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Thematic Session

SOCIAL ECONOMY AND LOCAL DEVELOPMENT

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The current crisis that has originated from the unstable situation in Ukraine is threatening the economic recovery that was starting to take place in Europe after the incredible public investment relaunch efforts following the Covid19 pandemic. This crisis will therefore impact, due to force majeure, the territorial contexts that already faced spatial discrepancies in terms of economic development compared to other European countries. These areas, traditionally urban peripheries and rural settlements, are characterised by a greater distance to essential public services. It is, therefore, important to identify local development practices that have been successful in the past, in Italy and other European countries.

Following the definition by Ciappetti (2010), local development is a cooperation process that initiates change towards the creation of collective local goods (infrastructure and services for the local community), that see the implication of local actors as fundamental to the valorisation of local resources¹. The role of community and the specificity of spaces are elements that find realisation in some of the typical instruments of the social economy, so much so that they become more effective when inserted in collaborative multi-sectoral systems, in terms of PPPP (public-private-people partnership).

A mainstreaming process of the social economy concept has begun at the national and European policy level, therefore, underlining the need to go beyond the disjointed competencies that are commonplace at the ministerial and departmental scale². This new approach enables policies to face various growth objectives at the same time, whilst including in the process varied organizational structures and different socio-economic sectors that navigate through ministerial and departmental responsibilities at different governmental levels. In this way, the mobilisation of all the necessary forces that help maximise the impact of social economy becomes possible, especially on the local scale. In a few words, a specific mission towards social economy consists of contributing to balancing out socio-spatial discrepancies by operation on the main sources of growth and not only to correcting the failures of dominant institutions such as the State and the market.

¹ Lorenzo Ciappetti, 2010. Lo sviluppo locale. Capacità e risorse di città e territori, Il Mulino.

² Jenkins, Hamish, Ilcheong Yi, Samuel Bruelisauer and Kamen Chaddha, 2021. "Guidelines for Local Governments on Policies for Social and Solidarity Economy." Geneva: UNRISD.

In order to formulate successful instructions to steer European politics in the field of social economy, the document will propose a series of best practice examples, both in terms of top-down policy approaches (national and European) both in terms of bottom-up projects.

The Social Economy Action Plan produced by the European Commission (December 2021) focuses on the promotion of entrepreneurial behaviours within rural areas. In particular, the document is looking at the agricultural-food and bio-economy industry, building on successful case studies like the PPP LEADER programme. This strategy was set up by 2.600 Local Actions Groups in Europe that make up more than 54% of the rural population of the European Union and reconcile actors from the public and private sector as well as the local civil society³. Another crucial point is the interaction and the exchange of knowledge between local and regional authorities that support the social economy through the institution of Local Social Economy Contact Points. These are “playing the role of social economy ambassadors, providing peer to peer support, facilitating access to EU and national funding, and liaising with authorities managing European funds”.

In the new European Industrial Strategy (March 2020) a chapter is dedicated to the ecosystem of the social economy and proximity, in which the importance of this sector for the green and digital transition is underlined.

The Italian plan for Recovery and Resilience that will be active for 6 years (from 2021 to 2026) and that has an allocation of 672.5 billion euros (of which 312.5 will come from subsidies and 360 from low interest loans⁴) will be a crucial instrument to promote territorial development and social economy. In Italy the main axes of intervention of the PNRR on the territorial systems are influenced particularly by the tertiary sector and the new community based entrepreneurial forms and are as follows⁵:

- The integrated urban plans for the Metropolitan Cities and the contributions for the municipalities for urban regeneration projects aimed at the promotion and reuse of under-utilised urban space.
- The attractiveness of market towns with a population of up to 5.000 people for the cultural regeneration of small towns through tourism, the recovery and restoration of historical heritage sites, the redevelopment of public open space, the creation and promotion of new itineraries and the economic support for the establishment of cultural, creative, touristic, commercial, agro-food and artisanal activities.
- The National Strategy for Internal Areas against the depopulation and the economic underdevelopment aimed at supporting financial investment towards the creation of attractive towns, flipping current decline (infrastructural, demographic and economic) tendencies and facilitating growth strategies.
- The establishment of new networks and centres of competency that promote the interaction of emerging socio-technologic innovation and mainstream innovation resources in the local areas as a strategy to limit the creation of additional spatial discrepancies on this front, therefore supporting the rise of new societal models and approaches to distributed knowledge in the every day life of local communities.

Various examples of successful policies in the field of social economy promotion in regional development models exist across Europe. A key example is the Pla d'Impuls de l'Economia Social i Solidària from the city of Barcelona. The case on Territoires Zéro Chômeurs de Longue Durée (TZCLD) is an interesting one at the cross-sectional level, as it was developed by the ONG ATD Quart Monde and uses public finances in an unconventional way. They use public funds available for unemployment benefits to finance entrepreneurial activities that create

³ GAL Haute Provence – Luberon - <https://www.leader-hauteprovenceluberon.com/leader-programme.html>

⁴ Presidenza del Consiglio dei Ministri - <https://www.governo.it/sites/governo.it/files/PNRR.pdf>

⁵ Associazione Italiana di Scienze Regionali - <https://www.dite-aisre.it/pnrr-e-sviluppo-locale-approcci-e-prospettive/>

employment opportunities for the long-term unemployed and to promote local development. The activities set up by TZCLD vary from services for the elderly or for the youth, to strategies in the field of circular economy, from mobile food provision (food trucks), to tourism and transport services.

The social economy organisations act as mentors, they supply administrative support and help create bonds with the local communities. These activities produce new employment opportunities and demonstrate a greater efficacy in public resource use compared to traditional employment strategies. The TZCLD initiative is 70% financed by the fund for territorial experimentation (established in 2016 by the French government) the remaining 30% is financed through entrepreneurial activities. Following a second national law adopted in 2020, this experimental approach will be extended to at least 50 extra areas, that hope to use the support of LEADER as an additional resource.

The promotion of cooperation between regions/municipalities is the cornerstone of the activities led by the Local Action Group Aktion Österbotten, a partnership of organisations of civil society, social economy structures, municipalities and privates in the Swedish speaking area of Ostrobothnia (FI). The objective of the action group is the promote rural sustainable growth and multi-stakeholder partnerships across varied sectors, such as the entrepreneurial and the service sectors, the fishing and the agricultural sectors and the culture and tourism sectors. This is possible thanks to the financial support of funds from the EU (EMFF European Maritime and Fisheries Fund, etc...) and of national programmes. In the context of LEADER the Local Action Groups also mobilise significant volumes of private investment.

Urban Regeneration is an important driving force of local development, as demonstrated by various case studies. For example, the Buurt Ontwikkelings Maatschappij is an institution that promotes neighbourhood development in Anversa and it focuses on the regeneration of the most disadvantaged neighbourhoods of the city. It represents a public-private partnership at the hands of the Regional Institute for Community Building and the University of Anversa that has the objective of supporting and promoting economic and social development of the industrial belt of the city, that is characterised by high youth unemployment rates and difficult coexistence of different social and ethnic groups.

The initiative advanced in two phase – an initial phase of development of the ‘software’ using strategies that aim to tackle social exclusion and that involve external professionals (employment offices) and a second phase designed to focus on the physical regeneration of the property stock. In Italy the headquarters of ‘Fondazione Riusiamo l’Italia’ (Reuse Italy Foundation) are found in Novara. The association aims to redevelop and regenerate historical or abandoned buildings, assigning them to cultural and social start-ups. Riusiamo l’Italia has created a support network for the local municipalities that want to speed up the process, through the establishment of a platform that creates a bridge between demand and offer for possible spaces to regenerate.

Numerous are also the repopulation strategies that have been used across the country. The most famous one being the case of Bormida, in the province of Savona, that gives inhabitants a long list of choices when it comes to deciding how and where to live. One could rent a home for 50 to 120 euros a month, based on the size of the properties owned by the local municipality. One could also receive 2 thousand euros if they were to move to this Ligurian town. The local authority has also envisaged a rise in tax rates for unrented second homes in the area, to convince the owners to move back or to rent out the properties. Lastly, the municipality hopes to provide a benefit package for active shopkeepers and small business or for those who will become active in the area again. In the town of Caster Del Giudice, in the province of Isernia, 35 hectares of unused land has been reclaimed and transformed into an organic apple orchard.

The manufacturer, Melise, has private, individual and administrative shareholders. After being abandoned for 30 years, the school has become a sanitary assistance facility for the elderly, the only one in the region that hosts residents from other parts of Italy and the only one that has adopted a publicly traded system. The rural town of Borgotufi has become instead a

diffused hotel. This project developed locally and owes its success to the need to diversify services and share them with the surrounding area. Basiliano is a town in the province of Udine where the Solar Bioclimatic village was born. It was designed to be completely 'zero energy'. The project uses formerly residential land use zones, therefore, demonstrating how it is possible to create a sustainable urban fabric in areas that had previously been allocated to different urbanised uses. It is important to keep in mind that the service economy sector plays an extremely important role in suburban and metropolitan-mountain contexts as demonstrated by the Torino Social Impact project.

Questions:

- **The role of the social economy in the promotion of territorial development is often associated to the revitalisation of rural and internal areas and small villages.** But even at an urban level there are significative examples of regeneration of deprived and socially excluded neighbourhoods. Would it make sense today - after seeing the effects of the pandemic on smart working, south-working, etc... - to think about developing policies and projects that support the creation of synergies between urban and rural contexts, in terms of territorial development? What would be the role of the social economy with respect to the green and digital transition?
- **Territorial development always includes the involvement of individuals and institutions that are invested in a specific area,** and the success of the projects is strictly related to the synergistic organisation of the players' roles, from the public, to the private and to the service sector as well as the community. How can these virtuous collaboration mechanisms be enhanced?
- **The exchange of knowledge and competencies,** and the creation of a network with this aim at the national and European scale, would be necessary to promote territorial growth and in particular a rise in the importance of the service sector. What instruments and incentives could contribute to carry out this mission?

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