions convergence are given more funds but it is also true that those regions are characterised by more labour intensive cultivations: fruits and vegetables, wine and olives. The discrepancy between the aggregates convergence-competitiveness is even more meaningful in relation to the UAA (176 vs 64) and to the value added (166 vs 66). The differences between single regions are even deeper. A part from the singular case of Valle d'Aosta, several convergence regions present a weighted expenditure above the national average, such as Trento, Bolzano, Liguria, Toscana, Molise, Sardegna and Umbria (due to the tobacco supplement effect). Within the convergence regions, above all Basilicata tends to be over the national average (even if it is in the phasing out period).

The Distribution of Resources between Axes

The choices of the regions on the allocation of the total amount (EAFRD and co-financing) between the different axes is summarized in table 3 and shown in figure 2. From the examination of data, considering both the aggregate convergence-competitiveness or the territorial aggregations, there is no evidence of very different behaviour in the national area. This is due, first of all, to the alignment effect requested by the NSP in the resource distribution between the different axes, since an eventual divergence would have been justified during the negotiation phase. Furthermore, in the distribution of the total expenditure between axes 1 and 2, it is necessary to take into account the following considerations: a) The regions are not requested to contribute to the co-financing of axis 2, which is totally charged to the State, while for axes 1 and 3 the regions have to contribute 30% to the co-financing. b) The axis 2 measures are less complex to manage and less time consuming compared to axis 1. c) The regions with consistent overbooking from 2000-2006 have in many case placed those sums in axis 2 (in Calabria, for example, overbooking represents 50% of the axis endowment). d) In the negotiation phase, the Commission has been much more sensitive about environmental themes than those related to the renewal of the structures and to the competitiveness, so supporting the subscription of the amounts in axis 2.

With regard to the relationship between the axes, a wider expenditure for axis 1 (competitiveness) than for axis 2 (sustainability) could be expected in the convergence regions and, more generally, moving from North to South in relation to the major structural problems. The convergence regions actually spend a little more than the others for structural policies, but the difference does not appear to be very significant. Instead, the central regions distinguish themselves since they spend more for axis 1 than for axis 2. The characteristics of

the regions in central Italy are also related to the expenditure for axis 3 (diversification and quality of life) and 4 (LEADER approach).

Moving onto the examination of the behaviour of each region, some interesting differences emerge. A strategy involving the environment and sustainability appears from the choices made by Val d'Aosta (which has concentrated all the available resources in axis 2, minimizing to the EU compulsory minimum level the expenditure for axes 1 and 3) and also the province of Bolzano. Basilicata and Sardegna seem to follow mainly this strategy too. Immediately afterwards, there are the regions of Piemonte, Lombardia and Trento.

Tab. 3 - Total public expenditure (FEASR + co-financing) per axis.

Region	AXIS 1		AXIS 2		AXIS 3		AXIS 4		Technical Assist.		TOTAL	
	Mln€	%	Mln€	%	Mln€	%	Mln€	%	Mln€	%	Mln€	%
Val d'Aosta	12	10	82	69	12	10	9	7	3	3	119	100
Piemonte	342	38	399	45	66	7	58	7	30	3	897	100
Lombardia	292	32	465	52	81	9	36	4	27	3	900	100
Bolzano	75	24	194	62	28	9	16	5	0	0	313	100
Trento	87	34	121	47	30	12	17	7	1	0	256	100
Veneto	403	44	338	37	46	5	101	11	27	3	915	100
Friuli V.G.	106	43	91	37	25	10	16	7	9	3	247	100
Liguria	144	52	56	20	15	6	54	20	7	3	277	100
Emilia Romagna	383	41	397	42	98	10	48	5	9	1	935	100
Toscana	323	38	336	40	88	11	84	10	8	1	839	100
Umbria	304	40	327	43	68	9	38	5	23	3	760	100
Marche	194	42	178	39	41	9	28	6	18	4	460	100
Lazio	308	47	209	32	74	11	39	6	25	4	655	100
Abruzzo	165	43	142	37	42	11	19	5	15	4	384	100
Molise	86	44	66	34	28	14	10	5	6	3	195	100
Campania	753	40	678	36	282	15	94	5	75	4	1882	100
Puglia	598	40	519	35	40	3	279	19	44	3	1481	100
Basilicata	172	26	350	54	65	10	39	6	23	3	648	100
Calabria	444	41	444	41	108	10	65	6	22	2	1084	100
Sicilia	892	42	887	42	159	8	126	6	42	2	2106	100
Sardegna	351	28	702	56	18	1	170	14	13	1	1253	100
Italy	6435	39	6981	42	1414	9	1346	8	428	3	16604	100
Competitiveness	3575	38	4104	44	760	8	743	8	222	2	9403	100
Convergence	2860	40	2878	40	654	9	603	8	206	3	7201	100
North	1844	38	2144	44	400	8	355	7	114	2	4857	100
Center	1129	42	1050	39	272	10	189	7	74	3	2714	100
South	3461	38	3787	42	742	8	802	9	240	3	9033	100

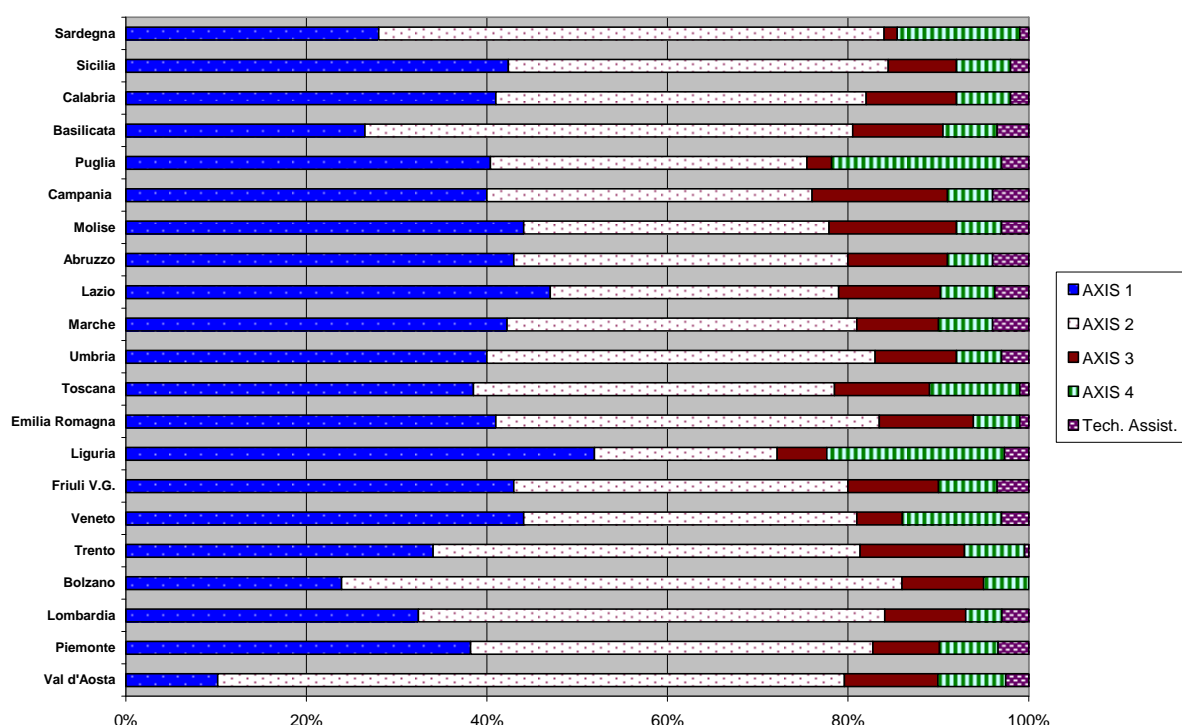
Source: authors' own elaboration

A completely different choice, in which axis 1 has been favoured, has made by Liguria, Veneto, Friuli V.G, Marche, Abruzzo, Molise, Puglia, Lazio, and Campania; in this case it is difficult to define a common interpretative line. A supposition could be that this group, mainly including all the Adriatic regions, have been commonly characterised during

the last few decades by the development of the industrial and advanced service sectors causing the relocation of labour from agriculture to those sectors. This situation can explain the tendency towards extensive production and capital intensive agriculture. With the effect of the ageing farmer, the necessity to facilitate a renewal of farm business structures and generational turnover can be justified. On the other hand, Liguria, Lazio and Campania present high demographic density and intensive labour agriculture (the fruit and vegetable sector) which could explain the need for investments in order to renovate production and service activities.

The regions not cited above (Emilia-Romagna, Toscana, Umbria, Basilicata, Calabria and Sicilia) have chosen to equally balance axes 1 and 2.

Fig. 2 - EAFRD: Financial Equilibrium by Axis, values %.



Source: authors' own elaboration

Considering axes 3 and 4, it is necessary to highlight that they should be analysed together. In fact, regulation n.1974/06 establishes that funds of the three axes managed by Local Action Groups (LAG) must be enrolled under axis 4. This relocation of funds is not very significant for axes 1 and 2 but it is very consistent for axis 3 since approximately 40% of the resources under axis 3 (5.3% of the total RDP expenditure) have been assigned to LAGs. Considering the EAFRD contribution to the programme, most of the regions agreed to assign to axes 3 and 4 the minimum level of resources provided by Reg. 1698/05, such as 15% of the total RDP expenditure. This could be seen as a sign of the vision of rural development by the regions: rather more agriculturally based than in broad terms of local development. This is also the result of the agricultural approach of the socio-economic

partnerships which is unavoidable since RDPs are under the responsibility of regional agricultural Ministries, whose interlocutors are mainly agricultural professional organisations and lobbies. However, few regions, such as Trento, Toscana, Puglia and above all Liguria (with its 26% of the total RDP), have chosen to invest more than 15% as provided by the regulation.

The Division of the Resources between Measures

To understand better the allocation of funds within axes, table 4 and its four partitions 4.a, 4.b, 4.c and 4.d show the expenditure distribution between measures considering EAFRD and co-financing. It can be immediately noted that there is a concentration of the resources around a selected number of measures in respect to the 40 available. Furthermore, measures to which are assigned a greater part of the resources, are also those that present a lower index of variability² (next-to-last column). The variability index tends to be greater than the one for measures to which fewer financial resources are given. Taking into consideration the measures in which each region and autonomous province allocates its resources (last column) it can be seen that only eight measures have been chosen by all the managing authorities.

² The index of variability compares the standard deviation of the intensity of spending per AWU per each measure to the standard deviation of the intensity of spending per AWU of the RDPs. The index is equal to (lower/greater than) 1.0 when the variability related to the measures is equal (lower/greater than) the variability of the RDPs expenditure per AWU between regions.

Tab. 4.a- Distribution of the Total Expenditure of Axis 1

MEASURE	DESCRIPTION	Mln €	% on tot RDP	% on tot axis	Variability index	n. regions ≠ from zero
Human capital and knowledge transfer	1.1.1 Vocational training and information action	214	1,3	3,3	0,9	19
	1.1.2 Setting up of young farmers	798	4,8	12,4	0,7	All
	1.1.3 Early retirement	59	0,4	0,9	6,1	17
	1.1.4 Use of advisory services	242	1,5	3,8	1,4	17
	1.1.5 Setting up of management, relief and advisory services	26	0,2	0,4	7,3	7
Physical capital and innovation	1.2.1 Modernisation of agricultural holdings	2346	14,1	36,5	0,7	20
	1.2.2 Improvement of the economic value of forests	221	1,3	3,4	1,7	20
	1.2.3 Adding value to agricultural and forestry products	1222	7,4	19,0	1,3	All
	Cooperation for the development of new products, processes and technologies in the agricultural and food sectors and the forestry sector	152	0,9	2,4	3,0	19
	1.2.5 Infrastructure related to the development and adaptation of agriculture and forestry	719	4,3	11,2	1,5	18
	Restoring agricultural production potential damaged by natural disasters and introducing appropriate preventative action	42	0,3	0,7	15,3	5
Food and processing modernisation, Innovation and quality	1.3.1 Meeting standards based on Community legislation	51	0,3	0,8	4,7	4
	1.3.2 Participation of farmers in food quality schemes	164	1,0	2,6	2,3	20
	1.3.3 Information and promotion activities	177	1,1	2,8	1,8	20
TOTAL AXIS I		6434	38,8	100,0	0,9	

With respect to the national average, seven measures alone represent nearly two thirds of the total expenditure. As regards axis 1, four measures out of fourteen absorb nearly 80% of the entire amount assigned, particularly: 1.2.1 - Modernisation of agricultural holdings (14.1% of the total RDPs), 1.2.3 - Adding value to agricultural and forestry products (7.4%), 1.2.5 - Infrastructure related to the development and adaptation of agriculture and forestry (4.3%) and 1.1.2 – Setting up of young farmers (4.8%). Conversely, several other measures of axis 1 have received a low level of resources. Taking into account the measures in which regions did not allocate resources, some of them are considered to be an interesting innovation of the programming period 2007-2013. As an example, all the three measures of section 1.3 – Food and processing modernisation, innovation and quality, have received minimal attention (17 regions have not allocated resources for measures 1.3.1 - Meeting standards based on Community legislation). The same considerations can be made for the group of measures of section 1.1 – Human capital and knowledge transfer, in which the measure related to young farmers collecting double the resources provided for measures dedicated to vocational training and advisory services. Naturally, a judgement on the distribution of the expenditure between measures has to take into account the relative costs of each policy. However an hypothesis could be advanced: for the programming period 2007-2013 the regions have preferred to repeat their past choices, in which the idea prevails that the most limiting factor to improve competitiveness of the enterprises is the physical capital to which is assigned the greater part of the resources, rather than human and social capital. This

is in contrast with the increasing importance of the role of vocational training and the enhancement of services to the enterprises in improving competitiveness of enterprises and the system of enterprises.

Tab. 4.b - Distribution of the Total Expenditure of Axis 2.

MEASURE	DESCRIPTION	Mln €	% on tot RDP	% on tot axis	Variability index	n. regions ≠ from zero
Sustainable use of agricultural land	2.1.1 Natural handicap payments to farmers in mountain areas	807	4,9	11,6	2,0	All
	2.1.2 Payments to farmers in areas with handicaps, other than mountain areas	282	1,7	4,0	4,1	13
	2.1.3 Natura 2000 payments and payments linked to Directive 2000/60/EC	19	0,1	0,3	3,9	4
	2.1.4 Agri-environment payments	3714	22,4	53,2	1,4	All
	2.1.5 Animal welfare payments	286	1,7	4,1	5,4	8
	2.1.6 Non-productive investments	238	1,4	3,4	1,1	16
Sustainable use of forestry land	2.2.1 First afforestation of agricultural land	750	4,5	10,7	2,1	18
	2.2.2 First establishment of agroforestry systems on agricultural land	8	0,0	0,1	4,6	4
	2.2.3 First afforestation of non-agricultural land	135	0,8	1,9	1,7	14
	2.2.4 Natura 2000 payments	7	0,0	0,1	5,8	2
	2.2.5 Forest-environment payments	44	0,3	0,6	3,9	5
	2.2.6 Restoring forestry potential and introducing prevention actions	432	2,6	6,2	2,8	20
	2.2.7 Non-productive investments	260	1,6	3,7	1,8	19
TOTAL AXIS II		6981	42,1	100,0	1,2	

In axis 2, two measures out of thirteen collect two thirds of the amount available for the axis. They are the measures 2.1.4 - Agri-environment payments (22.3%) and 2.1.1 – Natural handicap payments to farmers in mountain areas (4.9%). It is necessary to point out that measure 2.1.4 contains several kinds of agro-environmental policy: as an example, organic agriculture, limitation in the use of fertilisers and phytosanitary products and the conservation of genetic resources. Furthermore, numerous other measures receive relatively few funds. This regards in particular to measure 2.1.3- Natura 2000 payments and payments linked to Directive 2000/60/EC (not activated in most of the regions due to the lack of the conservation measures and Plans of Management of Natura 2000, thus without those the Commission would not have approved the RDPs) and some of the measures comprised in section 2.2 – sustainable use of forestry lands. Within axis 2, the total variability is generally greater than in the first axis.

Tab. 4.c - Distribution of the Total Expenditure of Axis 3.

MEASURE		DESCRIPTION	Mln €	% on tot RDP	% on tot axis	Variability index	n. regions ≠ from zero
Diversification of rural economy	3.1.1	Diversification into non-agricultural activities	576	3,5	40,9	1,7	All
	3.1.2	Business creation and development	91	0,5	6,5	3,1	13
	3.1.3	Encouragement of tourism activities	119	0,7	8,4	2,1	17
Improvement of living conditions in rural areas	3.2.1	Basic services for the economy and rural population	209	1,3	14,8	2,0	18
	3.2.2	Village renewal and development	202	1,2	14,3	2,1	10
	3.2.3	Conservation and upgrading of the rural heritage	159	1,0	11,3	2,9	19
	3.3.1	Training and information	34	0,2	2,4	1,2	10
	3.4.1	Skills acquisition, animation and implementation of local development strategies	20	0,1	1,4	1,9	7
TOTAL AXIS III			1409	8,5	100,0	1,3	

Tab. 4.c- Distribution of the Total Expenditure of Axis 4 and Technical Assistance

MEASURE		DESCRIPTION	Mln €	% on tot RDP	% on tot axis	Variability index	n. regions ≠ from zero
Implementing local development strategy	4.1.1	Competitiveness	94	0,6	7,0	3,2	14
	4.1.2	Environment/land management	74	0,4	5,5	3,1	12
	4.1.3	Quality of life/diversification	885	5,3	65,8	1,2	All
Leader	4.2.1	Implementing cooperation projects	92	0,6	6,8	1,7	All
	4.3.1	Running the local action group, acquiring skills and animating the territory as referred to in article 59	201	1,2	14,9	1,1	All
TOTAL AXIS IV			1345	8,1	100,0	1,0	8,1
TOTAL AXES 1,2,3,4			16171	97,4		1,0	97,4
TECHNICAL ASSISTANCE			428,4	2,6		1,4	2,6
TOTAL RDPs			16599	100,0		1,0	

Compared to the other axes, axis 3 presents the greatest dispersion even though the level of resources is quite low. A greater share of the resources is allocated in sections 3.1- Diversification of rural economy and 3.2 - Improvement of living conditions in rural areas. Underfinanced are the two measures 3.3.1 and 3.4.1 addressed to training and information thus fostering human capital, as for axis 1. With regard to axis 4, the measure 4.1.3 - Quality of life and diversification represents 5.3% of the total RDP expenditure and absorbs two thirds of the funds assigned to the axis; the last measure is linked with the measures of axis 3 which validates the conjunction and convergence between the Leader approach supported by the fourth axis and the third axis. Finally, for technical assistance, to which up to 4% of the total budget could be dedicated, the Italian regions have destined 428,4 million euro, representing 2.6% of the total expenditure.

The content of the RDPs: a qualitative analysis of Calabria, Marche and Veneto regions

The methodology used for the qualitative analysis

The aim of this chapter is to assess a qualitative analysis of the RDPs in order to evaluate their intrinsic contents in addition to what has emerged until now from the quantitative analysis. This kind of analysis is unavoidably conditioned by the subjectivity of the analyst. The methodology used for the analysis has been studied pursuing two main objectives: a) to provide analytical instruments in order to interpret RDPs from different points of view; b) to found the analysis on the most objective set of indicators. In a recent publication, authors have tried to identify the “key words” for the good management of the RDP 2007-2013 (Gruppo 2013; De Filippis, Sotte, 2006). From these key words, a set of related key questions has been structured and they are shown and synthesised in table 5.

Table 5 – Key Words and Key Questions for the Good Management of the RDP 2007-2013.

	Key word	Key questions
1	Integrated local development	<p><i>a. Which are the other main programming instruments (different from RDP) that are significant for rural and local development?</i></p> <p><i>b. To what extent are RDPs integrated with the other programming instruments?</i></p> <ul style="list-style-type: none"> - Communitarian (I Pillar, ESF, ERDF) - National and regional <p><i>c. Which are the solutions proposed in RDPs to facilitate the integration?</i></p>
2	Competitiveness	<p><i>a. To what extent is axis I structured in order to pursue with efficiency and effectiveness the competitive growth?</i></p> <ul style="list-style-type: none"> - Are the objectives of fostering competitiveness clear inside the measures? - Is the distribution of the funds between measures appropriated? <p><i>b. Competitiveness involves the enterprise but also systems of enterprises. What are the solutions proposed in order to increase the competitiveness at aggregate level?</i></p> <ul style="list-style-type: none"> - In terms of territory and agro-food chain
3	Enterprise and entrepreneur	<p><i>a. How are beneficiaries of the funds addressed to foster competitiveness selected?</i></p> <ul style="list-style-type: none"> - Does it require a minimum dimension (in terms of ESU, AWU, UAA, other)? - Does it provide a minimum condition with regard to market situation? - Does it pay attention to the risk attitudes of the investors (in this case, how)? - Does it require evidence of a minimum professional effort inside the firms? <p><i>b. Does it provide any training activities aiming to foster the entrepreneurial capability?</i></p>
4	Selectivity and strategic approach	<p><i>a. What kind of selection form is provided in order to ensure that the intervention goes to those beneficiary more adapt at achieving axes' objectives?</i></p> <ul style="list-style-type: none"> - Does it require minimum conditions related to some relevant parameters? - Does it require specific localisation on the territory of the beneficiaries? - Does it provide conditions to acquire any kind of property rights or to accede at premium payment? <p><i>b. What ensures that projects and programmes presented are targeted towards strategic objectives?</i></p> <ul style="list-style-type: none"> - Does it require the clarification of mid- long-term objectives? - Does it require highlighting a strategy or a project?
5	Business plan	<p><i>a. Which axes and measures provide the presentation of a business plan?</i></p> <p><i>b. What is requested in order to demonstrate the value of the project?</i></p> <ul style="list-style-type: none"> - How is the initial productive, commercial and financial situation of the firms presented? <p><i>How is the development objectives of the firms presented, with reference to:</i></p> <ul style="list-style-type: none"> - The programmed investments? - The economic dimension? - The steps needed to achieve the objectives and the related timing? - The elements by which it is possible to evaluate economic consistence and convenience? - Investment costs, management costs after the investment and related returns?

		<ul style="list-style-type: none"> - The identification of possible market channels? - The possible financial implications? - The break even point?
6	Contractualisation	<p><i>a. To what extent (and which measures) is the expenditure linked and conditioned to the respect of specific future commitments (behaviour) of the beneficiary?</i></p> <p><i>b. To what extent (and which measures) is the allocation of the expenditure based on the “status” (characteristics) of the beneficiary?</i></p> <p><i>c. Are there any kinds of provisions to guarantee the respect and the enforcement of the contract?</i></p>
7	Integration	<p><i>a. Is there provided any ways or solutions to favour the projects which refer to more measures?</i></p> <p><i>b. Is there provided any ways or solutions to favour the projects that integrate measures of the RDPs and other measures provided by other kinds of intervention on the territory?</i></p> <p><i>c. Is there provided any solutions which favours projects presented jointly by more actors?</i></p> <ul style="list-style-type: none"> - Vertical integration with regard to the agro-food-chain - Integration between different actors or sectors with different competences (i.e.. public-private institutions)
8	Collective goods and services	<p><i>a. Considering the inadequate amount of resources, are there some territorial priorities or types of intervention preferred in order to assign the funds in a better way?</i></p> <p><i>b. Is there provided any ways to commensurate the amount of support to the collective benefit produced or to the cost (or missed income) for the farmer?</i></p> <p><i>c. Are there explicit criteria to discriminate different levels of priorities between several types of farmers?</i></p>
9	Partnerships	<p><i>a. How is the objective achieved to spread the Leader approach?</i></p> <ul style="list-style-type: none"> - Is there provided a common development strategy which involves also “non agricultural actors”? - Is there priority given to initiatives aiming to be good practises? - Is there priority given to initiatives characterized by the multi-sectorial approach?
10	Services	<p><i>a. What are the initiatives supported in order to foster human capital?</i></p> <ul style="list-style-type: none"> - by the: enterprises, agricultural organisations, other kinds of organisations and professionals related to agriculture <p><i>b. Which are the initiatives provided in order to rationalise and stimulate activities fostering innovation?</i></p> <ul style="list-style-type: none"> - Research, divulging information,, technical assistance <p><i>c. Are there any kinds of initiative provided with the aim of favouring the access to ICT for the farmers, or to supply services through ICT?</i></p> <ul style="list-style-type: none"> - Realisation of E-learning activities - Realisation of web sites for technical assistance
11	Management	<p><i>a. What are the ways provided to monitor the timing of the implementation of the RDP in order to avoid a waste of time, thus risking losing funds, or the untargeted allocation of funds?</i></p> <p><i>b. Are there any initiatives provided to facilitate the relationship between managing authorities and actors dealing with RDP?</i></p> <ul style="list-style-type: none"> - The presence of a “front office” for the actors - Facilitating the functions of intermediate actors such as representative organisations or consultant organisations - Improving the access to RDP for stakeholders
12	Evaluation	<p><i>a. What are the ways provided to re-address RDP in the case of the in-itinere evaluation call for a change?</i></p> <p><i>b. Are the evaluation provisions put in to action? Are they structured in order to:</i></p> <ul style="list-style-type: none"> - control the rapport between results and expenditure has the best possible (efficiency)? - verify the maximum convergence between objectives and results of RDP (effectiveness)? - control that the distribution of the expenditure between territories, beneficiaries and priorities subject meet the expectations (equity)? <p><i>c. Are the objectives expressed in terms of expected results supported by any</i></p>

		<i>validation?</i>
		<i>d. Are additional activities provided in order to improve the information needed for the evaluation?</i>
		<i>- Collection and elaboration of data and information contained in the applications</i>
13	Learning by doing	<i>a. Are there signs of awareness that RDPs for 2007-2013 represent an occasion to test new ways of public intervention in agriculture and rural areas?</i> <i>- Are some verifications provided in order to collect the opinion and judgement of the citizens, people living in rural areas and farmers?</i> <i>b. What ways are provided to:</i> <i>- locate the best practise and the one not to repeat?</i> <i>- divulge the information related to best performing experiences?</i> <i>- acquire and exchange information coming from other Italian regions and European countries?</i> <i>c. In relation to which functions RDPs state the need for coordination with the rural national network?</i>

The case study

An attempt to answer those questions has been made through the study of three RDPs regarding Calabria, Marche and Veneto³. Moreover, the methodology here suggested is in any case a starting appraisal based on the planner's intentions which emerge from the RDPs, thus unavoidably incomplete; For example, considering only the planning phase, some key questions do not have an answer as they are related to specific problems that will be faced during the next phases (implementation, monitoring and evaluation). Although they still do not have an answer, they have been taken into consideration in order to provide an adequate example of what the planner would have to keep in mind during all political procedures. As a result of the careful reading of the final version of their RDP, a comparison between the three regions is proposed assigning to each key word a synthetic judgement (table 6). In order to do this, simple and immediate symbols are used, that is a vote from one to five stars; more stars show a better quality of the RDP related to the quality of the other RDPs.

³ For a detailed and complete analysis in which RDPs are examined following the key questions see Sotte, Ripanti, 2007.

Tab. 6 – Results of the qualitative analysis comparing Marche, Veneto and Calabria RDPs.

Key words	Marche	Veneto	Calabria
Integrated local development	★ ★ ★	★ ★ ★	★ ★ ★
Competitiveness	★ ★ ★ ★	★ ★ ★	★ ★
Enterprise and entrepreneur	★ ★ ★ ★	★ ★ ★ ★	★ ★
Selectivity and strategic approach	★ ★ ★	★ ★ ★	★ ★
Business plan	★ ★ ★ ★	★ ★ ★	★ ★
Contractualisation	★ ★ ★	★ ★ ★	★ ★
Integration	★ ★ ★	★ ★	★ ★ ★ ★ ★
Collective goods and services	★ ★	★ ★	★ ★ ★
Partnerships	★ ★ ★ ★	★ ★ ★ ★	★ ★ ★
Services	★ ★ ★	★ ★ ★	★ ★
Management	★ ★ ★ ★	★ ★ ★ ★	★ ★
Evaluation	★ ★ ★	★ ★ ★	★ ★ ★
Learning by doing	★ ★ ★	★ ★ ★	★ ★ ★

Source: own elaboration

In general, Marche and Veneto show estimations with 3 or more stars; Calabria, instead, presents estimations with less than 3 stars. It is possible to observe how the regions find it difficult to introduce in their RDPs some fundamental principles such as selectivity and multifunctionality, whereas they have taken others into better consideration. Summarizing what has emerged from the qualitative and quantitative analysis of the three regions, the judgment can be either positive or negative; some fundamental aspects have been acknowledged, such as the achievement of an approach oriented to an integrated local development, either through the introductions of sets of measures and integrated projects, or considering other community policies and funds. Also very important is the establishment of economic and social partnerships characterized by a multi-sectorial approach and strongly integrated in the territory. What also comes out is a lack of awareness concerning other equally relevant aspects. We refer to an insufficient selectivity connected to the approximate use (or restricted to a limited number of measures) of the *business plan*. Moreover, we observe too little attention addressed to the subject of the farmer's entrepreneurial skills and to multifunctional agriculture producing collective goods and services destined for the entire community. The absence of these elements, while fixing objectives and planning interventions, could be quite worrying. Furthermore it can be noted that there is a distribution of the judgments differentiated through regions but not in a systematic way meaning that we cannot state that one region is better than an other. This enhances the validity of the qualitative analysis able to point out different aspects of the RDPs, thus stimulating the comparison between regions and the exchange of information and experience. Naturally, as RDP implementation is still in progress, whatever evaluation is temporary, as we await a confirmation or denial through further analysis investigating the implementation of their RDPs.

The regions altogether have performed an interesting effort in approaching the problems related to rural development - because they are guided by a better community strategy, in comparison to the one of the previous periods but the programming of intervention does not always succeed in representing a unified strategy, aiming to achieve long term objectives. Thus, the major risk is to give space to a bureaucratic management of measures, with a more distributive approach prevailing motivated by the concern to use all funds available, as if the primary objective was spending funds instead of using them efficiently and effectively.

Conclusive remarks

As we stated in the previous part of the present work, this research can only be concluded with some partial judgments arising with some questions to be considered during the next steps of the rural development programming process in Italy. The approval of the RDPs by the Commission started an articulated and complex process which involves the regional administration in the first place, but, at the same time, it is agriculture (and its organizations) as a whole to be solicited. If the work carried out until now, in the predisposition and approval of the RDPs should be dealt with by the former like a bureaucratic assignment and by the latter in a passive way, rural development policy would betray all expectations and the potential of the CAP reform. There does not always seem to be full awareness of what is at stake. The financial weight of the first pillar is stronger, compared to the weight of the second pillar. This is the main reason why all energies and attention is still unavoidably devoted to the first pillar. It is evidence of the “residual presence” of the second pillar in the “Health check” proposal of the Commission. Rural development policy is often evoked and appealed to, mainly in order to solve the contradictions or the problems emerging from the first pillar (*i.e.*: the abolition of milk quotas; elimination of set aside and management of risk), rather than for a real strategic purpose. Thus the CAP risks finding itself isolated if the second pillar were weakened by insufficient attention and by inadequate efforts towards efficiency and effectiveness.

This research paper expresses a “cautious” positive judgment (even if it does not lack delays and dark areas) on the enormous job carried out, by the Commission, the State, and the regions, on the initial phase of the rural development policy but it also highlights the need for additional investigation. We look forward to a further deepening in different directions. Firstly, there is a need to update the framework of rural development policy both at European and national levels, secondly, in relation to the implementation of the regional RDPs, there is a call for a comparison of the Italian experience with those of the best performing European Countries. It should also be analyzed if and how the experience of the RDPs is enclosed into the programming of regional and local development, taking into account other European, national and regional funds. Finally it should be important to go more deeply into the details regarding the main measures in order to evaluate the efficiency and the effectiveness in

relation to the needs of agriculture to foster the competitiveness of enterprises, its multifunctional dimensions and its integration within territorial development.

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