

# **Local development and social protection in Europe**



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# **Local development and social protection in Europe**

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International Labour Office  
Geneva

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## 1. Introduction <sup>1</sup>

While there exists extensive literature on local development and on social protection, very little has been written about the relationship between the two. The relative lack of publications, research and work in this field is both a stimulus and a problem.

The stimulus comes from the undeniable fact that many efforts are being made, essentially from the economic point of view, to shed light on the advantages, limits and capacities of local development, at the same time as the financing, extension or limitation, function, efficiency and effectiveness of social protection are the object of numerous studies. The International Labour Organization (ILO) has worked on both topics, both in its LED (Local Economic Development) Programme<sup>2</sup>, and through its Social Security Policy and Development Branch<sup>3</sup> and the STEP (Strategies and Tools against social Exclusion and Poverty) Programme.

The potential interconnections between the two nevertheless remain unclear, opening a wide and rich field of study replete with challenges. We are therefore obliged, in this text, to discuss the issues involved and to define both phenomena, in order to reflect on the relationship between them and establish possible points of intersection. This is no minor matter in the current context, in which both local development and social protection are showing their weak spots and are the subject of much controversy among international agencies, the European Union (EU), governments and various public services, the socio-economic players and associations.

The main problem is the lack of clarity, which makes it hard to discern to what extent local economic development is one – but certainly not the only - condition for a more general approach that also encompasses the social dimension, and which hinders any in-depth examination of social protection schemes applicable to territories smaller than the State. This difficulty is compounded by the paucity of tangible experiences evincing those relationships and illustrative of them.

A number of examples serve to underscore the difficulty. Many projects co financed by European bodies to fight poverty and exclusion have acted chiefly from the “targeting” perspective, through target collectives (First and Second Programme); where they have adopted a territorial approach, they have tended to approximate sectors (such as housing, education and health) or economic growth models that distanced them from their social aspects. Projects run by other community programmes that are more strictly related to local development, such as LEADER or LEDA, are another example: they have emphasized the economic dimension (investment in infrastructure and equipment, increase in agricultural production) or their objective was to create more jobs with little concern for the quality, continuity and distribution of employment.

The territorial incidence of non-contributory services provides further examples of this relative lack of clarity. In France, for example, the revenue minimum d’insertion, or RMI (minimum integration revenue), was a centralized measure; it had no repercussions on the socio-economic development of a region or department until its management was decentralized to the General

<sup>1</sup> This paper is a report based on case studies and recommendations of the author, for the European context, in view of the development of resources for a training program on Integrating Local Economic Development and Social Protection for CIARIS – LEARNING AND RESOURCES CENTRE ON SOCIAL INCLUSION.

<sup>2</sup> A. Rodríguez-Pose: *The role of the ILO in implementing local economic development strategies in a globalized world* (Geneva, ILO, 2002).

<sup>3</sup> E. Reynaud: *The extension of social security coverage: the approach of the International Labour Office* (Geneva, ILO, ESS No. 3, 2003)

Councils<sup>4</sup>. It was at that point that it became possible to evaluate the impact of economic insertion activities on the wage bill, employment and regional demand in the Pays de la Loire<sup>5</sup>. Likewise, Portugal's Local Social Action Committees encountered difficulties in mainstreaming the minimum guaranteed income into territorial development endeavours until the Local Social Networks programme started to create the conditions (local socio-economic diagnostic and the establishment of a development plan) for these non-contributory services and paths to insertion to be incorporated into efforts to promote socio-economic development. The local development agencies established since 1997 in Wallonia have run into similar problems<sup>6</sup>.

This paper therefore starts by attempting to define a number of concepts and discussing the issues involved, in an endeavour to approximate the two phenomena before considering the possible points of intersection between them. Section 4 deals with three case studies, in Portugal, Spain and Italy. These three southern European examples were chosen because the relationship between social protection and local development differs in each case, they are less often dealt with in comparative analyses of social policy and they are being conducted in a peripheral context comprising specific connections between the State and the local economy and society. From each case we draw conclusions that can be applied more generally. The last section contains several formative orientations to help readers adapt this text for training purposes.

<sup>4</sup> J. Estivill: "Inserción, economía social y desarrollo territorial en Francia" [Insertion, the social economy and territorial development in France], in *Revista de servicios sociales y política social* (Madrid), No. 74, 2006.

<sup>5</sup> CNIAE-Avise: *Etat des Linux de l'insertion par l'économie dans les Pays de la Loire* [State of the economic insertion Linux in the Loire] (Paris, 2004).

<sup>6</sup> M. Hamzaoui: "La gestión territorial de los problemas sociales" [Territorial management of social problems], in *Revista de Políticas Sociales* (Barcelona), No. 20, 2006



## 2. Definitions and issues

### 2.1. Identifying the local territory

Logically, the first concept to be defined and considered is that of “local territory”. We have to ask ourselves a simple question: what do we mean by “local”? The answers that spring to mind are equally simple. In Europe, “local” refers to a place, or locus in Latin, whose geographical, economic, social and cultural characteristics make it a unit and set it apart from other, neighboring places. “Local” also refers to territories whose institutional, administrative and political boundaries do not extend as far as those of the State. We soon realize, however, that neither answer goes far enough.

First, where do these places start and where do they end? What homogenizing factors figure most largely in their definition as “local”? Some may have spatial continuity, others not. Second, any area subordinate to the State and contained within it has a certain level of institutional recognition. That recognition often does not coincide with the economic, social and cultural territorial reality. From both points of view, “local” would require the confluence of a genuine internal identity, clear boundaries with the outside and some degree of political recognition. To this must be added recognition by the inhabitants of the “place”

This means that the constitution of a territorial entity in which socio-economic development can potentially take place and be identified requires recognition of three things: the territory’s differentiated socio-economic and cultural structure, its specific institutional context, and the players and citizens residing in it.

Most authors <sup>7</sup> agree that, up to a certain point, the movement for local development has shifted over time from the more centralized, top-down initiatives of the 1960s, with their development poles and “cathedrals in the desert” of Italy’s *Mezzogiorno*, to a phase in which the differing resources of a specific territory are strengthened, the central authorities transfer power to lower levels and primacy is given to the efforts of people and their grassroots organizations.

This trend, visible to varying degrees and in different forms in Western Europe, including in the most centralized countries, has emerged at the same time as:

- 1) the model of production is being restructured;
- 2) the role of rural areas and cities is changing;
- 3) the labour market and social protection are facing mounting difficulties;
- 4) poverty and exclusion are on the rise and becoming more extreme;
- 5) Europe is gradually becoming economically integrated;
- 6) the effects of globalization are being felt. Each of these processes merits in-depth analysis, but what we want to highlight here is their conflicting influence on the restructuring of what is local.

<sup>7</sup> A. Vazquez Barquero: *Política económica local* [Local economic policy] (Madrid, Ed. Pirámide, 1993); M. Geddes, J. Benington (eds.): *Restructuring the local economy* (London, Longmans, 1992); G. Chanan: *Regeneration from within* (Dublin, European Foundation, 1997).

In the first process, mobility and flexible production, networks of small and medium-sized enterprises, decentralized factories, business delocalization and local markets are more and more important. The second refers to the rural world's search for internal development, the new, proactive approach of local authorities and the expanding role of cities. In the third, employment is becoming increasingly precarious at the same time as growing numbers of workers who once earned wages now derive their income from social benefits. Given the limits of labour macro policy and the financial growth of social security, employment policy has to be rethought, new territorial sources of employment discovered, and the emphasis placed on local occupational and social welfare policies. Because of the fourth process, general economic growth, which does not at present comprise the territorial distribution of outcomes or long-term sustainability, must be redefined, and governance, which cannot continue to marginalize territories, players and populations with no regard for social cohesion, reviewed.

EU economic integration has had positive effects, but while it has witnessed the advent of a huge market in which goods, people and capital flow across borders and monetary and financial decisions are increasingly taken at the supranational level, it has also engendered considerable territorial imbalances. As a result, adjustment policies have had to be introduced, structural funds (ERDF, ESF) territorialized, and more experimental programmes (POVERTY III, LEADER I and II, LEDA, URBAN, etc.) made to focus on local development. The EU's progressive application of the principle of subsidiarity has also helped strengthen the role of local authorities and associations.

The risk of attributing everything to economic globalization is no reason not to acknowledge that globalization is a growing and to some extent unstoppable phenomenon affecting the international division of labour. It creates a new hierarchy of economic areas, and obliges States to control social protection costs in order to ensure that the greater mobility of capital and a heavier fiscal burden do not prompt companies to delocalize or discourage foreign investment. At the same time as economic processes are being uprooted (communication technologies, lower transportation costs) and the regulatory capacity of States is failing, investment is tending to concentrate and be found in territories offering comparative advantages (subcontracting networks, qualified cheap labour, efficient local services and goods). The local public and private players granted new responsibilities in the decentralization processes of the 1970s and 1980s are thus obliged to intervene more actively in the economy. This is all especially obvious in cities and regions in which old or one-sector industries are being dismantled, and on the perimeter of major economic circuits. Economic globalization has also created the conditions for new flows of people who form real or symbolic ties<sup>8</sup> and/or engage in a kind of underground nomadic lifestyle that operates as a bottom-up form of globalization<sup>9</sup>.

The impact of economic growth has never been evenly spread over a territory, and this is even less the case now. As a result, territorial entities that more or less corresponded to more traditional institutional (political, administrative, ecclesiastical, judicial, etc.) entities are being transformed. Regions, provinces, departments, districts, counties, municipalities and parishes are giving way to industrial districts (Italy), the country (France/Spain), the bassin (France), metropolitan areas, regions/programmes (Portugal/Ireland), proximate territories, greater urban areas (England/Spain/Sweden), territorial communities (England/Ireland/Spain), and so on.

The transformation of local entities, whose perimeters and, in many cases, nature are modified in the process, encompass numerous policies and measures. The following is a non-exhaustive list:

<sup>8</sup> G. Capron, G. Cortès, H. Guétat-Bernard: *Liens et lieux de la mobilité. Ces autres territoires* [The places and ties of mobility. Those other territories] (Paris, Ed. Belin, 2005).

<sup>9</sup> A. Tarrus: *La mondialisation par le bas* [Globalization bottom up] (Toulouse, 2002).

- Germany. Urban Renewal Programme (1993), Policy for a supportive city (1998).
- Austria. Regional development programme.
- Belgium. Local Missions (1994), Flemish Fund for Integration (1986), neighbourhood projects in Brussels (1987), local development agencies in Wallonia (1997).
- Denmark. Urban Initiatives Committee (1994), urban renewal (1996), social development fund (2002).
- Scotland. New Life for Urban Scotland Initiative (1988), Community development programme.
- Spain. Cooperation programme with local business, integrated renewal areas (1983), local employment initiatives (1984).
- France. Neighbourhood social development policy (1982), urban social development (1988), City Policy and Law on Territorial Administration (1992), local plans for integration and employment (1998), Law on Solidarity and Urban Renewal (2000), social projects involving territory (2002), Law on Local Responsibilities (2004).
- Finland. Pilot projects to enhance suburban neighbourhoods (1996).
- England. City Challenge (1990), urban regeneration budget (1993), new frontier communities (1998).
- Ireland. Local Social Development Inclusion Programme (2000).
- Italy. Urban Recovery and Territorial Sustainability Programme (1998), Territorial Covenants (1995), Law on Public Service Re-organization (2000), zonal social plans (2000).
- Netherlands. Programme for problem zones (1985), social renewal programme (1989), policy for major cities (1993).
- Norway. Programme for underprivileged urban areas (1997).
- Portugal. Social Network Programme (1997), Critical Neighbourhoods Initiative (2006).
- Sweden. Projects for outlying areas and policies for metropolitan areas (1997).

A closer look at these policies and programmes reveals that with few exceptions they focus on urban areas: urban regeneration, renewal of suburban neighbourhoods and historic downtown areas, urban renewal. This is of a piece with the mass urbanization of the European population, the urban and social deterioration of cities, and the growing activism of municipal authorities.

These local development initiatives also focus on the fight to reduce the poverty and social exclusion of individuals, groups and areas that are increasingly cut off from the circuits of production and distribution and whose social ties are fraying. They also concentrate, to a stronger or lesser degree, depending on the labour market, on creating local jobs. The 1982 OECD

pioneering programme, “Local Employment Initiatives”<sup>10</sup>, and various European Community programmes, such as the Territorial Employment Pacts, together with the territorial emphasis of the European Employment Strategy adopted by the Luxembourg Summit in 1997<sup>11</sup>, have all helped generate initiatives of this kind, one of whose objectives is labour insertion at the local level.

All of these initiatives operate on a territorial basis, which in most cases, as we have said, does not correspond to any political-administrative unit, in an endeavour to redefine boundaries in the light of the problems to be solved or the anticipated results. They tend to be inspired and funded by European bodies. Many are part of State programmes, but their planning and implementation are increasingly the work of the local and regional authorities and take place within a culture of public-private partnership between local players. Another trend is the gradual move from central and to some extent authoritarian policies (top-down) to bottom-up models<sup>12</sup>, to coordination among local networks that place greater value on endogenous resources, and to collective participation by citizens and their organizations, in a different concept of territorial governance.

The same wealth of policies and measures promoting local development directly or indirectly in long-standing EU members has not been reproduced in the countries of Central and Eastern Europe. In the first place, the impact of EU structural funds and pilot projects has only recently started to be felt. The 2004 Budapest Declaration<sup>13</sup> is significant in this regard. In some cases this has led to the creation of more or less historic or artificial regions to manage the Funds. Secondly, most of these countries have a long history of strongly centralized and bureaucratic government, and although the most recent measures of public administration reform<sup>14</sup> give the local authorities broad authority, what few resources those authorities have are used to meet the most pressing (disasters, help for the poor, and so on) or more traditional needs (drains, lighting, public hygiene). Thirdly, there is no tradition of integrated programmes against poverty and social exclusion<sup>15</sup>, or of local socio-economic development plans, although this is being changed by the NAPs (national action plans on social inclusion). Fourth, public social security is undergoing sweeping change<sup>16</sup>: cutbacks are the norm, with non-contributory services being strengthened and modernized only in exceptional cases (minimum income and social services for the elderly and children). Fifth and last, long-term public-private cooperation and coordination tends to be rare, employers’ and workers’ organizations have little influence and the associative movement is finding it difficult to structure itself.

<sup>10</sup> OECD: *Iniciativas locales para la creación de empleo* [Local job creation initiatives] (Madrid, Ministry of Labour, 1984).

<sup>11</sup> European Commission: *Strengthening the local dimension of the European Employment Strategy* (Brussels, Commission of the European Communities, 2001).

<sup>12</sup> F. Albuquerque: *Apuntes para el curso sobre desarrollo local* [Notes for the course on local development], LED Programme (Turin, 2002).

<sup>13</sup> International Association for Community Development: “The Budapest Declaration: Building European civil society through community development”, in *Community Development Journal* (Oxford, 2004), Vol. 39, No. 4.

<sup>14</sup> OECD: *Local development and governance in Central, East and South-East Europe* (Trento, OECD, 2005).

<sup>15</sup> O. Lelkes: *Social exclusion in Central-Eastern Europe. Concept, measurement and Policy Interventions* (Geneva, ILO/STEP, 2006).

<sup>16</sup> E. Fultz, ed.: *Pension reform in Central and Eastern Europe* (Budapest, ILO, 2002), Vols. 1 and 2.

This has not prevented national inclusion and employment plans from being drawn up, the concept of exclusion from winning greater acceptance<sup>17</sup>, the local authorities from having a stronger presence and exerting greater pressure, efforts from being made to enhance public administration efficiency, civil servants and trade union, employer organization and association professionals and volunteers from becoming qualified, or civil society and local community socio-economic development initiatives in rural and urban areas from being better coordinated. The situation and the measures adopted differ from one Central and Eastern European country to another, and there are huge disparities between them, but clearly the conditions are falling into place for the introduction of local initiatives focusing more closely on local labour markets.

## 2.2. Social protection, capital and development

We do not need to look at the etymological roots of the word “protection” – which evokes a roof over one’s head, the home – to realize that the basic social network, the State, the market and the associative matrix are the four sources of protection people can be afforded or denied<sup>18</sup>. It is when all four work together and complement each other that the greatest degree of protection is usually achieved.

Thanks to the family (especially women), friends, relatives, rural circles, ethnic or territorial groups, etc., people have been and still are able to meet relatively imperative and urgent needs and to cope with natural or man-made disasters. Work and the money it brings in allow people to buy the products and services that in commercial societies meet solvent demand. Every day, the social economy (cooperatives, mutual organizations, foundations, associations, social companies) affords greater protection to the unprotected.

The public authorities, the traditional distributors of charity, first created continental-type (Bismarckian) social security, which after the Second World War was expanded in Europe to become a more universal model (Beveridge). The welfare state supplemented social security so as to cover the main risks faced by the native population from cradle to grave, with specific services and benefits for more marginal groups. This is why the literature on public social protection tends to distinguish between the system of contributory social security, which covers illness, disability, old age, unemployment, maternity, occupational accidents and family benefits, from social welfare, which is not contributory and includes minimum incomes and other forms of monetary aid, social services and emergency assistance<sup>19</sup>.

The two systems were shaken during the economic crisis of the 1970s by the relative deterioration in the labour market, the breakdown of social ties and the aging of the population, the growing size of the informal sector, the increase in health needs and costs and deepening poverty and exclusion.

This resulted in: 1) the appearance and development of commercial, for-profit private insurance initiatives, especially in respect of old-age pensions, retirement plans, illness and disability; 2) the relative contraction of public social security; 3) the introduction of means-testing for certain benefits; 4) the growing importance of collective and community mechanisms of protection (micro insurance, mutual insurance, time banks, etc.); 5) the expansion in some countries and curtailment in others of social services, even though the budget volume increased almost everywhere as the number of people benefiting from minimum income guarantees grew.

<sup>17</sup> F. Zsuzsa et al.: *Combating poverty and social exclusion* (Budapest, ILO, 2002), Vol. 1.

<sup>18</sup> J. Estivill: *Alternativas en la protección social* [Alternatives in social protection] (Madrid, INTRESS, 1989).

<sup>19</sup> ILO: *Social Security: A new consensus* (Geneva, 2001).

While the hard core of public social protection has remained the responsibility of central government (collecting, financing, devising, planning, entitlement criteria, etc.), social welfare mechanisms have been decentralized and transferred<sup>20</sup> to local and regional authorities. The municipalization and local distribution of certain benefits (unemployment) in the Scandinavian countries, Social Renovation in the Netherlands, the progressive federalization of Belgium, the 2000 Social Services Act in Italy, decentralization in France, local administration reform in Ireland, the exclusive jurisdiction of Spain's Autonomous Communities, are all significant examples of the mounting tendency to base social action and social services on the local territory.

It is chiefly within this tendency that public social protection mechanisms and local development intersect, especially because, as the now pioneering studies of Coleman, Bourdieu, Fukuyama and Putnam have made increasingly obvious, one of the conditions for genuine development is the creation and promotion of social capital throughout the territory. These authors and many others argue that after a phase in which physical, financial and human capital had primacy<sup>21</sup>, attention has now focused on the collective potential deriving from the structure of relations between people sharing a specific territory. Strong shared civic values and social trust, powerful networks of cooperation between the players and the citizens, and common identity-related projects facilitate and reinforce the possibilities for enhanced institutional and democratic effectiveness and more sustainable economic development. Within limits, of course<sup>22</sup>: it would seem that the social-cultural dimension, protection and civic-social promotion are closely related to political and economic factors. Territorial social development apparently depends inter alia on the quality of production and distribution of collective goods and services, on the security and trust guaranteeing the networks, be they stronger or weaker<sup>23</sup>, on the room allowed for individual liberty allied with equitable reciprocity, and on the society's and local community's capacity to participate and cooperate.

From this perspective, and on the basis of this definition, local development means more than economic growth and improved material well-being; it also comprises distribution to the entire population and the quality of its collective life within a determined territory.

At this point, one thing must be made clear, and it concerns the use of the words "society" and "community" in connection with "development" and "protection". They do not mean the same thing and are not interchangeable, even though they sometimes have similar meanings. Without referring to Ferdinand Tönnies' classic distinction between "society" and "community", we can say that approximations of community development originated in the United States and Canada (Community Action) in the 1960s, appeared in Latin America during Kennedy's New Frontier era and are now spreading throughout Europe under the auspices of the United Nations Europe

<sup>20</sup> J. Bonnal, J. Litvack: *Historique de la décentralisation. La décentralisation et la protection social* [A history of decentralization. Decentralization and social protection] (Geneva, FAO, 2000).

<sup>21</sup> P. Evans: "Government action, social capital and development", in *Rev. World Development* (New York, 1996), No. 6; A. Portes: "Social capital: its origin, and applications in modern sociology", in *Annual Review of Sociology* (1998), No. 24; M. Woolcock: *Using social capital: getting the relations right in the theory and practice of economic development* (Princeton, Princeton University Press, 2000)

<sup>22</sup> E. Ostrom: *Governing the economics: The evolution of institutions for collective action* (New York, Cambridge University Press, 1994); S. Tarrow: "Making social science work across space and time: a critical reflection on Robert Putnam's Making Democracy Work", in *American Political Science Review* (1996), No. 2; A. Bagnasco: "Regioni, tradizione civica, modernizzazione italiana: un commento alla ricerca di Putnam" [Regions, civic traditions, Italian modernization: a comment on Putnam's research], in *Revista Statu e mercato* (1994), No. 40; C. Oltra, A. Alarcón: "Modernización ecológica y sus relaciones con el capital social" [Ecological modernization and its relationship to social capital], in *Revista Española de Sociología* (Madrid, 2005), No. 5.

<sup>23</sup> M. Granovetter: "The strength of weak ties. A network theory revisited", in *Sociological Theory* (1996), No. 1

Programme. They have been favourably received in Italy, England, Spain, Belgium and Ireland, and have even overcome French reluctance<sup>24</sup>. They are becoming a social labour approach, a means of mobilizing citizen participation in territorial rearrangement, in a method of promoting local identities and big city neighbourhoods<sup>25</sup>.

Starting in the 1980s these orientations were observed and, in the face of some resistance<sup>26</sup>, became dominant in the Canadian province of Quebec, where they were incorporated into community economic development (Développement Économique Communautaire), and exerted a strong influence in England (New Deal for Communities), Scotland (Scottish Community Development), Ireland (Community Development), some Scandinavian countries, Denmark and Finland (community and municipal action for employment) and, to a lesser extent, even though the term was commonly used, in Italy (community welfare and Comunità Solidale), Spain (community development in rural areas and neighbourhoods) and Portugal (poverty-reduction and local-development projects, Barrios Críticos). On the way, community development has sometimes been tinged with a more economic, social or cultural content, making it a technique for participative planning, a form by which groups – usually the most excluded and poorest – organize action and express themselves, a means of strengthening local resources, and a concept for the application of local authority. It thus connects with the potential role of the social economy (community enterprises) and with comprehensive local development<sup>27</sup>.

On the other hand, the literature in French, in particular but not only that produced in France, has been highlighting the concept of local social development since the early 1980s<sup>28</sup>. The term encompasses other concepts, such as territorial social policies, territorialization of social policy, proximate territories, territorial social cohesion, city and territorial contracts, which have come to form part of the terminological heritage of the social sciences in France<sup>29</sup>, where the use of the term “community” puts the cat among the pigeons and runs counter to the Republican ideal. This is why the concept of local social development has been used with growing frequency in recent years, especially in reference to the urban environment<sup>30</sup>.

<sup>24</sup> J. Medard: *Communauté locale et organisation communautaire aux États-Unis* [Local community and community organization in the United States] (Paris, Armand Colin, 1969)

<sup>25</sup> C. Jacquier: “Les enseignements du développement social local, ailleurs” [The lessons of local social development, applied elsewhere], in *Revue Recherches et prévisions* (Paris, 2005), No. 81.

<sup>26</sup> A. Bagnasco: *Tracce di comunità* [Community tracks] (Bologna, Il Mulino, 1999).

<sup>27</sup> J. Pearce: “Community enterprises in Scotland. Acting locally”, in *People’s Economy* (1996).

<sup>28</sup> The Neighbourhood Social Development Commission was established at the end of 1981.

<sup>29</sup> M. Autès: “Territoires et subjectivités. Les nouveaux défis de l’action sociale” [Territories and subjectivities. The new challenges for social action], in *Revue Recherches et prévisions* (Paris, 2005), No. 81.

<sup>30</sup> J. Menjin: *Guide du développement local et du développement social* [Guide to local development and social development] (Paris, L’Harmattan, 1989); J.F. Bernoux: *Mettre en oeuvre le développement social territorial* [Implementing territorial social development] (Paris, Dunod, 2005).





### 3. Defining classifications

The above is important to clarify the conceptual and strategic relations between social and local development. What we now have to do is consider how social capital and the quantity and quality of social protection originate and grow in a specific territory, with a view to classifying the relations between them.

1. **Contributory public benefits** increase individual income and the possibilities to save and spend, and spur demand. They rarely, however, drive local development. What is more, as Greffe<sup>31</sup> asserts, “in regions in which traditional industry is in crisis, compensation and social benefits have been observed to give rise to an almost equivalent outflow of financial resources from the territory considered, transforming its potential capacity into an effective handicap”. In addition, when a factory closes the workers often return to their places of origin, if they are adequately compensated (early retirement benefits, separation pay, etc.), and local businesses give way to large distributors. In other cases, the benefits are absorbed by the least dynamic groups in the population (the unemployed, the elderly) or, even worse, are used by criminal outfits and local oligarchies to neutralize economic or social promotion. If, on the other hand, the town has any economic dynamism and social coherence, benefits can have a positive impact. Some authors have suggested that such benefits, which are distributed to individuals and not on the basis of territory, could be grouped with non-contributory services and benefits, thus creating a form of local social welfare, even a “mini-State” of local social well-being.

2. This would appear more readily feasible with **non-contributory benefits, social aid, social services and even emergency assistance**, when provided within the broader framework of local development strategies. What is needed in that case is a body to negotiate, formalize, structure and localize the benefits in this sense.

Non-contributory benefits must be matched by a system of support arrangements so that the assistance received is converted into savings or work (self-employment). The relationship between increased income and job creation tends to be beneficial for local development and social protection, as many experiences have shown, especially in Latin America.

Both social enterprises<sup>32</sup> and the social and support economy as a whole have shown that they are able not only to uncover new sources of employment, but also to create and sustain them among the most underprivileged groups, those who receive the benefits, in the process often becoming the backbones of more general<sup>33</sup> and local<sup>34</sup> development.

3. The creation of a wide range of **public and private not-for-profit social services** helps check creeping impoverishment and social exclusion at the local level, if the services concerned are based on territory. Their impact is less clear when they are mobile or intended only for certain groups, or when their location depends on circumstances or is decided in response to extra-territorial interests (therapeutic community set up in a rural area).

<sup>31</sup> X. Greffe: *Le développement local* [Local development] (La Tour d'Aigues, Éditions de l'Aube, 2002).

<sup>32</sup> A. Bernier, J. Estivill, C. Valadou: *Las empresas sociales en Europa* [Social enterprises in Europe] (Barcelona, Ed. Hacker, 1997).

<sup>33</sup> J. Defourny, L. Favreau, J.L. Laville: *Inserción y nueva economía social* [Insertion and the new social economy] (Valencia, CIRIEC, 1998).

<sup>34</sup> B. Eme: “Développement local et pratiques d'insertion” [Local development and the practice of insertion], in *Revue Economie et Humanisme* (Lyon, 1990), No. 315.

But day care centres, homes for the elderly, vocational schools, home care services, halfway houses for the young, day centres and – why not include them? – schools, post offices and banks, basic social-medical centres and libraries give the population security and protection, meet many of their needs, create jobs (albeit not always locally – civil servants), polarize relations in the territory and reinforce social ties. If they can add a dynamic socio-cultural dimension to their explicit functions, they can play a non-negligible role in local social development processes (prevention campaigns, user participation, interinstitutional relations, awareness and demand for resources). There have been cases – not many, but enough – in which a centre for drug addicts (Las Moreras, Córdoba, in Spain), a vocational school or an employment office for young people (Chãos, Alcobertas, in Portugal) has been used to turn a specific issue into a more general public concern and demand, to forge a dynamic partnership among local players and to devise and apply a more integrated socio-economic development strategy.

4. What is known as **emergency assistance** comes in two forms: benefits that since the Middle Ages have protected those most in need, and benefits granted in the case of a major natural disaster (earthquake, flooding, drought, fire) or man-made catastrophe (environmental disaster, war).

The former, which are distributed less arbitrarily at present but of which there are many types in Europe<sup>35</sup>, are usually the responsibility of the municipality and are used to fight the most extreme cases of local poverty and exclusion. They take the form of monetary aid and are part of the assistance apparatus<sup>36</sup>: rent support, cafeteria and food vouchers, transport vouchers, etc. Fewer people need this kind of aid long term than one might think, but it nevertheless helps tide people over until times improve, especially in the countries of northern Europe, where it is generous. When supplemented with minimum income guarantees (the Basque country), such benefits can become springboards to social or worker integration, but they do not promote local development. This should not make us forget, however, that local development is more easily sparked in territories in which income support measures help shrink the most vulnerable and precarious groups, renewing the legitimacy and confidence of a local society that is also judged by the amount of poverty it produces and tolerates.

Disaster aid tends to be massive and is granted as a function of the scope of the disaster. At times it seems to disappear into thin air, at others it is awarded to individuals, or invested in infrastructure of benefit to external enterprises, but it can be a factor of local social economic promotion in the right conditions. We must remember that in impoverished territories with few resources and an aging and fatalistic population dominated by despotic oligarchies, it is much more difficult to get “back on the road”. This is why local development requires a minimum social capital<sup>37</sup>.

5. Other types of contributions are missing from the social protection scheme described above, for instance **for-profit private schemes**. Only in exceptional cases are these engines of local development. The positive impact of corporate systems of additional social protection on worker income should not be underestimated, however, and when those businesses are cast in a local mould, the impact is felt not only on the labour market but also on the propensity of the businesses to come round to the idea that they have a social responsibility and to becoming a local development player. By the same token, if the businesses create services (day care centres,

<sup>35</sup> C. Saraceno: *Le dinamiche assistenziale in Europa. Sistema nazionali e locali di contrasto alla povertà* [The dynamics of assistance in Europe. National and local poverty-reduction systems] (Bologna, Il Mulino, 2004)

<sup>36</sup> T. Eardley et al: *Social assistance in OECD countries. Synthesis report* (London, Stationary Office, 1996).

<sup>37</sup> C. Trigilia: *Sviluppo locale. Un progetto per l'Italia* [Local development. A project for Italy] (Rome, Editori Laterza, 2005).

company stores, vocational schools, and so on) for workers and their families, the services thus created can constitute resources for local development.

6. One final kind of protective mechanism has to do with **mutual and community initiatives and their connection with basic networks of solidarity and the informal economy**.

It may be useful to recall that the social economy was originally a local phenomenon that drew strength from its local roots. From the first local unions, production or consumer cooperatives, to the subsequent mutual benefit societies, all were marked by trust between members, their territorial stake in a neighbourhood or village, their collective identity and defence, and the fulfillment of specific needs. They often perpetuated more informal, family and neighbourhood-based customs of mutual aid. It is also important to remember that their more combative manifestations very quickly, in the 20th century, became international<sup>38</sup>, and that it was only later that they were structured along State lines.

The current return to local roots also partly explains the renewed vigour of the various forms of the social economy that are very visible in Europe's Latin and Mediterranean countries and that have also emerged in the north. Even in Great Britain, where there has been considerable demutualization, the cooperative and associative movement is growing. The "local people economy"<sup>39</sup> is expanding in Sweden<sup>40</sup>, Germany, Austria, the Netherlands and Denmark, spawning alternative systems of financing, self-help groups, time banks, credit cooperatives, qualification and insertion enterprises and socio-environmental initiatives whose goals are to defend and protect their members and the environment. While the Mediterranean style of social economy<sup>41</sup> is characterized by more and deeper local roots, family ties and the informal economy, it is also marked by less extensive public social security coverage and higher unemployment rates. This has influenced the Italian model of social cooperatives and their territorial consortia, the social enterprises of Portugal and Spain, the emerging underground economy and initiatives to fight unemployment and poverty, the expanded room for social-medical mutual organizations and the heightened importance attached to insertion and territorial roots.

The above classification considers relations between social protection and local development from the point of view of the former; the process will now be viewed the other way round, i.e. to what extent and by what means local development contributes to greater social protection and limits insecurity.

**1. More formal local development processes** constitute one such means. Historically they have tended to be economic and top-down in nature, and to give priority to external investment and the public sector. They were important because they focused attention on the territory as the process worked its way down through the public administration, they showed the limits of centralized, Keynesian economic policy, they sparked sometimes fierce competition on the part of the local authorities by creating competitive advantages (reducing local taxes, industrial land, local employment, etc.), while drawing attention to their economic capacity, activating local players (trade union federations, economic corporations, trade associations, and so on), generating widespread awareness of the capacities of the local micro economy, especially in rural areas, and often setting the conditions for jobs of collective interest.

<sup>38</sup> J. Estivill: *Local versus global. A new challenge for social economy* (Antwerp, University of Antwerp, 2004).

<sup>39</sup> R. Döring, H. Kegler, K. Zimmerman: *People economy* (Desau, Bahauss Dessau Foundation, 1996).

<sup>40</sup> A. Roonby: *Mobilising local communities* (Avebury, Aldershot, 1995).

<sup>41</sup> J. Estivill: *La via Mediterranea verso l'economia sociale* [The Mediterranean path towards the social economy] (Bologna, Fondazione Cesar, 2002).

They nevertheless failed to foster sustainable, long-term processes of socio-economic local development, to distribute the results equitably, to promote partnership beyond formal, hierarchical platforms, to create a dynamic job market and to fight poverty and exclusion. They built cathedrals in the desert that crumbled when the aid vanished or was swallowed up by local oligarchies.

At the same time, they laid the groundwork for what can be termed a second generation of more formal local development that has had a positive influence on the territorial aspect of social affairs. The result has been an enhanced capacity of territorial analysis that takes account of needs and social demands, combines economic investment and results with the distribution of income and work, promotes innovative technology, influences international markets and the development of local markets (whether sophisticated or not), binds the local players in stable networks and gets them thinking along social lines, wages and gives priority to the fight against poverty and exclusion using mechanisms promoting the participation of the most vulnerable (empowerment), mends the associative fabric and creates coordination mechanisms that are endorsed by the local authorities and reinforce local collective interest. This second generation tends to create social capital and to embolden people by helping them overcome their “lethargy”, using support mechanisms, assistance and know-how to promote local leadership, stable social and labour integration, the qualification of labour and individual and collective incubators (pepinières) for businesses and societies. In a way, it lights the local civic fire.

Not all these endeavours are successful, because they depend both on local capacity and momentum, and on whether or not they have found a place in the international rearrangement of territory. But if the right conditions exist, social protection usually progresses.

The impetus for these processes can be generated internationally, by European agencies, especially in countries on Europe’s periphery, such as Ireland, Portugal, Spain, Italy, Greece and, more recently, the countries of Central and Eastern Europe, where the State has less room for financial manoeuvre. It can also be generated by national and even regional programmes. If funds are obtained, the processes can be launched and implemented by comparative imitation, by osmosis or by self-conviction.

**2. Informal local development processes** are a second means. They are informal because although something happens, nothing is said or sold abroad, or because they are not materialized in institutions. The fact that they are more difficult to discern, however, does not mean they cannot be identified as good practices and point in the right direction.

In this case, we must emphasize that the theory of social capital offers other explanations for how its absence hampers local development and social protection while its presence broadens them.

If we look at past effort to promote specific territories, we can observe that they often did not wait on external inputs or a formal structure<sup>42</sup>. Some collective territorialized projects were moulded by the cementing role played by the local market or polarization around a productive sector (skilled labour, industry, tourism), others by a strong socio-cultural identity. In older models, it was the shared resolution of specific local players (trade associations, trade unions, chambers of commerce or industry), acting with or without the approval of the authorities, that made it possible to move from a more passive phase of deterioration in the local economy and society to a more active stage of collective entrepreneurship.

<sup>42</sup> E. Forner, ed.: *Percorsi di sviluppo locale* [Roads to local development] (Udine, IRES, 1990); G. Gontcharoff: “Petite généalogie historique et conceptuelle du développement local” [A brief historical and conceptual pedigree of local development], in *Revue Territoires* (2002), No. 431.

In Italy, the idea of **industrial district** has received much play<sup>43</sup> since the 1970s. Characterized by the flexible production of small and medium-sized enterprises, an intricate family structure, business acumen and a market extending to both the wealthy regions and cities of central and northern Italy and internationally, the industrial district has been cited as a model of local development. The concept has spread to the high-tech districts of the United States and, in adapted form, to Brazil, Grenoble and Oxford, where the software, biotechnology, design and mass media industries predominate. The districts' added value is said to come from their cluster configuration, the mix of public funds, business initiative and associative activity, and the role of technological innovation. These factors are also cited<sup>44</sup> to explain the success of the districts, which are also cultural and which have most recently resulted in the founding of scientific and technological parks and of technopolises<sup>45</sup>. The districts are said to attract investment, create qualified jobs and a mobile labour market and boost income; they are predicated on the existence of, but also enhance, high-performance social capital at district level. But community and social capital development do not always signify an amelioration for the people most affected by poverty<sup>46</sup>.

Another question in the context of more formal initiatives is that of continuity. Continuity tends to be assured when there is a solid connection between economic yield and its more or less equitable distribution among the population, when coordination – albeit not necessarily written – between the players involved, the inhabitants and their organizations are strengthened and when individual efforts are matched by the creation of common goods and services. Many authors<sup>47</sup> point to the role played in this regard by not-for-profit economic initiatives<sup>48</sup> in mobilizing local resources, detecting hidden needs and demands, creating new services and jobs, mutualizing individual and collective risk (micro credit, Les Cigales), and promoting social and labour insertion for the most vulnerable<sup>49</sup>. Such initiatives tends to work on condition that they are willing to shed the corporate approach by which they only serve their members, that they establish intricate and dynamic partnerships and that they focus on the territory in which they are located, defending the interests of the entire population. The experience of the Mondragón group, which created a complementary protection system (Lagunaro), and the eight examples studied in the CONSCISE project (Contributions of Social Capital in the Social Economy to Local Economic Development)<sup>50</sup>, one of which figures in this text, are tangible examples of these, as such, not particularly formal local development capacities and growth in social protection.

<sup>43</sup> G. Becattini, ed.: *Mercato e forse locali. Il distretto industriale* [Local market and forces. The industrial district] (Bologna, Il Mulino, 1987); G. De Rita, A. Bonomi: *Manifesto per lo sviluppo locale* [Manifesto for local development] (Turin, Bollati Boringhieri, 1998).

<sup>44</sup> G. Bravo: "Le basi nonprofit dello sviluppo. Crescita economica, crescita sociale e le loro radici nel contesto locale" [The non-profit bases of development. Economic growth, social growth and their roots in the local context], in G. Provasi, ed.: *Lo sviluppo locale: una nuova frontiera per il nonprofit* [Local development: a new frontier for non-profit] (Milan, Franco Angeli, 2004).

<sup>45</sup> M. Castellani: "Parchi scientifici tecnologici: il ruolo del nonprofit tra conoscenza e sviluppo locale" [Scientific technological parks: the role of non-profit in local knowledge and development], in Provasi, *ibid.*

<sup>46</sup> G. Mansuri, V. Rao: "Community-based and driven development. A critical review", in *World Bank Research Observer* (Oxford, 2004), No. 19.

<sup>47</sup> G. Provasi (ed.): *op. cit.*

<sup>48</sup> G.P. Barbetta, F. Maggio: *Nonprofit* (Bologna, Il Mulino, 2002).

<sup>49</sup> B. Eme: *op. cit.*

<sup>50</sup> CONSCISE: *Contributions of social economy to local development* (Middlesex, IHSSR, 2003).

3. As we wrote earlier, another means of promoting local development stems from the **growing activism of cities**, which are no longer content to be mere on-lookers of international and national change<sup>51</sup>. They have been prompted to develop urban strategies for socio-economic development by their growing awareness of their economic role (employment, zoning, taxes, the environment, etc.), of intraurban inequality and of the deterioration of historic and outlying neighbourhoods, by the displacement of certain social problems to the cities, the establishment of urban development programmes by the OECD in 1993 and 1998 and by the European Union in 1994 and 1997, the latest incarnation of which is URBAN, by the formation of European networks such as Quartiers en crise and Eurocities, and by the growing role of the European Committee of the Regions and the critical review of its sector policies. This is the case inter alia of Cologne, Glasgow, Lyon, Frankfurt, Stockholm, Vigo, Vitoria, Gijón, Girona, Rotterdam and Sheffield.<sup>52</sup>

Local does not mean municipal, yet many programmes limit themselves to the confines of city hall. Nor is urban growth necessarily synonymous with socio-economic development. True, urban planning, the osmotic spread of production, commercial and service networks, transportation and technological innovation have spawned new identity-related areas (greater urban regions and metropolitan areas) around cities. Settlements with external economies in major metropolises reconstitute the economic and social fabric in intermediate cities such as Tilburg (textile), Hamburg (marine industry), Ravenna (petrochemical), Alcoi (textile), Charleroi (mining), Dortmund (steel), Malmö (marine industry), Vigo (marine industry) and Swansea (metals). Some of them, studied in a LEDA evaluation<sup>53</sup>, qualify human resources, recreate jobs and a more favourable environment, and augment disposable income.

4. Another means of local development resides in the **labour market**. The ILE programme, which was launched in 1982 and is now part of LEED, was instrumental in Spain and Portugal at a time when those two countries were not EU members. The ILE<sup>54</sup> and other EU programmes, such as that in which local capital has a social purpose<sup>55</sup>, emphasized the string link between economic growth and job creation. Although that link is much less evident at the macro economic level, most specialized literature underscores its significance at the local level.

Permanent, life-long employment is an increasingly rare commodity, however, and its nature and value are changing in Europe, even though it remains one of the chief sources of much of the population's social security. Several authors<sup>56</sup> have suggested that the benefits traditionally tied to paid employment be disconnected from wages and fixed, that they become a lifelong individual right to which one is entitled over the course of a working life. This opens new perspectives for territorialization.

<sup>51</sup> REVES: *Vers un welfare local pluriel* [Towards local, pluralistic welfare] (Brussels, Cahiers Reves, 1999).

<sup>52</sup> F. Arias: *La desigualdad urbana en España* [Urban inequality in Spain] (Madrid, Ministry of Promotion, 2000).

<sup>53</sup> R. Bennet: *Local economy and employment and development strategies: an analysis for LEDA areas* (Brussels, European Commission, 1989)

<sup>54</sup> European Commission: *Horizontal evaluation of local employment development* (Zurich, 2004).

<sup>55</sup> European Commission: *Evaluation du projet pilote "capital local à finalité sociale"* [Evaluation of the pilot project "local capital used for social purposes"] (Brussels, 1999).

<sup>56</sup> R. Castel: *L'insécurité sociale* [Social insecurity] (Paris, Ed. Seuil, 2003); A. Supiot: *Critique du droit du travail* [A critique of labour law] (Paris, P.U.F., 1994); A. Bonomi: "Dieci tesi per lo sviluppo locale" [Ten theories of local development], in G. De Rita: *op. cit.*

In any event, the transition from a welfare to a workfare system<sup>57</sup> - currently the flavour of the month – prompts a number of questions, even though efforts to promote local employment markets and their protective capacity continue to hold sway throughout Europe. Illustrations of such relationships are not hard to find.

5. Lastly, another means of defining local development in terms of its relationship with protection is to be found in the **strategies, plans, programmes and projects to fight poverty and exclusion**<sup>58</sup> that have been drawn up over the past thirty years and sponsored to varying degrees by the EU. Of these, territorial approximation has gained ground since 1975, the year in which the First Programme was launched, acquiring the status of principle in the Third Programme (1989-1994)<sup>59</sup>.

Indeed, the aims of preventive, palliative and emancipating poverty-reduction strategies are to limit the number of people who become impoverished and excluded, to endeavour to ensure their situation does not become chronic, to lift them out of poverty as swiftly as possible and to make sure it is not always the same people who are affected. Except in extreme, albeit increasingly frequent, cases of transient and nomadic indigence, poverty is emerging and spreading at territorial level, and it is increasingly from that perspective that it is being tackled.

Nor must we forget that it is the mechanisms of general social protection that have tended to be the most effective in dealing with what is known as relative and more widespread poverty<sup>60</sup>. An increase in retirement benefits pulls thousands of elderly people out of poverty. The adoption of a minimum income, the safety net of last resort, which in the Latin countries and increasingly also in those of northern Europe is combined with the right to demand socio-occupational insertion and social integration<sup>61</sup>, has become an instrument of first rank in the fight against poverty<sup>62</sup>. It is becoming increasingly clear, however, that its impact is multiplied when it is introduced into territorialized and integrated socio-economic development plans, as has been observed, when they exist, by the local commissions, committees and councils that provide minimum incomes.

Today's National Action Plans on Social Inclusion, the outcome of the agreements reached by the European Council in Nice and Lisbon in 2000, went through a phase in which State-wide measures had primacy but now emphasize the importance of territorial action and the relationship with social protection<sup>63</sup>. In fact, in several countries such as Spain, the national plan could be the culmination of the 17 regional plans and the more than 50 local plans<sup>64</sup>. In others, for example in

<sup>57</sup> J.M. Bonvin: "Mercado y democratización" [Markets and democratization], in the special active employment policies issue of *Revista de Políticas Sociales en Europa* (Barcelona, Ed. Hacer, 2002), No. 11

<sup>58</sup> J. Estivill: *Panorama de la lucha contra la pobreza y la exclusión. Conceptos y estrategias* (Geneva, ILO/STEP, 2003).

<sup>59</sup> J.M. Henriques: "El desarrollo local" [Local development], in the special issue on European strategies for social exclusion of the *Revista de Políticas Sociales en Europa* (Barcelona, Ed. Hacer, 1998), No. 3.

<sup>60</sup> H. Deleeck et al: *Poverty and the adequacy of social security in the EC* (Aldershot, Ashgate, 1992).

<sup>61</sup> A. Kazepov, S. Sabatinelli: "Minimum income and social integration: Institutional arrangements in Europe", in ILO/STEP: *Social protection and inclusion: experiences and policy issues* (Geneva, ILO, 2006).

<sup>62</sup> M. Heikkilä, E. Keskitalo (eds.): *Social assistance in Europe. A comparative study on minimum income in seven European countries* (Helsinki, Stakes, 2001).

<sup>63</sup> Commission of the European Communities: *Social inclusion in Europe 2006* (Luxemburg, Office for Official Publications, 2006).

<sup>64</sup> J. Estivill: "Hacia una estrategia europea. Los planes nacionales de inclusión social" [Towards a European strategy. National plans for social inclusion], in F. Vidal (ed.): *La exclusión social y el estado del bienestar en España* [Social exclusion and the welfare state in Spain] (Madrid, Icaria editorial, 2006).

Italy, zonal social plans have been introduced within the framework of the 2000 Social Services Act<sup>65</sup>.

The picture in Europe is completed by a wealth of projects to fight poverty and exclusion. From Perama in Greece to Connemara in Ireland, Friuli in Italy to Charleroi in Belgium, examples are rife of action that has helped locally to reduce the vulnerability and helplessness of the poor and the excluded.

<sup>65</sup> A. Battistella, U. De Ambrosio, E. Ranci: *Il piano di zona* [The zonal plan] (Rome, Carocci Faber, 2004).



## 4. Experiments in local development and social protection

### 4.1. Local social policy and planning: from districts to zonal plans in Italy

#### *Introduction*

Italian social policy is complex and even labyrinthine, but also stimulating. Our examination of this case therefore starts by explaining the keys to interpreting that policy and the intersects it comprises between social protection and territorial development. One of the peculiarities of local development in Italy is the industrial districts, which have served as a model for other countries and been much discussed in the literature. The second section therefore explains and discusses these districts and territorial pacts. The 2000 Law went a step further in that it introduced the zonal plans, which helped set the conditions for a new form of social planning at the local level that was adopted by countless regions and towns. Local social development was given fresh impetus. This is analysed in the third section, whereas the fourth presents the zonal plans of the autonomous region of Friuli, Venezia, Giulia. The fifth outlines a number of conclusions and questions that can be used for pedagogical purposes.

#### *Social policy and poverty reduction Italian-style*

Italy is a huge “casino”, as the Italians are wont to say of themselves, referring to the complexity and even confusion that make it difficult to grasp what is happening in the country. The chaos is only apparent and dissipates with understanding of a number of keys which, when applied to social policy, allow us to interpret it. What are these keys?

The first is general, and involves situating Italian<sup>66</sup> social policy among the Latin, southern<sup>67</sup> and Mediterranean<sup>68</sup> models of the Western European welfare state<sup>69</sup>. These all share a number of historic features, such as the late and uneven development of industrial capitalism as reflected in the stark territorial polarization between the north and south in each country, the subsistence in the latter of a backward rural and agricultural sector, the strong identity of local and regional communities, the rivalries between certain metropolitan areas (Rome/Milan/Naples) and the social inequality between the moneyed and the working classes. The States concerned are weak, often anachronistic and centralized, and suffered long periods of dictatorship. Periods of democracy were short and unstable, and civil, political and social rights expressed late, well into the 20th century and, in Italy, after the Second World War. Civic and democratic culture tended to be barricaded in urban centres. This is why Italy is sometimes called the country of one hundred cities. The Catholic Church had a huge influence on social matters, owning and running the vast majority of charitable institutions (*misericordias, opere pie, ospedale*). Historically,

<sup>66</sup> S. Liebfried: “Towards a European welfare state?”, in C. Pierson, F.G. Castles: *The welfare state reader* (Cambridge, Polity Press, 2000).

<sup>67</sup> M. Ferrera: “The southern model of welfare in social Europe”, in *Journal of European social policy* (1996), Vol. 6, No. 11.

<sup>68</sup> J. Estivill: “Uma perspectiva desde o Sul: cores diferentes para um mesmo mosaico europeu” [Seen from the South: different colours for the same European mosaic], in *Políticas e instrumentos de combate a pobreza na União europeia: a garantia de um rendimento mínimo* [Poverty-reduction policies and instruments in the European Union: the guarantee of a minimum income] (Lisbon, IDS, 2001).

<sup>69</sup> M. Kleinman: *A European welfare state?* (New York, Palgrave, 2002).

public benefits were rare and little applied. In Italy, the 1865 Unification Act gave jurisdiction over health matters to the State and over social welfare to the Church. The 1890 Crispi Act crystallized that division of labour, which lasted until well into the 20th century<sup>70</sup>.

Generally speaking, these countries did not follow the same path to labour and social legislation as the middle European countries. Italy was an exception in that it introduced obligatory occupational accident insurance as early as 1898, before France and England. It introduced voluntary sickness insurance in 1886 and old age insurance in 1898, but it was not until 1919 that it instigated obligatory old-age pensions and unemployment insurance. Voluntary sickness insurance became obligatory in 1928. The origins of social protection in these countries is nevertheless most strongly characterized, apart from the strength of primary ties, by the fact that the working classes responded to needs and risks by creating associations, cooperatives and mutual aid societies. In Italy, the *società operaie di mutuo socors* expanded rapidly: they numbered 445 in 1862, 1,447 in 1873, 2,091 in 1878 and 6,535 in 1905<sup>71</sup>. Cooperatives and associations were also formed, constituting a strong civil society that has held fast, in spite of the dark period of the fascist dictatorship, to this day.

All this has resulted in a kind of Italian-style welfare state<sup>72</sup>, the key features of which are: a welfare state that has gone from being residual, individualistic, meritocratic, clientelistic and categorial to generally distributed social and medical benefits, but that has conserved uneven systems of coverage (old-age pensions) and pockets of local discretionary and clientelistic treatment, especially in the south. Public social spending continues to be lower than the European mean and social security is less effective at lifting the poor out of poverty. Italy has no national minimum income, although it did test one in 1998<sup>73</sup> and many municipalities grant one as part of their complex assistance mechanisms (basic minimum).

The third key to understanding Italian social policy is the substantial process of decentralization that has occurred. Local social action has a long tradition that was affirmed in the 1960s with the local social-medical units and successively strengthened, in 1977, 1990, 1993 and 1997, when the jurisdiction of regions and municipalities was gradually expanded. During the frequent periods when the central State unravelled and lost legitimacy (political instability, constitutional reform, scandals) it was the local authorities<sup>74</sup> that shored up the public sector and the sense of *civiltà*. This saw the gradual acceptance of the notion of “local social state”, in keeping with the longstanding tradition of Italian city-States and the social capital created in them<sup>75</sup>.

The fourth key is the dynamism, strength and originality of what the Italians call the private social sector, or the third sector. There is a sizeable network of associations. By recent count, in 2001 there were 221,412 active not-for-profit institutions with 630,000 paid staff, and over three thousand foundations. The number of volunteers is estimated to be three million. But the most

<sup>70</sup> M. Paci: “Il sistema di welfare Italiano tra tradizione clientelare e prospettiva di riforma” [The Italian welfare system between individual tradition and the prospect of reform], in U. Ascoli: *Welfare state all’italiana* (Bari, Laterza, 1984).

<sup>71</sup> A. Cherubini: *Storia delle Previdenza sociale* [The history of social providence] (Rome, Ed. Riuniti, 1977).

<sup>72</sup> U. Ascoli (ed.): *op. cit.*

<sup>73</sup> T. Altì, F. Maino: “La experiencia de la renta mínima de inserción” [The experience of the minimum insertion income], in *Revista de Políticas Sociales en Europa* (Barcelona, 2002), No. 11.

<sup>74</sup> R. Catanzaro et al: *Comuni nuovi. Il cambiamento nei governi locali* [New communities. The change in local government] (Bologna, Il Mulino, 2002).

<sup>75</sup> R. Putnam: *La tradizione civica nelle regioni italiane* [Civic tradition in the Italian regions] (Milan, Mondadori, 1993).

original formula is the social cooperatives<sup>76</sup>. Founded in the turbulent period after the Hot Autumn as Italy's institutions foundered, they won legal recognition regionally in the 1980s, nationally in 1991, and presently number over 5,000 and are said to employ over 350,000 people. The cooperatives sell their services and products on the private and public market, and employ people from poor or marginalized backgrounds. Their territorial reach (consortia) makes them the preferred counterparts of the local public authorities, which, in keeping with the predominant trend, outsource numerous social services to them. The country's social economic panorama is completed by the mutual aid associations, the remaining cooperatives, Onlus and other kinds of associations and foundations.

Although it has been argued<sup>77</sup> that Italy has no explicit poverty-reduction strategy, given the absence of a national income support strategy and owing to the fragmented nature of sector measures, economic growth has been so strong that Italy counts among the eight most developed countries in the world. This has undeniably helped raise the standard of living of all its citizens. Economic growth is driven by the "triangle" in northern and central Italy and its export capacity, whereas the southern regions continue to struggle, especially in respect of the labour market and in spite of substantial public investment. The underground economy plays a significant role, contributing an estimated 25 per cent to gross national product. In recent years, some sectors of the Italian economy have stumbled, as evidenced in the 1990s by the fact that Italy could not meet the Maastricht criteria (inflation, public spending, etc.). Growth is slower than in the industrial countries. Public opinion has been discouraged by the reappearance of severe poverty<sup>78</sup> and the homeless people living in the country's streets and train stations. The many local and regional observatories<sup>79</sup> increasingly speak of a *nuova povertà*, a new poverty<sup>80</sup>, that comes on top of the relative poverty affecting 11.8 per cent of the population and which can be four times more prevalent in the south than in the north and centre of the country<sup>81</sup>.

There has been no want of effort to eradicate poverty. In the 1950s Danilo Dolci was already talking about and practicing community development in Sicily and elsewhere<sup>82</sup>. For many years, it was the associative world, of the Christian or communist variety, that tackled poverty and exclusion. Poverty reduction has come a long way, asserting its independence of partisan options ("collateralism"), gradually shifting towards social enterprises<sup>83</sup>, weaving federating networks that negotiate ever more frequently with the political authorities, and culminating in the founding of the national forums (Third Sector Forum).

<sup>76</sup> J. Barney, J. Estivill: *Les cooperatives sociales a Italia* [Social cooperatives in Italy] (Ed. Hacer, 1993).

<sup>77</sup> N. Negri, C. Sarraceno: *Le politiche contro la povertà in Italia* [Poverty-reduction policies in Italy] (Bologna, Il Mulino, 1996).

<sup>78</sup> Ministry of Labour and Social Policy: *Rapporto di monitoraggio del Piano d'azione Nazionale per l'Inclusione Sociale* [Report on the monitoring of National Plans on Social Inclusion] (Rome, 2005).

<sup>79</sup> Caritas Lombardia: *Primo dossier regionale sulla povertà in Lombardia* [First regional dossier on poverty in Lombardy] (Brescia, Delegazione Caritas, 2005); Regione del Veneto: *Presenze nascoste. Viaggio nelle estreme povertà in Veneto* [Hidden presence. Travels to extreme poverty in Veneto] (Azienda Ulss. Rubano, 2005).

<sup>80</sup> V. Castelli: "Il fenómeno della povertà in Veneto", in Ministry of Labour and Social Policy: *op. cit.*

<sup>81</sup> G. Rovati: *Rapporto sulle politiche contro la povertà e l'esclusione sociale* [Report on policies to fight poverty and social exclusion] (Rome, Commission, 2004), p. 4.

<sup>82</sup> U. Scassellati: "La cultura dello sviluppo locale" [The local development culture], in G. De Rita, A. Bonomi: *op. cit.*

<sup>83</sup> O. De Leonardis, T. Mauri, F. Rotelli: *L'impresa sociale* [The social enterprise] (Milan, Anabasi, 1994)

Italy has participated actively in all European programmes, emphasizing the territoriality of action, the connection with local development and the importance of participation. In 1984 it set up the Poverty Research Commission, chaired by the Council of Ministers. To this day, various highs and lows notwithstanding, the Commission collects studies and research (annual reports), promotes knowledge and formulates proposals to fight poverty and social exclusion. The most recent follow-up report on the National Plan for Social Inclusion underscores the role of the National Fund for Social Policies, which funds action in regions and municipalities (eight billion euros transferred in 2003), the growing activism of both regions and towns and of the private social sector, and the emphasis on family policies, as expressed in the 2003 White Paper on Welfare and materialized in the Single Family Benefit (*assegno unico familiare*). The report highlights the territorialization of policies and the growing consequence of the zonal plans.

## ***Industrial districts and territorial pacts***

Local development goes by a specific name in Italy: industrial districts. It would be a mistake, however, to identify these as the only possible model. The emerging models of high-tech companies concentrated in one area, of science and technology parks<sup>84</sup>, of local cultural specialization<sup>85</sup>, of municipal strategic development plans and of the territorial pacts that exist in Italy and other countries, are different from what are known as **industrial districts**<sup>86</sup>.

The industrial districts, which started to attract attention in the 1970s, are characterized by a widely dispersed economy of small productive units that are intricately interrelated and rooted in a territory and that bear no resemblance to the Taylor and Ford systems of mass standard production and consumption that were characteristic of large factories until the crisis of the 1970s. The industrial districts in central Italy's "triangle" are historically bound up with the mid-sized cities and local societies, with an enterprising middle class and good purchasing power, together with the *paese* (the "back country") and its rural, cheap and fairly flexible labour. In this world where town and country are interrelated, often thanks to family connections, small-scale production and the vitality of small businesses are in part preserved, and labour-intensive work and savings are valued. Local identities are strong, as are the ties of belonging. Reciprocal shared efforts and the protection of a local economic system that creates jobs and raises living standards have resulted in an accumulation of social capital. The associative momentum and its many commercial, financial, professional and also social, civic and cultural interests weave a web that can be stifling, but that more often than not serves as an individual and family springboard to upward mobility

The present is no less rich than the past, and in the past thirty years this osmotic economy has managed to discover a capacity for information technology applications, allowing it to maintain costs and increase productivity, penetrate markets for non-standard goods and connect with international circuits, exporting its know-how and manufactured products<sup>87</sup>. Opinions differ on the reasons underpinning the positive performance of Italy's industrial districts. For some authors, their success lies, in addition to their productive and commercial network, in their

<sup>84</sup> F. Butera (ed.): *Bachi, crisalide e farfalle. L'evoluzione dei Parchi Scientifici e tecnologici verso reti organizzative autoregolate* [Caterpillars, chrysalides and butterflies. The evolution of science and technology parks into self-regulating organized networks] (Milan, Franco Angeli, 1995).

<sup>85</sup> W. Santagata: "Cultural districts, property rights and sustainable economic growth", in *International Journal of Urban and Regional Research* (2002), Vol. 26, No. 1.

<sup>86</sup> G. Becattini: *Dal distretto industriale allo sviluppo locale* [From the industrial district to local development] (Turin, Bollati Boringhieri, 2000).

<sup>87</sup> L.F. Signorini: *Lo sviluppo locale. Un'indagine Della Banca d'Italia sui distretti industriali* [Local development. A Bank of Italy survey of the industrial districts] (Rome, Donzelli, 2000).

historical roots; others see the community identity<sup>88</sup> or the existence of tangible and intangible collective goods<sup>89</sup> as key, or emphasize the renewal of a local project in tandem with globalization. Paradoxically, would those who see only the negative effects of globalization and delocalization not in this case seek to sink their roots even deeper, so as to take full advantage of the benefits of local society?

**The territorial pacts** have a different history and take other forms, although, like the districts, they focus on territory and the interplay of local actors. Originating in the 1990s in Italy and other countries, they were adopted Europe-wide in 1996, within the framework of European concern for a faltering labour market (European Employment Strategy, Luxemburg, 1997), their names and forms varying with the country<sup>90</sup>.

It is customary in Italy to distinguish two generations of territorial pacts and to differentiate between those that are cofinanced by the EU and have to follow specific rules, and those that are not. The first 12 plans, approved in 1996 and 1997, were located in the south. The second generation, which was approved between 1998 and 1999, had 39 plans, twenty of which were again in the south, as were the ten “European” plans. The latter did not have to deal with the financial sluggishness and bureaucratic inconsistency of the Italian public administration, and this goes a long way towards explaining their most striking economic success stories, as highlighted in a study<sup>91</sup>. Their outcome was nevertheless the same as those of the first-generation plans, which also had the same governance and overall indicators. The second-generation plans had poorer results in all three cases. According to Trigilia<sup>92</sup>, the difference lies in the intensity of partnership and leadership. Indeed, the pacts are the product of coordination between institutions and require the active support of local politicians. The initial enthusiasm and broad representation of public and private organizations, and the new generation of directly elected mayors are, when combined with a technical capacity to organize and manage, said to be the reasons for the greater effectiveness.

Looking beyond the question of effectiveness, however, what are the strengths and weaknesses of the territorial pacts? First, their sheer number set off a kind of race in which every mayor wanted his pact and had to negotiate with the central authorities. This has fostered a culture of petition and special financing. Secondly, some of the pacts bowed before the local totem pole, failing to overcome the hierarchical logic of local delegations of major national organizations. Sometime the pact had to be negotiated in Rome, and local coordination became a matter of formal ratification, in which the strongest local actor dominated. Thirdly, the geographical perimeter did not always correspond to the problem and resource area. In some cases, for example, unemployment and poverty extended beyond the defined territory or were caused by decisions and measures taken outside the area covered by the pact. Fourth, the pacts found it difficult to solve infrastructure problems, although they came up with some interesting alternatives.

But the territorial pacts have worked, creating jobs even in depressed areas where other measures had failed, keeping the old southern question alive. They have made the most progress in places where local society and its economic components (the local bank, trade unions, employers’

<sup>88</sup> A. Bagnasco: *op. cit.* (1999).

<sup>89</sup> C. Trigilia: *op. cit.*

<sup>90</sup> C. Crouch et al: *Local production systems in Europe. Rise or demise?* (Oxford, Oxford University Press, 2001).

<sup>91</sup> Ministry of the Economy and Finance: *La lezione dei patti territoriali per la progettazione integrata territoriale del Mezzogiorno* [The lessons of the territorial pacts for integrated territorial planning in the Mezzogiorno] (Rome, 2003).

<sup>92</sup> C. Trigilia: *op. cit.*

organizations, hotels, restaurants, tradesmen and craftsmen, agricultural cooperatives, tourist agencies, chambers of commerce, etc.) have played a decisive part<sup>93</sup>. Roughly one thousand mayors and sixty provincial presidents have sat down at the negotiating table, learned about local development and undergone training in pilot projects. Most of the participants have had their eyes and minds opened to other realities and horizons, at the same time as they have had to work harder to justify their activities at home. Much “dormant” local knowledge and many “sleeping” local resources have been awakened and activated. Relational and collective goods have been created, fostering a feeling of confidence in a better future.

### ***Fresh impetus for local social development: The zonal plans***

The zonal plans were instituted by Law 328, which was adopted after lengthy discussion by the Italian Parliament in its session of 8 November 2000. Entitled “Framework law for the realization of the integrated system of social action and services”, the law is part of a long process of decentralization of the public administration in respect of social and health matters, under which the regions were awarded some legislative and programming authority as early as the 1970s<sup>94</sup>. By virtue of Law 833 of 1978, the municipalities can also constitute management committees for local social-medical units (USL). In some cases intercommunal management, in which duties were delegated to the local level, had already been attempted, whereas in others the local system of assistance and health was independent of city hall, obviously leading to duplicated and overlapping services.

In the 1980s, the role of the regions in health was broadened, at times to the detriment of that of the municipalities, in a central government attempt to unload certain health costs and needs. In the 1990s, with the Bassanini law and other rules and with municipal demands being strengthened by the direct election of mayors, the debate on municipal jurisdiction and its relations with the regions was revived. The regions apparently came out on top; they argued that they bore economic responsibility by virtue of decree 229 of 1999, which granted broad authority to the director general, who answers to them, although the municipalities were given a recognized role in programming and evaluating the social-medical units. Section V of the amended Constitution of 2001 (Art. 117) ultimately gave the regions explicit legislative authority.

This brief history tells us much about the complexity and difficulties of territorializing the authority to legislate, programme, execute and evaluate, which has an impact on local development. It is also useful to observe that, in Italy, social services and health care are closely related at the local level. This is key to understanding the relationship with social protection in the broad sense.

**The law of 2000** marked a watershed in the clarification of jurisdiction and spurred local social development. Rather than examine it in detail<sup>95</sup>, we will list its main characteristics.

- First, it affirms that services and benefits are a public responsibility, and that citizens have rights, although it also underscores the role of the third sector (Art. 5). The “not-for-profit bodies of social utility”, meaning the cooperatives, associations and social promotion entities, the foundations, employers’ organizations, organizations of volunteers and denominational entities

<sup>93</sup> S. Messina: *Lo sviluppo locale tra decentramento e globalizzazione* [Local development through centralization and globalization] (Rome, Datanews Ed., 2002).

<sup>94</sup> C. Trevisan: *Per una politica locale dei servizi sociali* [For a local social services policy] (Bologna, Il Mulino, 1978).

<sup>95</sup> S. Rizzo, A. Police: *Rapporto sulla situazione dei servizi sociali* [Report on the situation of social services] (Rome, Ente Italiano di Servizi Sociali, 2001).

(Art. 1), represent an attempt to constitute networks covering the territory and its inhabitants' needs.

- Second, in keeping with the principle of institutional vertical subsidiarity<sup>96</sup>, the law draws lines between municipal, provincial, regional and State functions. The State remains in charge of setting the main objectives of social policy in the national plan, of allocating funds from the National Fund for Social Policies and of defining standard services and benefits. The regions programme, coordinate and define integrated social, social-medical, environmental, health, training, labour insertion, leisure, transportation and communication policies. The provinces help define the zonal plans, provide information and knowledge and promote vocational training. Last but not least, the municipalities, which also take part in regional programming, programme, plan and apply the local system of network services, highlighting the priorities and the sectors of innovation. They also award, authorize and accredit services and benefits, monitor their quality and evaluate their results.

- Third, the system as a whole aims to promote social solidarity, to place value on initiatives taken by individuals and families and on forms of self-help and reciprocity. It is universal in character, and intended to guarantee essential levels of benefits and services, but it gives priority to the poor and those with limited incomes, the wholly or partially disabled, those with social and labour market integration problems and those who have had run-ins with the law.

- The *leitmotifs* of integration and coordination run throughout the law. Articles 3, 14, 15, and 22 stipulate that they apply nationally, regionally and locally. The biggest legal and political innovation may well be, however, the systematic determination to programme in the social area<sup>97</sup>. Although not without precedent<sup>98</sup>, the aim now is coordinated programming with local players that affects not only medical and social services, but also training, occupational, “providential” (social security), housing, transportation and infrastructural activities that can give the social policies a centre, orienting and giving effect to all public local development measures<sup>99</sup>.

Section four defines the instruments needed to reorganize the “integrated” system. Article 18 outlines the national and regional plans and Article 19 the **zonal plans**. According to the latter’s wording, the municipalities, either on their own or in broader territorial associations that usually correspond to the health areas, define the plans with the third sector. The plans must comprise:

- 1) the strategic objectives and priorities for action, and the requisite means and instruments;
- 2) the organizational terms of reference of the financial, structural and occupational resource services and the requisite standards of quality;
- 3) information procedures;
- 4) the means by which the integration of services and benefits is guaranteed;
- 5) the means of coordinating with the State’s peripheral bodies, especially in the administration of justice and prison administration;

<sup>96</sup> I. Colozzi: *Le nuove politiche sociali* [The new social policies] (Rome, Carocci Editore, 2005).

<sup>97</sup> R. Siza: *Progettare nel sociale: regole, metodi e strumenti per una progettazione sostenibile* [Social planning: rules, methods and instruments for sustainable planning] (Milan, Franco Angeli, 2002).

<sup>98</sup> L. Leone, M. Prezza: *Costruire e valutare i progetti nel sociale* [Constructing and evaluating social projects] (Milan, Franco Angeli, 1999).

<sup>99</sup> A. Battistella et al: *op. cit.*

- 6) the forms of cooperation between the territorial services, on the one hand, and local social support services and other community resources, on the other;
- 7) the means of coordination with the local health units and not-for-profit bodies of social utility.

Article 19 further stipulates that the zonal plans are to promote the creation of complementary and flexible services and benefits, stimulating local resources for solidarity and self-help, and prompting citizens to take responsibility for programme and monitoring. They must also define the cost of the local social-medical units, activating financial and other resources and setting out the cost distribution criteria for each municipality through an agreement connecting each resource to a specific objective, and undertake to train and provide refresher courses for the players so that they can carry out development projects.

Once the law had been enacted, swiftly followed by the publication of the national plan (2001-2003), the regions set to work and drew up a series of rules on the implementing conditions. Some regions established criteria for the distribution of national funds (Lombardy), others defined the programming lines (Abruzzo, Emilia Romagna, Lazio, Liguria, Marche, Trento, Veneto) or directly drew up a regional plan (Aosta Valley, Umbria, Molise, Tuscany, Basilicata). By the end of the year they had almost all completed the plan, as indicated in the second annual report on the situation of social services<sup>100</sup>. The local zonal plans followed suit.

Setting something down on paper is one thing; doing it is another matter entirely. Implementation means setting up a technical body in each region to draw up the regional plan and then coordinating and verifying its application. These new functions go by a variety of names, including Technical Programming Office, Network Coordinators (Marche), Social Promoters (Umbria), Plan Office Officials (Campania) and Technical Secretariat (Liguria, Tuscany). They are subordinate to the political bodies and generally constituted by the conference of mayors and regional and third sector representatives. The third sector criteria for representation and the relationship between the technical and political apparatus continue to pose problems, as does the delimitation of the regional plan's territory. The latter is usually intercommunal and corresponds to the health districts, although in some large cities it covers only one commune or deals with an intracommunal area. The size of the areas varies, from 137,700 inhabitants in Lazio to 36,600 in Abruzzo. While not easy to solve, these problems are a source of stimulus, because they necessitate greater programming capacity, more political involvement and new connections with the third sector, and force a debate on the definition of territory and the most appropriate resources. How all this is applied and given effect is discussed below.

### ***Regional and local social programming in Friuli Venezia Giulia (FVG)***

This region determined the criteria for the distribution of national funds and set up bodies to establish and decide on its plan and to outline the programme to be applied, in this case, to the region's 19 territorial areas, for which zonal plans were drawn up<sup>101</sup>. According to Article 7 of FVG Law 23 of 2004, the aim of the programmatic lines is to make the various social and institutional actors and the citizens accountable for the preparation of social and health policies,

<sup>100</sup> Ente Italiano di Servizi Sociali: *Secondo rapporto sulla situazione dei servizi sociali* [Second report on the situation of social services] (Rome, 2003).

<sup>101</sup> S. Cecchi: "Friuli Venezia Giulia" in *ibid.*



to guarantee the requisite level of homogeneity among local measures and to promote the integration of policies for the construction of an effective system for the population's welfare<sup>102</sup>.

The zonal plans are drawn up by the technical board, in agreement with the general directorates and community assemblies. They are then approved by the assembly of mayors, which sets priorities and allocates resources, before being submitted to the town councils, which endorse the programmatic agreements. The zonal plan is thus a programming instrument through which the associated municipalities, with the help of all the players present in the territory, plan the integrated system of action and services. The 2005 follow-up report indicates that 62 municipal offices, 302 other public bodies (provincial institutions, State administrations, school facilities, security forces, etc.) and 1,028 third-sector members (social cooperatives, volunteer associations, mutual aid societies, families, etc.) had a say in the zonal plans. In concrete terms, the planning process for the 2006-2008 zonal plans will involve the definition of organizational and procedural methodological aspects, the preparation of the knowledge base together with the region, the promotion of participation by local community members and third-sector members in thematic boards, the conference for discussion and negotiation, the activation of those boards, the drafting of the zonal plan, its approval and the endorsement of the programmatic agreements. What does a zonal plan contain?

After the usual introductory comments, the plans tend to present the institutional context and the rules of coordination and integration before explaining the procedures by which they were drawn up. A third section details the territory's main demographic, economic and social characteristics, analysing needs, social demand and supply, and territorial strong and weak points. The fourth section determines the plan's priorities and strategic objectives. Information is provided in each case on promotion/prevention, the degree of social-medical integration and integration with other policies (work, school, housing, training, etc.) and whether the objectives relate to development, consolidation, requalification or innovation. The fifth section looks at the projects, actions and services for each field of action (of the entire system, childhood and family, the elderly, the disabled, the dependent and mental health, and social marginality). The sixth explains the process for following up, monitoring and evaluating the plan, projects, services and activities. The seventh discusses the financial aspects. The programmatic agreements, conventions and protocols signed with third-sector organizations are usually included.

To illustrate this general presentation, we shall describe some of the objectives and activities planned in one local zonal plan in the region. The first objective is to guarantee access to the social and medical network; the activity is to set up a secretariat which will provide information on the services provided at a *sportello* (wicket) and will accompany the users to those services. The objective in respect of migrants is to integrate social and housing policies, establish an interinstitutional board between the two sectors and promote consultation of this group and municipal officials. For the elderly, a wicket will also be opened and coverage continue to be provided of daily home care. Schedules will vary with a view to fighting isolation and the growing number of cases of senile dementia and chronic illness in the home. In respect of children and teens, the objective is to provide support for the parents by promoting self-help groups and increasing the number of psychological support services.

The list of objectives and activities goes on, but it might be more useful to discuss some of the limits and openings encountered in this new institutional system of regional and local social programming<sup>103</sup>. The first is that the process is open-ended and its true direct impact on living conditions is only now becoming visible. The second is the *coinvolgimento* (commitment) and

<sup>102</sup> M. Clementi, N. Stradi: "Il piano di zona tra progettazione e partecipazione. Prime esperienze nel Friuli Venezia Giulia" [Zonal plans: between project and participation. The first experience in Friuli Venezia Giulia], in *Rev. Rassegna di Servizio Sociale* (2004), No. 4.

<sup>103</sup> I. Colozzi: *op. cit*

mediation of the entire regional and local administration, above all non-health and non-social sectors, as indicated in the 2005 follow-up report, even though the plans endeavour to integrate these other sectors. The third is the harmonization of programmatic lines and diverse local applications. The fourth is that the system reconciles standardized services and benefits with flexible needs and demand, as described in a study carried out by the Trieste Research Unit on the processes of regionalization and social policies in FVG<sup>104</sup>. According to this report, there is another limit: how, in a society that is becoming less supportive and tending to delegate to the third sector, are the ties of belonging to be strengthened and the conditions for citizen participation thus recreated? These limits and questions are hardly confined to territorial social development in Italy, and indeed arise in many other countries.

## **Local development and social planning**

Although it is in many respects unique, local development Italian-style is generating considerable interest and spreading beyond the Alps. Some of the lessons it has taught us can be summed up as follows:

1. The characteristics of local development in Italy cannot be understood unless they are seen in the light of the country's specific and traditional mode of economic and territorial development involving three distinct areas – the North, the central triangle and the south – and a network of mid-sized cities noted for their economic, social, cultural and civic life.

2. After the failure of the policies to promote the economy of the Mezzogiorno in the 1950s and 1960s, it is in these mid-sized cities in the triangle that local development in Italy took another form. This is where the industrial districts took shape, drawing on small and flexible units of production in the processing and textile sectors, local know-how, its technological adaptability and export capacity, and the network of economic and social family interests. They paved a unique path generating local internal social protection, jobs and revenues.

3. Of the various approaches to local development in Italy, the territorial pacts, which are also promoted by European bodies and applied, with varying results, in other countries, offer the possibility to test local economic development on a large scale and to mobilize public and private players to improve living conditions.

4. The Italian-style welfare state, which shares some traits with other models on Europe's periphery, is less generous, more fragmented and more compartmentalized than those of northern and middle Europe, but nevertheless provides social protection for most of its citizens. Civil society has had to organize and re-organize in order to cover the main risks. Poverty is re-appearing. The third sector, in which social cooperatives stand out, has a special capacity for experiment and innovation.

5. A State that is at times omnipresent (public enterprises, investment in the south), at others noteworthy for its absence, seems to be in constant search of forms of legitimacy and reorganization. One of those is to find adequate levels of territorial governance. In the past thirty years the State has delegated much of its authority to the regions and municipalities, including over social matters. Has it done this because it wishes to shrug off responsibility for the social consequences of an economic decline generated by growing international competition? Or has it started down the right road to a more active society?

6. This has given rise, in particular since the adoption of 2000 law, to a profound reorganization of all medical and social services. In a way, the top-down system is being shaken

<sup>104</sup> L. Guy: *Processi di regionalizzazione e politiche sociali in Friuli Venezia Giulia* [Regionalization processes and social policies in Friuli Venezia Giulia] (Trieste, Unità di ricerca dell'Università degli Studi di Trieste, 2005).

up and horizontal subsidiarity being encouraged towards an increasingly active third sector. The third sector is opening up to the market and political dialogue. This presents it with substantial challenges in terms of the quality and commercialization of its services and benefits, on the one hand, and its representativity, on the other.

7. But above all, the 2000 law was the starting signal for a hitherto relatively unprecedented planning phase. Regional programming and zonal plans spawned new methods, new professional configurations, new functions that are changing – not without resistance – the face of the activities, services and some social benefits provided for the more dependent population at the local and supralocal levels.

8. The example of the FVG regional and zonal plans clearly shows the pitfalls, limits and potential of programming centred on social-medical services and benefits and their integration and that endeavours to interact across the board with other sectors (housing, work, education, environment, etc.) in a broader form of local development.

9. The zonal plans pave the way for a form of social development harking back to and picking up from the industrial districts, an important tradition that enhances economic territorialization, and, above all, the territorial pacts, which took greater account of the negative consequences of the labour market.

10. If this connection is made, local economic and social development can help curb the costs of redistribution to territories, people or groups struggling to keep pace and reduce social protection spending. The path first taken in Italy could thus become a road throughout Europe, fulfilling an old Italian dream that started with the highways of Imperial Rome.

## **4.2. Local social networks - Famalicao in Portugal**

### ***Introduction***

This case concerns the creation and implementation of a local social network in Famalicao, a municipality in northern Portugal that has participated since 1999 in the National Social Network Programme, which Portugal launched in 1997 as one of a new generation of social policies. We start by presenting the social policies and their historical context, before turning to the programme. A third section contains the main demographic and socio-economic data on the Conselho, while the fourth explains how the network has been implemented. The fifth looks at the network's main results and limits in terms of local development and social services. The sixth reflects on the lessons that can be drawn from the previous sections, for future reference.

### ***The new generation of social policies***

Portugal started on the road to democracy in 1974, when the Carnation Revolution put an end to one of Europe's longest-lasting dictatorships. The political transition was not easy to make, and saw the emergence of hundreds of participatory experiences<sup>105</sup> involving the people in control of the land, enterprises and neighbourhoods. After a period of agitation, the trend is to return to a Western-style democracy. The aim is to achieve economic development and construct a welfare state along the lines of those of Western European countries, although the country is starting from lower economic levels and with a strong providential society based on ties of solidarity among primary social networks (family, neighbours, friends).

<sup>105</sup> J. Estivill, F. Veiga, A.C. Albergaria, M.J. Vicente: *Pequenas experiencias, grandes esperanças. Activar a participação* [Small experiences, huge hopes. Mobilization for participation] (Porto, REAPN, 2006).

In the first few years after the revolution, the minimum wage was introduced, the coverage of subsidies expanded and medical and social services extended. The transition to democracy and these initial measures<sup>106</sup> nevertheless coincided with the turmoil of the 1974 crisis. This led to greater poverty, exacerbated by the recessive policies of 1977. In the 1980s, poverty re-appeared in the major cities, accompanied by rampant and uncontrolled urbanization as immigrants from rural areas and the country's interior flooded in. The cities were also severely underequipped, and this aggravated the lack of facilities and the absence of prospects. The first local development initiatives were taken precisely to fight those trends<sup>107</sup>, although they had been preceded by several minor experiments in community development, as in other countries<sup>108</sup>. These initiatives, which started to federate in the ANIMAR network,<sup>109</sup> matured in rural areas. They received an initial input from the OECD's ILE programme<sup>110</sup>, and a second and more decisive thrust from the European Commission's first LEADER programme.

At the same time, Portugal's entry into the European Community in 1986 allowed several of its programmes to join the Second European Poverty Programme and reoriented the traditional approach to poverty. This reorientation was confirmed in the four Portuguese projects, out of 65 proposals, that were incorporated into the Third European Programme, and above all in the creation of a National Programme that, in the 1990s, successively financed territory-based experiences<sup>111</sup> in accordance with the European programme's same principles of integrity, partnership and participation, and territoriality.

In the later 1990s, the changing political situation made it possible to revive a number of social measures that had hitherto not been able to make up for the growing social inequality brought about by the unprecedented economic growth that had considerably transformed Portuguese society<sup>112</sup>. Thus appeared what would come to be known as the new generation of social policies.

The new generation saw the national programme strengthened with new rules (1996) and two national meetings (Troia and Porto). The newly created Social Employment Market comprised a series of measures: workshops, vocational programmes, sheltered employment, insertion enterprises and local employment initiatives. In 1997, the Minimum Guaranteed Income (*Rendimento Mínimo Garantido*), introduced on a trial basis from July 1996 to June 1997<sup>113</sup>, was extended. Following in the footsteps of its French counterpart, the Minimum Guaranteed Income is a non-contributory benefit that is subject to means-testing and comes with an insertion

<sup>106</sup> H. Medina Correia: *As políticas sociais em Portugal* [Social policies in Portugal] (Lisbon, Ed. Gradiva, 1996).

<sup>107</sup> A. Melo: "Ditos e reditos em torno do desenvolvimento local" [Progress and failure in local development], special issue of *Revista A Rede* (Faro, 1998), November

<sup>108</sup> M. Silva: *Desenvolvimento comunitário. Uma técnica de progresso social* [Community development. A technique for social progress] (Lisbon, Associação Industrial Portuguesa, 1962).

<sup>109</sup> ANIMAR: *Guia de iniciativas de desenvolvimento local* [Guide to local development initiatives] (Messejama, Animar, 1998).

<sup>110</sup> J.M. Henriques: *O Programa ILE em Portugal* [The ILE programme in Portugal] (Lisbon, Ed. Escher, 1991).

<sup>111</sup> R. Amaro: *A luta contra a pobreza e a exclusão social em Portugal* [The struggle against poverty and social exclusion in Portugal] (Geneva, ILO/STEP, 2003).

<sup>112</sup> A. Barreto: "Mudança social em Portugal, 1960-2000" [Social change in Portugal, 1960-2000], in A. Costa Pinto (coord.): *Portugal Contemporâneo* (Lisbon, Dom Quixote, 2005).

<sup>113</sup> L. Capucha (coord.): *Rendimento Mínimo Garantido: Avaliação da fase experimental* [Minimum Guaranteed Income: evaluation of the trial phase] (Porto, REAPN, 1998).

contract to which the Local Accompanying Commissions must give effect<sup>114</sup>. The same year saw the launch of the National Social Networks Programme, to be applied locally. Approval was given for the preparation of the new Community Support Framework to finance the *Integrar* programme, whose purpose is to promote the economic and social integration of the most underprivileged groups by means of five measures.

This is not the place to gauge the outcome of these laudable efforts, but we can look at some of their characteristics and the conditions in which they were implemented. They all stem from the central public sector. Portuguese social policy originates in and is channelled through vertical axes that originate in Lisbon. Except in a few cases, such as the European Network of Volunteer Organizations and a number of local networks, the horizontal and across-the-board approach is not used. The municipalities (*autarquia*) and the inframunicipal powers (*freguesias*) have broad authority but few resources and little tradition of acting on economic social development<sup>115</sup>, - another thing, as we shall see, that is changing. The regions have even less power, except the regional (now district) social security centres. Social security, which is occupational in nature, has extended its coverage and benefits, but is far from attaining the average budget allocations of the old countries of the European Union, although it shares with many of them the same problems of financing and efficiency.

The Catholic Church has a longstanding tradition of assistance (*misericórdias*) that is tending to revive (parochial social action, a few *misericórdias*) and a notable presence that takes the form of a large number of social, educational and medical associations and services. The more than 2,500 *Institutos Particulares de Solidaridade Social* (IPSS – Individual Institutes of Social Solidarity) scattered throughout the country see to the needs of children and young people, the disabled and the elderly, and more. They are basically publicly financed and presided over by older volunteers; they are staffed by most of the country's social professionals working in relative precarity<sup>116</sup>. Between a half-constructed provident State and a strong and structured protective society, in which basic social networks play an important and the social and supportive economy<sup>117</sup> a growing part, the market is noticeable for its absence, although it is starting to take some initiatives for the more solvent groups (the elderly).

During these years, economic growth was strong but uneven, but the initial euphoria was followed by deep depression about the public deficit, balance of payment difficulties, wage stagnation and rising unemployment. Portugal, it has been said, is no longer a poor country, but it has too many poor people. It has consistently had one of the worst poverty indexes in Europe.

## **The National Social Networks Programme**

The National Social Networks Programme was instituted by Council of Ministers Resolution No. 197 of 1997. The preamble is especially significant because it starts by acknowledging the secular tradition of family and neighbour-based mutual aid and the growing role of social

<sup>114</sup> S. Aires: "Pobreza em Portugal" [Poverty in Portugal], in EAPN: *Relever le défi de la pauvreté et l'exclusion sociale dans l'Union Européenne* [Meeting the challenge of poverty and social exclusion in the European Union] (Brussels, 2000).

<sup>115</sup> F. Ruivo: *Poder local e exclusão social* [Local power and social exclusion] (Coimbra, Ed. Quarteto, 2000).

<sup>116</sup> P. Espanha: *Entre o estado e o mercado. As fragilidades das instituições de protecção social em Portugal* [Between State and the market. The weak points of Portugal's social protection institutions] (Coimbra, Ed. Quarteto, 2000).

<sup>117</sup> R. Amaro, F. Madelino: *Economia solidária. Contributos para um conceito. Aportaciones para un concepto*. [The supportive economy. Contributions for a concept] (Madeira, Cores, 2004).

associativism and networks of solidarity and protection. In some quarters<sup>118</sup> this is referred to as Portuguese providential society. The preamble underscores that such networks must be recognized and supported locally, collective awareness of social problems heightened, and public and private efforts combined to provide equitable coverage in services and facilities throughout the country. Referring to the 1997 International Year for the Eradication of Poverty, Article 1 defines the concept of social network and its objectives. The social network is defined as the forms of mutual help provided by individual, not-for-profit entities and public bodies working in the social field which, between them and with the government, continue to endeavour to eradicate poverty and social exclusion and to promote social development. It is important to underscore this twofold goal, because it defines the programme's intentions and future direction.

The network is given a concrete form, whether within the more reduced framework of the *freguesias* (inframunicipal political-administrative units) or within the broader context of the *autarquias* (town halls), with the former setting up commissions (CSF) and the latter establishing local social action councils (CLAS). The CLAS form part of the public and private entities working within the territory and rely on the local administrative services for support. Their tasks are defined in Article 12, as follows:

- 1) give impetus to and structure the *freguesia* commissions;
- 2) assess the problems and the proposals they present;
- 3) forward existing problems to the regional social security centres;
- 4) give its opinion on what constitutes adequate and equitable coverage in services and facilities in the place concerned;
- 5) endeavour to eliminate existing overlaps and gaps;
- 6) know the protocols and agreements between the State, the municipalities and support institutions;
- 7) compile and disseminate statistics on social problems;
- 8) promote cooperation between public and private entities for concerted action to prevent and solve social problems, adopting timely priorities.

These tasks are to be financed by means of contract-programmes, as is cooperation with the regional social security centres.

The resolution also establishes the National Social Cooperation Commission together with the Ministry of Solidarity and Social Security. The Commission's members represent the Ministries of Employment, Education, Health and Justice (which also have local delegations in the CLAS), the municipalities and the organizations representing not-for-profit entities, in other words, the *Unioes* (confederations) of *Misericordias*, the IPSS and the mutual aid societies. The Commission is the national channel for proposals from the local commissions, which may draw up their own internal rules and regulations.

The resolution ends by setting out the following principles: priority for people and groups affected by poverty and exclusion, participation by the same, active subsidiarity, partnership and cooperation between public and private entities, action on symptoms and causes of problems, reconciliation and complementarity in personalized processing and the information derived

<sup>118</sup> B. Sousa Santos: "Estado e sociedade na semiperiferia do sistema mundial" [The State and society on the edge of the global system], in *Revista Analise Social* (Lisbon, 1985), No. 87/88.

therefrom, integration of various outlooks and solutions, with those of a social nature being interlinked with those pertaining to employment, training, the economy and culture.

Various difficulties emerged during the preparatory meetings that took place in the summer of 1997, and in the course of REAPN (European Network of Voluntary Service Organizations in Portugal)<sup>119</sup> and local development endeavours<sup>120</sup>. The first was how to articulate the fight against poverty and exclusion with territorial socio-economic development, which was to some extent an innovation. The second was how to continue transforming the more traditional assistance measures and activities undertaken by private and public players, in particular town halls, which until then had been reluctant to act in the social field and which now had an undeniable role (chairmanship of the CLAS, network promotion and direction, contract-programmes). The third stemmed from the not unreasonable doubts voiced about the local diagnostics, programming, networking, and participatory and strategic planning capacity. The fourth was how to coordinate the delegations from the central ministries at the lower level, given that the ministries did not coordinate at the higher level, especially with the powerful regional social security delegations. The fifth concerned the issue of technical management and political accountability. The sixth concerned legitimacy and financial mechanisms in the face of the growing number of local commissions (on minimum income, on poverty-reduction projects, on the protection of children and young people) and the paucity of means in many municipalities, especially small ones and those in the interior. The programme could not be an umbrella, opened only when it rains, or a theatre rehearsing a well-known play at local level. It needed its own identity and specificity.

It is not possible to list all the ways found to overcome these difficulties, or all the highways and byways the programme has taken in the ten years it has existed. Suffice it to say that it was launched on a trial basis in 41 pilot councils between 1999 and 2001, that it was extended to 173 councils in 2003 and then to 276, and that 39 were added in 2005. The councils have drawn up internal regulations, diagnosed the socio-economic situation and prepared a social development plan and an annual programme, and in most cases are applying the measures announced, forging dynamic partnerships and involving many local players. A system of financing has been introduced with European funds, through POEFDS (Employment, Training and Social Development Operational Programme) Line 5. The programme has withstood various changes of government and central management, and has gone from being the Institute of Social Development to being the Institute of Solidarity and Social Security, within the Ministry of Labour. It increasingly coordinates with other local strategic planning programmes (municipal steering plans, municipal zoning plans, etc.) and has trained a new generation of technicians who are now familiar with the techniques of diagnosis and planning (over 1,200).

If we review the initial difficulties, and taking into account the mass of existing information and the most recent evaluation<sup>121</sup>, we must start by saying that the programme has remained circumscribed to social action and that the economic dimension has been absent, except in the diagnostics. Very few businesspeople and even fewer financiers have participated in the CLAS. To a certain degree, local economic development has depended more on external factors (the economic situation, uneven urban and coastal development, central public investment, and so on) than on the endogenous efforts of the local plans. The recent deterioration in the Portuguese labour market and the difficulty encountered in interconnecting central and local labour

<sup>119</sup> J. Estivill, F. Rodrigues: *10 anos da REAPN em Portugal* [Ten years of REAPN in Portugal] (Porto, REAPN, 2004).

<sup>120</sup> J.C. Albino: *Contributo para a historia do desenvolvimento local em Portugal* [Contribution to the history of local development in Portugal] (Vialonga, ANIMAR, 2004).

<sup>121</sup> CET/ICSTE: *Avaliação do Programa Rede Social* [Evaluation of the Social Network Programme] (Lisbon, Instituto da Segurança Social, 2005).

measures<sup>122</sup> are one example. Very few town halls see themselves as spearheading genuine local economic development, and the input comes chiefly from the institutional associative world and collective initiatives (only 4 per cent of town halls were present when the local development initiatives were launched)<sup>123</sup>. On the other hand, it can be said that many town halls now have technical teams, most of whom are young, able to take more than merely assistance measures and to combine the fight against poverty and exclusion with local development.

Another problematic question is the uneven involvement of local and central politicians. When and where they are involved, everyone agrees that the local networks have been more effective. In other cases, they have been more interested in receiving State assistance and in inaugurating facilities than in helping to promote the local network. In a few cases, the local oligarchies have become stronger, obliging the technicians to wage an uphill battle to ensure that everyone participates. In some cases even the technicians have taken refuge in passivity or played an excessively strong role, distributing local development means and objectives unfairly.

There is no doubt that the programme's implementation has led to a considerable increase in local strategic planning capacity in Portugal and in the organizing culture this implies. Little by little, the way in which social problems are handled and dealt with has gone from depending on each institution and its assigned functions to being a local territorial response. The training and technical qualification effort has been considerable, as has the support provided by the core, initially in the IDS and now in the ISSS. Suffice it to consult its web page ([www.seg-social.pt/rede](http://www.seg-social.pt/rede)) and publications.

Recourse has also been had to external technical teams that have prepared a specific and oft-used model for diagnostics and planning<sup>124</sup>, even though the relationship between diagnostics and planning, and between planning and implementation is not always self-evident. The capacity to evaluate has been far less and the participation of the persons concerned termed "embryonic"<sup>125</sup>. Coordination at the top was not tied to the programme and continues to be assured by the central bodies of the public administration. At the lower level, the results obtained are uneven. The programme's horizontal method has clashed with Portugal's traditional vertical and centralized approach to social policy. In spite of these limits, however, the programme is strongly implanted throughout the county, and has had a notable capacity to innovate and experiment, especially in mid-sized towns. It may need fresh impetus (new regulations, more means and greater political involvement, technical disenchantment, connections with the National Inclusion Plan, sustainability, etc.), but it nevertheless remains one of the most interesting initiatives in Europe in terms of the relationship between the fight against poverty and social exclusion, on the one hand, and local development, on the other<sup>126</sup>.

<sup>122</sup> F. Rodrigues, J.P. Pellegrin: *Portugal. Support to social and community development, Peer review social inclusion* (Brussels, 2005).

<sup>123</sup> A. Monteiro: *Asociativismo e novos laços sociais* [Associativism and new social ties] (Coimbra, Ed. Quarteto, 2004).

<sup>124</sup> A. Batista, U. Schiefer: *Manual de planeamento avaliação* [Handbook on evaluation planning] (Cascais, Ed. Principia, 2006).

<sup>125</sup> Ministry of Social Security and Labour: *Plano Nacional de Acção para a Inclusão* [National Plan of Action for Inclusion] (Lisbon, 2003).

<sup>126</sup> J. Estivill: "Caminos Europeos convergentes hacia las redes sociales locales" [Converging European roads to local social networks], in *Revista Pretextos* (Lisbon, 2000), No. 2.



## ***The principal demographic and socio-economic characteristics of Famalicao***

Famalicao is located in northern Portugal's Ave Valley, in the Porto metropolitan area, 40 km from Porto, in Braga district, near the border with Spain and Galicia. In 2005 it celebrated the 800th anniversary of the regional attribution by Sancho I, the 170th anniversary of the founding of the Council and the 20th anniversary of its establishment as a town. A communications centre, it is located on the Portuguese section of the Road to Santiago.

The population has grown steadily, from 66,266 inhabitants in 1950 to almost twice as many in 1980 (106,508), 114,338 in 1991, and 127,567 in 2001, the year of the most recent census. In the past ten years, the population growth rate has been 11.6 per cent, while that of the Ave Valley overall has been 9 per cent, that of northern Portugal 6.2 per cent and that of Portugal in general, 5 per cent. The same phenomenon has occurred in most other coastal towns, in which most migrants from rural areas and the country's interior have settled. In recent years, Portugal, traditionally a country of emigration, has become a country of destination. The same thing is happening in Famalicao, although to a lesser extent than around the big cities.

Since 1981, the number of under-14s has shrunk, although it remains higher than the national average. The birth rate has fallen, from 13.2 per thousand in 1997 to 12.5 per thousand in 2001, while the number of those over 65 rose by 47 per cent between 1991 and 2000. This narrowing at the base of the population pyramid and broadening at the tip is both a Portuguese and a European process that will tend to gain pace, albeit less rapidly in Famalicao, where 16 per cent of the population was under 14 in 2001 and 11 per cent over 65. For every 100 under-14s there are 67.3 over-65s, compared to a ratio of 100 to 94 elsewhere in Europe. All this has an impact on the options taken by the Social Development Plan<sup>127</sup>.

The population is distributed very unevenly throughout the 49 *freguesias*. Population density varies from 3,491 inhabitants per square kilometre in the centre, Vila Nova, to 139 in Vilarinho das Cambas, 196 in Fradelos, 274 in Sezures, and over 1,000 in Abade de Vermoin, Delaes, Calendario, Bairro, Joane, Pousada de Saramagos, Riba de Ave and Oliveira. Except in the last case, the population is growing more quickly in the more populated *freguesias*, which tend to be in the centre and east of the town. The other areas are classified as moderately urban and continue to be characterized by the dispersed dwellings that are typical of northern Portugal and Galicia.

The population increase has resulted in a substantial rise in the number of buildings and homes. Between 1991 and 2001, the number of family-type dwellings rose by 24 per cent. Of that number, 84 per cent are primary residences, 8.2 per cent are secondary residences and 7.7 per cent are empty. The housing stock is in fact very new, given that 66 per cent of it was built between 1971 and 2001. As is customary in the Iberian peninsula, and much less common in the rest of Europe, people tend to own their homes. In Famalicao, 73 per cent of the 45,749 traditional dwellings are occupied by their owners, and only 2 per cent are rented or sublet; 7 per cent are occupied in some other form<sup>128</sup>. This clearly gives the population greater resistance to impoverishment. This urban and construction boom is reflected in the speeches of political leaders and in the bulletins of the municipality, which must cope with considerable needs and demands for housing. The town hall home page refers to the construction of 45 subsidized residential units in Valdosos, 16 in Covelo, 290 in Lameiras and 67 in Lousado, and to the renovation of 16 in Poipo and 16 in the former Salazar foundation. Shacks in Requião were demolished and replaced with 12 subsidized units. This is all part of the municipal subsidized

<sup>127</sup> Municipal Chamber: *Plano de Desenvolvimento social do Concelho de Vila Nova de Famalicao* [Social Development Plan of the Council of Vila Nova de Famalicao] (Famalicao, Local Social Action Council, 2004).

<sup>128</sup> Council: *PDM, Famalicao* [Municipal Steering Plan, Famalicao] (Famalicao, Council of Vila Nova de Famalicao, 2003).

housing plan launched in connection with the “changing house, changing life” programme that ran from 2002 to 2005. In the cases of Lameiras, Lousado and da Cal, the municipality transferred funds to the Neighbourhood Associations (*moradores*) for the management of the housing stock. It also approved the Municipal Rules for Housing Support to Underprivileged Groups. Sixty-two per cent of municipal land can currently be built on, and the Municipal Steering Plan (PDM) has made the absurd forecast that, were this to be done, Famalicao could house 790,000 inhabitants. We would not wish such a future on the town, whose relatively controlled urban expansion has already generated considerable social, infrastructural and facility-related problems.

The urban boom cannot be explained without reference to the growth in industrialization around Porto. In Famalicao, 75 per cent of the employed work in the industrial sector, three per cent in the rump agricultural sector, and the remaining 23 per cent in the tertiary sector. This is surprising when one considers that 40 per cent of workers in northern Portugal are employed in the tertiary sector, a fact that might explain the town’s lack of services. The three engines of industry are the textile, clothing and footwear companies, which account for 64 per cent of all jobs. A large part of what they produce is exported, thanks to competitive costs based on wages beneath the European average. Other kinds of industries are emerging in the agrofood business and in automobile parts. Home work and the underground economy must be thriving, given the sectors concerned and the region’s inclination towards micro businesses.

This near industrial, export-based specialization in one sector leaves Famalicao’s economy at the mercy of an external demand it does not control and which will increasingly suffer from competition from companies with cheaper prices. Unemployment is indeed on the rise, with 8,352 job-seekers registered, or 12 per cent, according to the most recent, albeit not entirely reliable, published statistics (2004). From this point of view, Famalicao’s economic future will dim unless it learns to exploit a number of comparative advantages (communications, opening to the Atlantic, a finely-woven business network, proximity to Porto, and the like) and makes a serious effort to convert to other industrial sectors. The efforts made to reorganize production in the textile sector, such as the *Programa Intercalar de Apoio al Textil* (PIATV) and RETEX, and the System of Incentives for Sector Diversification in the Valle del Ave (SINDAVE), have had minimal results<sup>129</sup>.

The 2004 evaluation of the Social Development Plan<sup>130</sup> contains a number of figures that can be used to gauge specific social problems. The secondary school drop-out rate is two-per-cent, and the failure rate an exceedingly high 32.3 per cent; for primary education the figures are 11.6 and 53 per cent respectively. This is compounded by a 6.7 per cent illiteracy rate. In 2002, 222 families were surviving in shacks, mobile homes or other inadequate forms of housing, 2,177 people were benefiting from the Minimum Guaranteed Income and there were 1.2 doctors for every 1,000 inhabitants. The same report and the diagnostics of the *freguesias* also contain figures on family break downs and domestic violence, drug consumption, juvenile delinquency, the shortage of resources and - the hardest to discern because they are the most shameful - discrimination against gypsies, the lack of basic infrastructure (water, paved roads, lighting, transportation, and so on), and above all the lack of collective facilities in certain neighbourhoods (day care centres, health facilities, shelters and day centres for the elderly and the young) and the paucity of social-medical care (home care, preventive treatment). Much of this had already been brought to light in the pre-diagnostic carried out in 2002.

<sup>129</sup> C. Parente, C. Quintao: *Avaliação externa do projeto Igualdade. Vila Nova de Famalicao* [External evaluation of the Equality project. Vila Nova de Famalicao] (Porto, Sociology Institute of the University of Porto, 2006).

<sup>130</sup> Rede Social Famalicao: *Relatorio de avaliação de 2004* [Report on the 2004 evaluation] (Vila Nova de Famalicao, 2005).

## Implementation of the Local Network

The Local Network did not generate spontaneously, like a mushroom. People, associations and institutions started reacting to a given social reality. In 1989, with the National Poverty-reduction Plan, the Salus project was created, incorporating the notion of multidimensional poverty that had to be dealt with comprehensively by various players endeavouring to work in some degree of partnership. When the project ended in 1995, another was launched by the name of Nuevos rumbos; it pursued similar goals until 1999. The introduction of another national measure, the Minimum Guaranteed Income, provided the opportunity to set up a first local commission in a trial phase. In 1997 Famalicao also joined the Ser criança national programme, and in the same year joined measure 1 of the *Integrar* programme<sup>131</sup> with its *Novos Horizontes* project, and measure 5 with the opening of a community centre. Little by little, and largely thanks to its participation in national programmes, ideas started to change and people started to work differently.

One of the technicians taking part in the Famalicao network explains how they received information about the national programme: “A group of people had a copy of the *Diário de la Republica* and considered that the proposal was an opportunity to tackle the issues being discussed by organizations and that were emerging from local experience”<sup>132</sup>. People got down to work and, in 1999, their proposal was accepted as one of the 41 pilot projects in the national programme. On 1 October the Local Council for Local Action was established, comprising city hall, the Social Security delegation, the hospital, health facilities, teaching and educational support centres and the *Hombre project*. In the same month social commissions were set up in three *freguesias*, and at the end of the year the first Social Network forum was held and the internal regulations and 2000 work plan were adopted. Under the work plan, a Local Care Service was established to help the commissions and act as an executive. The *parceiros* were expanded to 14 and a newsletter published. But few people knew how to work as a network, how to make the arrangements decided on operational, as the technician quoted above says in another document<sup>133</sup>, and how to give effect to decisions. A great leap forward was therefore made in 2001.

On 8 February, the CLAS plenary approved a social diagnostic and initial social development plan which was presented to 81 Council entities two months later. It participated in the annual local development event convened by the Animar network, and in May a group of *freguesias* suggested that a coordinating committee be established. The training provided by the programme core opened the door to integrated and more participatory diagnostics and planning, assisted by an external team hired in late 2001. Fifteen facilitators were trained in 2002 and tasked with moderating the workshops in the *freguesias*; 17 “qualifiers”, whose job was to manage each *freguesia*, were also trained. In all, 150 entities and roughly 175 leaders and technicians attended the workshops. Each local commission had a diagnostic, an action plan, a distribution of responsibilities and a form of functioning. This is discussed in a document entitled *Pre-*

<sup>131</sup> Programa Integrar: *Actas. Primer encontro de Promotores* [Record of the first meeting of promoters] (Lisbon, Ministry of Labour and Solidarity, 1997).

<sup>132</sup> F.J. Freitas: *A implementação da rede social de Vila Nova de Famalicao. Narrativa da prática e aprendizagens* [Implementation of the social network of Vila Nova de Famalicao. Report on practical experience and lessons learned], communication presented to the 4<sup>th</sup> *Nova Formação* event (Porto, Supertino de Miranda Foundation, 2005), p. 2.

<sup>133</sup> J.F. Freitas: *A experiencia de implementação do programa da rede social no concelho de Vila Nova de Famalicao* [The experience of implementing the social network programme in the Council of Vila Nova de Famalicao], communication presented to the seminar on the fight against poverty and exclusion, Barreiro, 12 October 2004.

*diagnóstico Social Participado del Consejo de Vila Nova de Famalicao*<sup>134</sup>. The document states: “what is important in this type of diagnostic is not so much its technical relevance as truth about the citizen’s real situation, so that the agents and institutions that have identified the problems will be more willing to participate in their solution”. Eleven local commissions (CSIF) got down to work, and the CLAS plenary, in which 25 members participated, including one per CSIF, approved the new regulations and the social insertion team joining the local minimum income commission. In November 2003, the criteria were approved by which the CLAS ruled on the projects submitted to national or community programmes, with a view to “maintaining equitable and adequate coverage in services and facilities”. At the start of 2004, the current Social Development Plan (2004-2005) of the Council of Vila Nova de Famalicao was approved.

What does the Plan comprise? The first part contains the diagnostic of the context, based on quantitative material, the inventory, *freguesia by freguesia*, of the main problems and priority proposals, and six problem areas defined as poverty and social insertion, access to facilities and social services, unemployment and vocational training, schooling and leisure, drug and alcohol abuse, and organizational development.

The second part contains the Plan itself, which describes the priorities for the interfreguesia social commissions, crosscutting priorities for the six problem areas, and the connections between projects and activity plans. The activities relate to implementation of the local care service, a communication and information system, a specific poverty-reduction programme (*Teia*) aimed at integrating minimum income recipients, an integration and coordination service for the institutional networks, and a service to interconnect plans and projects. Lastly, it provides for a mechanism to anticipate fresh opportunities and a follow-up and evaluation system. Thanks to the evaluations, stock can be taken of the Plan’s results.

### **Scope of and limits to the Plan**

The Famalicao Social Development Plan was evaluated along lines similar to those along which it was drawn up. More specifically, an interim self-evaluation was carried out in February 2005 of the level of implementation of the objectives pursued by the CSIF, the working groups in charge of the crosscutting areas and the two services, integration of opportunities and project interconnection. Surprisingly, the evaluation does not discuss the application of national programme objectives and principles, focusing instead on the socio-economic situation, poverty and exclusion in the Council, several comments and a new chart that give the general impression that things have worsened. This is especially true since the Local Social Network’s own explicit objectives under the plan are to “eradicate and attenuate poverty and promote development, improving the quality of life of Council residents”.

Transparency, which the mayor highlighted in his speech introducing the Plan, prevails in the tone of the CSIF explanations. We cannot repeat what all nine or eleven said, but we can take one and see what preoccupations it shares with the majority. The CSIF for Cavaloos, Gondinfelos, Louro and Outiz state that, to meet the objective to improve conditions for the normal development of 50 per cent of children, ten children were given access to a day care centre, two proposals for “school moderator” projects approved, a “play” bus obtained for recreational activities, a study done of the needs for home care, an association set up and a project developed for educational support. The CSIF met half as many times as it should have, with 66.7 per cent of the *parceiros* attending; it had no secretariat, however, and the number of beneficiaries for existing services dropped off, because they became more independent, failed to comply with insertion programmes, encountered supervisory problems in the social policy measures or were

<sup>134</sup> Council: *Pre-diagnostico social participado do Concelho* [Pre-diagnostic social participation of the Council] (Famalicao, CLAS, 2002), December.

suspicious of change. A number of interesting recommendations were made for modifying how the CSIF functions.

The main crosscutting concerns were unemployment, housing, school drop-out rates, increased poverty and failure to attend to serious shortages. Almost all of the reports mention difficulties in the partnerships (absences, activism, lack of responses leading to lack of motivation, poor coordination, etc.). The crosscutting priorities saw an increase in day-care centre coverage (from 23 to 26 percent), pre-school services (from 72 to 82 per cent), services for the elderly (from 10 to 12 per cent) and home care, whereas coverage in leisure centres, day centres and community centres dropped off. Statistics are also provided on training efforts for the unemployed, which affect 10 per cent of the group, and for drug addicts, in respect of whom preventive action was taken through school information and training programmes, etc.

This type of evaluation, with its emphasis on quantitative indicators, is useful, necessary, and implies a rationalization of social action, a relatively new phenomenon in Portuguese social planning. Compared to the plans adopted by other Councils, that of Famalicao is one of the best, because of its ability to mobilize the players, to create groups and across-the-board orientations, to promote an information system comprising four newsletters (March and July 2003, June 2004, August 2005), a map of services and institutions and a resource guide, to project externally (presence in seminars and meetings, and coordination with other Ave Councils) and to obtain external resources. The approval obtained for one project within the current poverty-reduction programme, *Progride*, and for another, *Equalidade*, within the European EQUAL programme, presages future improvements in the quality of services. The organizational model of the Famalicao social network has been built up over time and broken new ground for councils covering large territories and comprising numerous public and private institutions (33 IPSS). Its organization chart, while complex, is remarkably decentralized and based on the CSIF. One of the CSIF has spawned an insertion enterprise, another has created a neighbourhood association, and the Lameiras CSIF, which was founded in 1984, has established a social and community centre, a day centre, a shelter, home care and a reception center, and has taken charge of the transfer of the “Das Lameiras” building, which it manages (“Las Lameiras” cultural newsletter, and web page [www.amlameiras.pt](http://www.amlameiras.pt)).

In the Famalicao local network, power is concentrated in the hands of the municipal authorities and public entities. Suffice it to read the CLAS regulations<sup>135</sup> to see that they are omnipresent among the 25 members. The functioning is basically pyramidal, although the CLAS, which depend financially and for human resources on the central bodies (Local Council for Social Action and Social Care Service), are relatively independent. The criteria by which the CLAS express opinions on proposals for national and community programmes, while not binding, are also significant. The binding or non-binding nature of CLAS opinions is one of the main challenges facing the local networks.

In the case of Famalicao, in spite of its autarchic nature, the plan has little impact on the Municipal Development Plan or, of even greater concern, on the municipalities’ economic and urban development decisions. Together with employment, these are key factors of poverty and exclusion and of a more comprehensive form of development that is not restricted to the discourse of social service technicians.

The diagnostic presented for the *Equalidade* project and printed in the August 2005 newsletter<sup>136</sup> acknowledged:

<sup>135</sup> “Regulamento interno do conselho local de acção social” [Internal regulations of local council for social action], in *Boletín* (Famalicao, CLAS, 2003), No. 1, March.

<sup>136</sup> “O diagnostico de partida” [The initial diagnostic], in *Boletín* (Famalicao, CLAS, 2005), No. 4, August

- 1) the persistent failure to take action in respect of certain groups such as children and young people, with the risk that they would drop out of school (32 per cent of young people between the ages of 18 and 25 are not receiving any form of training);
- 2) the increase in the number of unemployed, one quarter of whom are over 55 years of age;
- 3) job discrimination against the disabled;
- 4) the major difficulties encountered by ex convicts in finding work;
- 5) the excessive institutionalization of users of centres;
- 6) the absence of ties to the business community;
- 7) the low level of innovation in the services offered, 80 per cent of which are financed by the public purse;
- 8) the lack of qualifications and poor pay of IPSS workers;
- 9) the absence in local businesses of insertion, ongoing training and worker participation practices.

The diagnostic is noteworthy for its sincerity and for being the first to touch on problems going beyond the remit of social services and entering into the realm of participation, industrial relations and the business world. Awareness of limits? A harbinger of a new direction? Only the future of the Famalicao Local Social Network will tell.

### ***National programme, local social network and economic context***

The conclusions and lessons of this case can be summed up as follows:

1. The new generation of social policies in Portugal marks a turning point in the more traditional approach to poverty and exclusion, even though a more integrated, participatory and territorialized approach had started to be employed via previous European and national programmes.

2. Portugal has a longstanding tradition, dating back to the 1980s, of local development efforts. More prevalent in rural areas, the tradition is based on associative and community groups and institutions. The local authorities have little say and are only gradually becoming aware of the role they can play in promoting social and economic aspects.

3. The National Social Networks Programme, which came into being as one of a new generation of social policies, has given substantial impetus, as have similar programmes in other European countries, to the fight to reduce poverty and social exclusion by means of local socio-economic development. Since the trial period it has been extended to all Councils requesting it, and today covers most of them (275).

4. The programme, which is subject to political ups and downs and various funding formulas, has had high and low points in the ten years it has existed. Thanks to the commitment of its core, however, it has managed to create the conditions for a diverse organizational and planning culture which catches on wherever it is introduced. A new generation of technicians, almost always tied to the social services, will energize the local networks, which in turn will produce social development plans. It is hoped the programme will receive fresh momentum from the new decree-law published on 14 June 2006 and will be better articulated with the National Inclusion Plan.

5. The programme has helped find more comprehensive and territorialized answers, with partnerships assuming across-the-board and shared priorities, decreasing the degree of fragmentation and compartmentalization in which every institution had its own projects, and limiting the number of local commissions for various functions.

6. The Famalicao social network is part of the trial phase of the national programme and is being carried out in a process that, while open to question at the outset, has managed, on the basis of municipal initiative, to construct an organizational and planning model that is of interest to, and has attracted, large municipal governments with many social players.

7. Like any open-ended process, this one has made substantial progress in increasing and improving social services and in heightening awareness of the value of institutional partnerships and social planning. It has further managed to attract other resources and is positively positioned to improve the quality of services, the subject of heated present and future debate on social policy in Portugal and other European countries.

8. But this progress, which strengthens people's social protection by increasing coverage and creating social services, is hampered by the difficulties encountered by the network and the plan in influencing the municipality's economic, financial and urban development decisions, in incorporating the business world into its partnership mechanisms and in having a greater impact on social-industrial insertion processes. This has been clearly expressed in the most recent local documents.

9. Such difficulties are more frequently encountered in most local development processes in many European countries, which are formulated and implemented from the purely social perspective.

10. In addition, the results in the Famalicao case have been partially neutralized in the past few years by Portugal's poor economic situation and by a local economic structure of industrial near single-sector specialization (footwear, textiles) in export sectors subject to fierce competition from emerging nations. This has resulted in increased unemployment and the impoverishment of less qualified and more vulnerable sectors of the labour force.

11. If the Municipality's slogan, Famalicao Solidario, is to become reality, not only must social action continue to be strengthened, participation must be extended to the economic players of the population in the network and the town's new Socio-economic Development Plan formulated in conjunction with a strategy to diversify and qualify labour, business and industry. It would thus be useful for the social network to enhance its coordination with local, regional and national social security mechanisms.

#### **4.3. Social capital and socio-economic development in the Vall d'en Bas**

##### ***Introduction***

This case considers the local socio-economic development of a rural valley situated on the Spanish flanks of the Pyrenees. Thanks to the reorganization of land title, to the merger of town councils, and above all to the work of a cooperative, the valley has accumulated social capital and built a strong collective identity able to back a series of initiatives for the inhabitants' material well-being and quality of life. We start by situating the valley, explain the processes by which land ownership and the public sector were rationalized and the cooperative founded and consolidated, and describe the socio-economic results.

## **A small rural valley**

The Vall d'en Bas is a small valley in Garrotxa district, in the foothills of the Catalan Pyrenees. It is located in an area of low mountains rising to an average 450 to 1,120 m. It covers 90.5 square km. The highest part is wooded with beech and oak, the result of a humid climate with abundant rainfall. The lower regions are good for growing corn and other cereals, and forage crops.

Historically, the Vall d'en Bas is a rural area in a mountainous district, the capital of which is Olot. Both the valley and the district are relatively poor compared to industrial Catalonia and the urbanized coast. Its remoteness has enabled the valley to maintain a distinct personality characterized by festive traditions, religious events, gastronomic specialities, and systems of mutual aid tied to sowing and harvesting, illness and the fight against natural disasters (drought, fire, flooding, etc.). Its collective traditions are alive and celebrated, chief among them the figure of Verntallat, a small landholder born in the valley who revolted against the aristocracy of the *remences* in the 15th century.

The Catalan tradition by which the eldest son or daughter inherits the whole farm and compensates the other offspring, thus preventing the land from being split into tiny plots, was harder to apply in the small valley. In the 1960s, the valley had many small landowners, sharecroppers and *masovers*, land “tenants”; they were dispersed over a wide territory, lived poorly and in isolation, and emigrated to the cities.

## **Land reallocation**

This situation, which was the same in many parts of Spain, especially in the northern regions such as Galicia and Asturias, hampered economic viability and increased the individualism of small landholders, sparking family and social conflicts for “a handful of dirt”<sup>137</sup>. Franco’s Spain, in a burst of developmental fervour, tried to find a way out and enacted the Land Reallocation Act, thanks to which land title was reorganized and land reallocated whenever more than 70 per cent of the owners concerned agreed. The State provided aid for roads and drains.

In 1962, the Vall d'en Bas had 792 farms, 70 per cent of which were less than five hectares in size. A great deal of resistance had to be overcome to the “peaceful revolution that was the first in the Catalan countryside at that time”. It was difficult for the *payeses* to accept that “this land that has been yours for several generations is no longer yours. We will give you another parcel”. After countless meetings and protracted negotiations starting in 1963, the *parcelaria* was approved in 1966 and applied to properties on the principle that “you can see the corn growing from the window of your house”. Out of a total of 4,738 parcels, only 897 remained, divided among 600 owners who shared 1,300 hectares; 542 parcels were reallocated and five were set aside to be “shared”. It is important to note that these shared hectares were not privately allocated but intended, in accordance with an ancient custom in the Iberian rural world, for collective purposes. They were subsequently used to build collective facilities such as the Verntallat School and the Cooperative.

In the words of one of the players, land reallocation served:

- 1) to replace the loss of more traditional crops with the specialized production of cereals and animal fodder;

<sup>137</sup> J. Pijiula, G. Hernandez: *25 anys de la Cooperativa de la Vall d'en Bas i de la Concentració Parcelaria* [25 years of the Vall d'en Bas Cooperative and of land reallocation] (Vall d'en Bas, Cooperativa, 1995). The comments translated from Catalan are taken from this book.



- 2) to mechanize and increase agricultural production;
- 3) to modernize livestock farms, especially those with dairy cattle and beef;
- 4) to preserve the family structure of farms and a savings capacity that led to greater investment;
- 5) to create a system of usable irrigation channels, dumps and roads;
- 6) to open part-time jobs in agriculture and animal husbandry; and
- 7) to incorporate new generations into agricultural work without forcing them to emigrate, as they once would have had to.

The success of the land reallocation, which is remembered positively forty years on, showed people that collective action could have tangible economic results, forge ties and foster trust where none had existed before. A new agricultural culture was born, with the territorial reorganization of productive ownership. Thus was constituted an initial social, private and collective capital.

### ***The merger of the four municipalities***

Gradually convinced that strength lies in union, and concomitant to the land reallocation endeavours (1966-1972), the first steps were taken to merge municipalities. Four of them, Pinya, Joanetes, Sant Privat and Sant Esteve, decided to merge because they were so small that their budgets were insufficient for their operating costs. Their secretariats were also the secretariats of the Agricultural Brotherhoods, which facilitated the merger. Only one municipality decided not to merge, after the unfavourable outcome of a referendum between neighbours attracted by the “siren call”<sup>138</sup> of the local authorities in the district capital. But the other four decided to go ahead and in 1968 set up the Municipality of Vall d’en Bas. They took the name of the valley, enabling the inhabitants to maintain their sense of identity and to feel proud that they belonged to an entity comprising the entire population. This growing sense of identity has been bolstered by the construction, on shared land, and operation of the school which several generations have attended. “In this way, a boy from Joanetes can be close friends with a boy from Pinya, and so on. The new generations attending the school joined in the active political and administrative life of the whole valley”.

By creating a single municipality, the four towns were able to carry out tasks and activities that would not have been possible otherwise, while strengthening the valley’s shared identity. The municipality was the internal and external point of contact for matters of general interest. The amount of public social capital increased. The arrival of democracy, in 1976, helped structure the valley’s administrative and political life, although at times its representativity was somewhat overshadowed by the growing importance of the Cooperative.

### ***The origins of the Vall d’en Bas Cooperative***

It was no easy task to create the Cooperative. Centuries of peasant inertia had to be overcome, and proof furnished that joint personal efforts had added value. The first discussions took place in the Union of Peasants and Livestock Farms, which Franco’s Law had authorized as a vertical union since 1940. The *parcelaria* and the merger of the municipalities showed the way. The brotherhood was founded in 1971, and included an agrarian mutual society. It in turn created the Valle d’en Bas Union, whose 52 members wanted to obtain cheaper services and better markets

<sup>138</sup> R. Grabolosa: *Les valls d’Olot* (Olot, 1975).

for their products, standing up, on the one hand, to the intermediaries who had grown rich by selling their products in distant markets and, on the other, to the major producers of cattle feed. At first, the Union was a mobile association; it had no fixed address, rented a warehouse that functioned informally, and distributed cattle feed and fertilizer from the back of a van, directly from the members to homes. Two years later it decided to build a large warehouse. The members contributed 15,000 pesetas. Several endorsed a loan from a local bank. The warehouse was built with volunteer labour. “We’ve won the lottery!”, one founding member cried out on the day the warehouse was inaugurated in December 1974. Silos and scales were installed. In 1975 the Cooperative bought a mill, and the volume of sales shot up from four million in 1974 to 23 million in 1975. The first issue of *Verntallat* was published; it would become the Cooperative’s voice and the means of expression for the entire valley. The cooperative started joint marketing of pork and imported thirty dairy cows from the Netherlands.

All decisions were taken in biweekly meetings. The advent of democracy strengthened the process. The Union became the Agrarian Society for the Transformation of the Vall d’en Bas, the official name for what everyone refers to as the Cooperative. After the local elections in 1979, the new mayor started coming to the annual fête, “thus linking the cooperative to the newly minted democracy”.

## **Consolidation and challenges**

We could not possibly narrate all the events marking this socio-economic initiative, but we can highlight a few.

The Cooperative was consolidated between 1976 and 1983. The number of members increased to 190, courses were offered on tractor maintenance and English, educational trips abroad were organized, seven silos were constructed for flour and cattle fodder, 10,000 square meters of land were purchased for agrarian experiments, a fodder factory was constructed for the members, the aim being to reduce the valley’s deficit, pork and milk were marketed, a cereal dryer was installed ... the list goes on. The Cooperative employed eight people.

In 1983 concern was stirred by Spain’s entry into the European Community and the possible negative consequences for agriculture, especial because the Common Agricultural Policy (CAP) implied the arrival of milk quotas. Since this could affect 120 members, the Cooperative responded by collecting information and passing it on to its members, recommending that they take immediate action to convert some of their land to the production of meat, by improving their stock, importing cows (1,000 since the Cooperative’s founding), increasing productivity and allowing some unprofitable fields to lie fallow. In 1985, the Cooperative launched the “Milk and Cheese of the Olot Valley”, the first step towards direct sales from the members to consumers. In 1988 it bought 11 per cent of the capital of a milk wholesaler. The number of members was 240, with sales reaching 800 million, and the Cooperative employed 16 people. It entered into relations with other cooperatives for the operation of common services. When the “mad cow” crisis struck in 2001 and 2002, the repercussions were minimal, thanks to geographical proximity, the measures of veterinary control and preventive medicine introduced in 1986, and the people’s trust. The Cooperative’s meat continued to sell.

Another challenge was the diversification of crops<sup>139</sup>. The Cooperative responded by reintroducing potatoes and local varieties of kidney beans and buckwheat. All had been previously tested by the Cooperative, which created the *Verntallat* brand to identify its products, including locally produced milk, sausages and cheese.

<sup>139</sup> J. Caceres: *Las garrotas: agricultura i productes alimentaris locals* [Local agriculture and food products] (SEIAHS, Barcelona, 2005).

In 1993, as agricultural prices were liberalized and subsidies granted to those who shifted from milk to meat production, the Cooperative created the agro-shops. This was a huge innovation implemented with a view to agricultural tourism. Rural residential houses, the production and sale of locally produced bread, sausages and cheeses, combined with the opening of a chain of agro-tourism shops, were activities launched in the 1990s that allowed the Cooperative to take a big step forward. The profits from the six current shops, which sell a variety of high-end products and are visited by 150,000 people a year, have been used to fund other activities, such as the production of fodder, which is no longer profitable, to improve the Cooperative's financial stability, to attract tourists to the entire valley and to offset the effects of CAP reform, which tends to be favourable to supermarkets and to eliminate small, traditional rural businesses. In addition to promoting cooperation between cooperatives, the old cooperative dream of establishing a direct relationship between producers and consumers has become a reality.

### ***Some of the Cooperative's socio-economic results***

At present, the Cooperative has 450 members, i.e. the majority of the valley's farmers and livestock breeders, although it has opened its doors to other people (30 per cent) from elsewhere. It works with fifty-odd people and its sales volume exceeds 1.4 billion pesetas (15 million euros). It makes a profit of over 200,000 euros, which it has never distributed individually, but invests in new activities and services for its members and the valley's inhabitants. Services are provided at cost (shared machines, grain dryer, agricultural gas-oil, veterinary care, etc.). It has a weather service, as it is important for the *payeses* to know local weather conditions and to spread knowledge of the valley throughout Catalonia via Catalan television. It has opened a day-care centre, a school and a day home for pensioners, and is studying the possibility of opening an old-age home. It has paved all the roads of the parcelaria and built a road to the neighbouring region; it has opened a network of water storage silos for agricultural use and in the event of fire, and a tax advisory and administrative service for all members on European assistance, in addition to keeping the books for about thirty farms. It has food and veterinary technicians and an experimental capacity that enables it to improve the gene pool of its livestock and its milk and crop production, as it decided to become involved in integrated, environmentally-friendly agricultural production and not to introduce transgenic seeding.

The Cooperative has and will continue to contribute to most valley and district social, sports, festive and cultural activities. None of the inhabitants would dream of missing its annual fête. In 1984 and 1985, it helped launch the first-degree vocational training programme specializing in farming operations, and in 1987 it opened the second degree. About 200 young people from the region have taken the courses. In 1990 it created the Permanent Classroom for Agricultural Training, for the purpose of training and retraining livestock breeders and *payeses*. Over 900 adults have attended one of the thirty courses organized since. Located in Olot, the institute also does research on new varieties (buckwheat, sweet onions, plants for the fermentation of cheese, black beans, and so on) and then gives lectures on the new techniques and products. It broadcasts radio programmes, of which the one on "*matar el cuc*" is especially well known among the people, publishes articles, and organizes student practical training sessions, many of them at the facilities run by the Cooperative and its members.

### ***Land reallocation, municipal merger and the Cooperative: three engines of the local boom***

At present, the Cooperative is one of the valley's principal economic, social and even political forces. Its existence was only made possible, however, by the prior process of land reallocation and the atmosphere of trust and rationalization this introduced. The new Municipal Consistory, the result of the merger, has been able to tackle infrastructure jobs that would have been unthinkable with the means available to the smaller municipalities. The Cooperative has been able to respond to challenges as they arise, creating jobs, uniting efforts, increasing productivity and diversifying crop and livestock production, opening markets and improving the living and

working conditions of its members and the valley's inhabitants to boot. What impact have these three engines had on the valley's demographic, economic and social structure?

In 1981, the valley had 2,640 inhabitants; that number fell to 2,531 in 1991 and to 2,501 in 1998, before rising again to 2,616 in 2005. The low birth rate (7 per thousand) and slim positive migratory balance account for the stagnation, an unusual phenomenon compared to the huge drops in population in most European rural areas. It is only recently that immigrants have reached this remote Catalan valley from outside the EU. According to 2001 statistics, 65 per cent of the population was born in the same municipality, 32 per cent elsewhere in Catalonia, three per cent in another region of Spain, and only one per cent outside the country. Although this situation will probably change, it is key to comprehending the strong local identity, as reflected in the fact that 99.6 per cent of the people understand Catalan, 94.9 per cent speak it and 86.2 per cent read it.

Of the entire 2005 population, under-14s accounted for only 12.1 per cent, and the over-65s for 23 per cent. These figures are similar to those in the rest of the district and show that the population is aging, as everywhere in Spain, in Catalonia and especially in the slowly emptying agricultural and mountainous regions. Such has not been the case of the Vall d'en Bas, which has seen fresh generations of young people devote themselves to crop and livestock work.

The family structure has changed, with the nuclear family predominating where the extended family was once common, with grandparents, parents and children, and sometimes close relatives, all tied by ownership to the land and house. Households formed by a couple with or without children account for more than 60 per cent of the total, those made up of one person for 19 per cent, and single-parent households for only nine per cent. Traces of the old extended families nevertheless remain, with nuclear families comprising more than six people (4 per cent), or more than half the Catalan average. Family life has been transformed. The children go to school, most women have jobs outside the home and are less frequently doubly exploited in the home and in field work, their contribution to which was "paramount and very harsh" (6). Local homes have been modernized and contain most modern appliances, breaking the people's isolation with cars, television and, increasingly, the Internet. Only a few of the valley's homes and farms have been left out of this process. According to social service records, only 15 households are poverty-stricken. The persons involved are widows or spinsters with no family ties who are over 70 and receive pensions from the old agricultural regime, or some form of benefits, and disabled persons who cannot work.

There is hardly any unemployment in the valley. Since 1991, the unemployment rate has not exceeded five per cent of the active population. In 2003, 2.09 per cent of people over 18 were unemployed, whereas the regional rate was 3.5 per cent and that of Catalonia, 6 per cent. Forty-five per cent of those not working are men and 55 per cent women. "Whoever wants to work, can", they say in the valley. While these employment data are clearly positive, those on the volume of employment are less so. In 2001, of 2,192 people old enough to work, only 1,206 did so, i.e. an occupation rate of under 50 per cent. Most of those not in employment were pensioners, one third were students, one sixth were women who worked only in the home, and the rest were disabled or otherwise without employment. The valley's economy is not able to give work to everyone who lives there. This means that about 700 residents work elsewhere and 500 work in the valley. About 100 people come from outside to work there. This mobility would have been unthinkable in another era, but it shows that the valley now has a relatively open economy. All indications are that the informal sector is not really relevant to the valley, the exception being short-term, seasonal jobs, although the mutual exchange, not of money, but of products and services, is.

In spite of the valley's eminently rural character, and as has happened in other places, other sectors of activity have emerged. In 1986, 30 per cent of the population worked in agriculture; in 1996 that figure had fallen to 14 per cent, and in 2001 to 10 per cent. That same year, the percentage in the district was 3.7, and in Catalonia, 2.5 per cent. The number of people working in agriculture has fallen sharply in the valley, but even more sharply in the district, in Catalonia

and throughout Spain, where it continues to be exceptionally high. Forty per cent of the population has been employed in the industrial sector since the 1980s, 35 per cent in the food industry, 22 per cent in carpentry and 15 per cent in mechanics. One quarter of entrepreneurs have no employees, and most businesses have fewer than five employees. The services sector is that which has grown the most, from 19 per cent of the active population in 1986 to 35 per cent in 1996 and 44 per cent in 2001, paralleling developments in the district and even in Europe. Sixty-two per cent of shops sell food products. Construction is also growing, from 7 per cent in 1986 to 10.5 per cent in 2001, but it has not taken off as in other areas affected by speculation relating to second homes and mass tourism. The tourists who visit the valley are there for the weekend (about 1,500 people eat in the valley every weekend), and a number of people from Barcelona and Girona have summer residences (263 second homes in 2001). The valley offers an attractive countryside, fine food and good hotels, peace and tranquility, and agreeable excursions to monuments and mountains. All of this is still available in the Vall d'en Bas, although there is a risk that the valley will be split in two and partly denaturalized by the construction of a highway.

It is not easy to present an analysis of the current boom and local economic progress, which started from conditions less favourable than those in other areas. But several indicators point to sustained development since the Land Reallocation Act and the Cooperative's founding. The absence of unemployment would be the first. The second is that per capita gross domestic product, although slightly lower than that of the district, is relatively high. In 1991 it amounted to 1.144 billion pesetas, whereas in the district it amounted to 1.481 billion and in Catalonia to 1.704 billion. Ten years later, the proportions had not changed, in itself a significant fact. The third is the agricultural sector's contribution to GDP: 12 per cent, whereas it occupies only ten per cent of the population. The growth in agricultural production has continued to exert downward pressure on the number of farms and parcels and to increase their surface area. The number of heads of livestock has increased. In 1982 there were 16,502, and in 1999, 23,564 (pigs: 14,865; cattle: 6,132). This highlights the transition to pig breeding, which is much more profitable. The fourth is home ownership. More than 70 per cent of homes are owned, and only ten per cent are still being paid off (the percentage for the district is 17, and for Catalonia 27). A total of 28.7 per cent of housing units are gifted or deeded away for free or at a low price, compared to only eight per cent in Catalonia. All this is indicative of a large economic capacity linked to continuity in family ties and ownership of land and home, with a less problematic future given the quasi absence of mortgage debt.

In 1998 the average declared tax was 11,969 euros annually; in the district it amounted to 12,156 euros, and in Catalonia to 15,025 euros. Total declared property tax amounted to 201,309 euros in the valley, to 291,082 euros in the district, and to 314,317 euros in Catalonia. This points to a substantial tax capacity. The level of education, another indirect indicator of progress, is also high. In 1991, 3.4 per cent of people over ten had gone on to secondary school studies; the figures for 1996 and 2001 were 7.4 per cent and 11.6 per cent respectively. The trend is stronger than in the district and the same as in Catalonia. Secondary school studies had been completed by 36 per cent of the valley's population in 1991, by 39.5 per cent in 1996 and by 40.6 per cent in 2001, whereas 17 per cent had no secondary school diploma in 1991, a figure that had fallen to 16.4 per cent ten years later. This can be explained by the presence of older generations (30 per cent of those over 65 have no diploma, a percentage that is even higher for women). Today, women are more likely to have higher training (9.1% of women as opposed to 5.8% of men).

It used to be held that women did not need to study. Now, however, women are joining the labour force in growing numbers and staying longer at school, giving them greater access to higher education and more qualified and liberal professions, whereas men in rural areas start out in agricultural work, for which they do not need a higher education. This is reflected in the labour market gender structure and indicates that the valley's cultural capital has increased enormously but is diversifying; the future will be depend in part on whether the women decide to remain in the valley even though they have better opportunities elsewhere.

As in most studies on local socio-economic development, it is very hard to distinguish the factors behind the valley's progress, and above all to differentiate them from the district's general expansion. What we can say is that the Vall d'en Bas has managed to maintain a much better standard of crop and livestock breeding than other, similar valleys in the same district (Vall de Vianya) and within the region. It attracts sophisticated tourists and has preserved an enviable degree of its exceptional natural and cultural heritage. Most of its people continue to live in the valley, where they own land and houses and where there is stable employment, even though they are increasingly overqualified for most jobs. The number of *payeses* has fallen, but not as much as in other, similar territories. In relative terms, this is the best-off territory in Girona province. The Cooperative undoubtedly helped make this possible. It is one of the largest businesses in the area. More than 200 of the valley's *payeses*, who own more than 80 per cent of the farms, are members, and the Cooperative is their supplier and customer and increasingly channels their production into direct sales. It is also the valley's cultural and social focal point, and its leaders are seen as broadly legitimate.

### ***Social capital and local socio-economic development***

In legal terms the Cooperative, as it is commonly known, is a farm partnership (*sociedad agraria de transformación*, or SAT). The difference between it and a true cooperative is that, in a cooperative, every member has one vote, whereas in the Cooperative, the number of votes depends on the member's capital contribution. That contribution cannot amount to more than one third of the total. In the Vall d'en Bas Cooperative the capital is very evenly distributed. Only resident members, who are those who have been members longest, have slightly higher levels of participation, giving them greater political weight. Since the time of the Land Reallocation Act, and in spite of the dictatorship, decisions have been taken democratically and by broad consensus. This implies many informal and formal meetings and considerable negotiating capacity. The General Meeting, which is made up of all members, is the supreme decision-making body and meets at least twice a year; it is usually attended by 80 per cent of members. The Meeting elects, by secret ballot and a system of lists, the 12-member Governing Board, which governs, administers and represents the SAT. Its members are not paid. Day-to-day management is the job of a paid manager who answers to the Board.

This socio-economic and supportive initiative could pay individual dividends but has never done so. It has always reinvested any profit for the benefit of the members and the local community. At present, the agro-shops generate the most profits, offsetting the deficit incurred by other activities such as counselling and training, the production of fodder, and the promotion of leisure activities and local culture.

As a local politician put it: "Today, the Cooperative is a useful, prestigious and competitive instrument working for the benefit of all its members and the Vall d'en Bas."

The study carried out by Aiguabella within the framework of the CONSCISE project<sup>140</sup> showed that it was theoretically possible to use the concept of social capital to measure its role at local level, and applied that possibility to the Vall d'en Bas Cooperative in 2001 and 2002. The analysis was conducted by a process of social audit and using a quantitative and qualitative method comprising systematic recording of data, periodic meetings with key persons, in-depth interviews, observation from the sidelines and closed questionnaires for workers, members and a sample of the population.

<sup>140</sup> J. Aiguabella: *Auditoria social de la Cooperativa de la Vall d'en Bas* [Social audit of the Vall d'en Bas Cooperative] (Barcelona, CONSCISE project, 2002).

The results are too complex and far-reaching to be easily summed up. Once the Cooperative's mission had been identified as a "joint endeavour to obtain greater economic and social benefits for members and the well-being of the local population" and the shared values defined (cooperation, honesty, enterprise, credibility), they were broken down into a series of objectives: increase the profitability and efficiency of farm operations, and the quality of the environment, make local products profitable and promote their consumption, involve young people in agriculture, provide jobs for the local population, improve the members' cultural level and technical training, encourage them to improve their standard of living, provide a space for meetings, discussion and leisure for the local population, especially the young, pensioners and women. Each of these objectives is carried out through specific activities. For example, encouragement takes the form of bonuses to minimize possible losses in certain circumstances, discounts on products sold at the agro-shops, subsidies for vacations, etc. All this was recorded and tracked in social accounts that allow us to gauge to what extent the Cooperative's objectives are being met and that are reviewed in the light of internal and external stakeholder opinion.

At the same time, a detailed examination was made of how and to what extent the Cooperative uses social capital and helps generate it. Six criteria were used: trust, reciprocity, support networks and structures, the sense of commitment and belonging, shared values and standards of behaviour, honesty, and the functioning of channels of information. On the basis of the data recorded in the social accounts, it is clear that trust is fostered both internally (Board meetings, assemblies, collective visits, informal conversations) and externally (relations with other social and cooperative entities, commercial exchanges, periodic meetings with external experts, relations with local and regional politicians). The study endeavours to see what the tangible results are, for whom, and what they think of them. The results obtained in the period reviewed were: the introduction in record time of potato crops, with an agreement with one of the main Spanish potato sellers, an increase in the number of suppliers and customers, an agreement with the Government of Andorra on seeds and technical support, the creation of various new businesses and shops, the obstruction of a golf course the town council wanted to build. The people interviewed said the Cooperative was transparent, completed the tax returns for over 100 of their number and always solved their problems, and had always and continued to look out for their interests and those of the valley. The same results were obtained for the other five criteria used to measure social capital.

Social capital in the valley has undeniably increased thanks to the Cooperative, which has worked to raise incomes and living standards, maintain jobs and implement protective mechanisms that have strengthened civil society and reinforced the collective identity. In the Vall d'en Bas, which has 2,616 inhabitants, there are more than 30 volunteer organizations, including four neighbourhood associations, seven party committees, three sports clubs, four football clubs, and other associations such as parent associations, a basic health unit, two homes for the elderly, an ecological association, an association for excursions, a kindergarten association, an association of hotel owners, an association of friends of the valley's historical heritage, and others such as *el Ratoli*, which organizes activities for children on weekends and during school holidays and carnivals and offers theatre and cooking classes. All this is done by volunteers. This high level of grassroots participation is also reflected in higher voter turnouts at political, especially local, elections.

### ***Social economy and local development. A model case?***

The time has come to synthesize the lessons we have learned from this case and to extrapolate to the extent possible.

1. The inhabitants of Vall d'en Bas are no different, no better or worse, than many other small agricultural landholders and livestock breeders elsewhere in the world. What sets them apart is their strong local culture and identity, which unites them and binds them to their land. They are from Vall d'en Bas first, garrotxins (from the region) and Catalan second.

2. At the same time as they have found solutions to local problems, the inhabitants have always been willing to learn from the outside world (trips to Madrid, the United States, various European countries) and have exchanged their experiences with others. They have not shut themselves up in a tower.

3. The three processes that created and increased social capital (land reallocation, municipal merger and the Cooperative) were based on consensual and broadly participatory negotiations on collective needs, overcoming individualism and the ancestral inertia of people living in remote rural areas.

4. No formal or institutional arrangement has existed for the management of local development. It was only a few years ago that the Economic Promotion Agency was set up in the capital so that the entire district could obtain European funds and participate in a number of programmes (LEADER II and EQUAL ).

5. The town council has respected the individual characteristics of all four towns and performed its statutory duties, providing support for the social and cultural initiatives spawned by the people's organizational capacity. The Cooperative has at times stepped into its shoes, acting as a compensatory authority, but the relations between them have been marked by pragmatism and negotiation.

6. The Cooperative has found successive replies to the economic challenges encountered by its members and the entire local economy, combining productive crop and livestock-related activities with marketing endeavours. Its motto could read: from the producer to the consumer. It has fostered the conditions to create and preserve a high level of employment and to limit the rural exodus and the number of younger people leaving the valley. Levels of income and living and working conditions have improved remarkably in the valley. Only a few people live as in the past and are materially poor.

7. These economic responses have been combined with social services and activities (two schools, a kindergarten, a centre for the elderly, vacations, discounts, etc.) and with participation in most cultural activities. The level of social and civic protection in the valley is good, much higher than in other similar parts of the country.

8. The Cooperative has had a remarkable capacity to experiment and innovate for the benefit of productive and organizational activities, tying them in with the valley's socio-economic needs. Its careful efforts to strengthen vocational and technical training have also been to its advantage.

9. The members' level of participation has been crucial. The fact that most of them belong to the valley and are proud of their Cooperative has not stopped them from admitting others who do not reside in the Vall d'en Bas, but who share the same problems and solutions. Reciprocity, transparency, honesty, trust and freely flowing information explain the high quality of the Cooperative's social capital and its smooth democratic functioning, in which conflicts are resolved in formal and informal ways. For the new generations, there is no turning back.

10. But not everything in the valley is rosy. The dark clouds threatening the experience can be summed up as follows: democratic fatigue and a decline in participation, the creation of an oligarchy of very wealthy landowners, competition from major producers and supermarkets, the complex web of conflicting interests of workers, members, customers and competitors, cultural levelling and the loss of identity, the arrival of people from outside who are unfamiliar with the past and have distant and different cultural backgrounds, urban sprawl and mass tourism, the opening of highways and tunnels, the draw of external jobs that require greater skills and pay more, the aging of the population, the appearance on management bodies of paid technocrats, the difficulty of continuing to innovate, and so on.



**11.** The web of commercial, financial, political, social and cultural relations woven around the Cooperative and its very solidity provide a cushion of future sustainability. The survival of the Cooperative does not depend on public aid, but rather on the efforts of its members. They see their experience of a social economy as real and local, probably to distinguish it from all the paper initiatives of the imaginary social economy. In this case, through the social economy, increased social protection and social capital, on the one hand, and local socio-economic development, on the other, have given each other a hand up.



## 5. Pedagogical orientations <sup>141</sup>

In accordance with the terms of reference, we now endeavour to present a series of pedagogical orientations so that the preceding text can be used for training in social protection and local development and to enhance operational knowledge among professionals working in this field. The orientations are divided into the following categories:

- Recreating “pseudo country”;
- Conceptual clarification and criticism of stereotypes;
- Discovering the relationship between local development and social protection;
- The formative processing of cases;
- The use of CIARIS.

### Recreating “pseudo country”

In the 1960s, ILO’s simulation method for courses on economic and social development comprised a useful hypothetical model called “pseudo country”. First, the participants, divided into simulated representative working groups (trade unions, employers, governments and voluntary associations), were given a series of demographic, economic and social data with which to establish a diagnostic of pseudo country and to draw up development strategies. Next, after five years had “passed”, they were given a fresh series of modified data illustrating the difficulties encountered, the limits to the decisions made and the results. In the light of that new vision, the participants had to come up with a plan that included objectives, priorities, activities, organizational forms, etc.

The course was dispensed at ILO and elsewhere, and supplemented with qualitative instruction on data collection, diagnostics and planning, with excellent results. The aim now would be to reconstruct this model and this form of training, using cases from which data of this kind can be obtained and focusing on the relationship between social protection and local development. In addition, information technology now enables us to constitute data bases and to establish causal relationships between them, so that the participants can see the consequences of the decisions they take and their interconnections. For example, a decision on their part to increase public social spending will probably result in slower inflows of foreign capital as salary costs rise, and at the same time in an increase in internal demand; or, the development of preventive care can lead to a higher birth rate, with greater needs for day care centres, schools and so on.

### Conceptual clarification and criticism of stereotypes

The point is not to emphasize the theoretical content of concepts, but rather to highlight the need to clarify a series of key concepts and to deconstruct the possible stereotypes about relations between social protection and local development. Learning the concepts and the terms is key to any training process, especially at international level, in which confusion is rife. Training could include a series of exercises on the definition of concepts and words in areas such as:

- how social capital is born, increases and decreases;

<sup>141</sup> Recommendations for a training programme on “Integrated local economic development and social protection” at the request of the STEP programme of the ILO.

- the different components of social protection and its relations (State, market, organized society and primary network);
- the definition of and relationship between social security, public assistance systems, private social insurance and forms of community and associative protection;
- defining space and what is local; belonging and identity;
- the connection between what is within and what is outside the local area; localization and globalization;
- the disparities between instituted space and development territory;
- the relationship between economic and social development; community development;
- the role of the informal sector and gender differentiation.

These exercises will help call into question and reconstruct an alternative vision in the face of the preconceived positions and stereotypes currently in circulation, such as: “you start with economic development; social development will automatically follow”; “only paid work provides security”; “local is the same as municipal”; “social capital is a metaphysical concept that cannot be measured”; “only endogenous efforts can promote local development”.

## **Discovering the relationship between local development and social protection**

We propose two training exercises precisely because of the difficulty in establishing the relationship between social protection and local development. In the first, the participants construct a chart; on one axis they plot the variables relating to social protection (public contributory benefits, non-contributory benefits and public social services and emergency aid, profit-making schemes, mutual and community initiatives), on the other the variables relating to informal and formal local development processes, etc.). The participants have to discover the points of intersection and explain their answers.

The second exercise involves establishing a series of criteria by which to define the nature and the results of the possible relationship between local development and social protection (complexity, complementarity, opposition, parallelism, synergy, neutralization). The two exercises complement each other, for it is one thing to grasp whether a relationship exists and other to understand its nature and characteristics.

## **The formative processing of cases**

The three cases have already been considered chronologically and from the formative point of view, from the more general to the more specific. Each one can nevertheless be further broken down into more specific formative material. Additional documents and material can be provided (SAT statutes, index of a specific zonal plan in Italy or diagnostic of a local network in Portugal, financial information on all three cases, local newsletters and journals, interviews with leaders, articles written by them, etc.) and supplemented with material pertaining to other cases in the same countries, so that the participants can obtain a relatively living picture and possibly compare. The only disadvantage is that all this material would have to be translated into the language(s) of the course, which can be electronic or face-to-face.

Each case can be systematically dealt with using the same headings as we have. After reading each section, the participants answer a series of questions, either alone or in groups. The tutor or trainer responds with a series of evaluative comments.

## The use of CIARIS

Account must be taken of the fact that the course and training material to be created are part of CIARIS. This is already a training and resource instrument. Much of its content can be used and integrated. The strategic aspects, above all the principles (partnership, territorial approximation, integrality, participation) are to be found in all three cases. Public/private partnerships are to be found in local networks, zonal plans and in the Vall d'en Bas. Territoriality lies at the heart of all three models. The different steps of participation are also there, from the most comprehensive in the last case to the more informative in the first two. The limits to integrality have to do with the difficulties the zonal plans and social networks have in opening up to other sectors.

Diagnostics and planning have a special impact on local networks and zonal plans. The participants can therefore be made to work on the explanations and questions raised in CIARIS, the better to understand the cases they are dealing with. The course on project design can be applied by the participants to each case in a draft concrete “project” that takes account of the context and applies a specific aspect of the relationship between social protection and local development.



## Annex

### A few words on methodology

The main methodological challenges encountered were to bring to light, conceptualize and classify the relationship between local economic development and social protection, and to detect, systematize and analyse significant experiences from which to draw positive, verifiable and generally applicable lessons.

The first was relatively easy to meet. It involved careful and detailed reading of the main authors and publications on the two processes and establishing bridges between them. Those bridges had to be not just theoretical and conceptual, but also strategic. They had to lead to a classification that was sufficiently general and complex to encompass all relations and the wide range of experiences.

The second methodological challenge was more difficult to overcome, since not only did the experiences have to be listed and characterized in order to select them more carefully, they had to be studied in depth, to verify to what extent they fit into the classification; they had to be “read” in the light of the questions to be answered (relationship between local development and social protection), and transferable and general lessons drawn from them.

Our analysis and possibilities for empirical and qualitative comparison were considerably hampered by limits in resources and time and by the fact that we could not visit and interview the people and leaders concerned. The text is therefore circumscribed by the documents we were able to obtain. This meant we had to rely on the information produced by the experiences themselves, by the people involved, or by previous investigation and evaluations. At times none existed or it was very hard to lay hands on, in spite of the progress in information technology. Think of the difficulty in finding much simpler explanations for the examples in CIARIS. At other times, the information was not one hundred per cent reliable or had been produced and processed for other purposes, sometimes for self-justification. Suffice it to give one example. If you are studying the outcome of a specific local development experience and your memory tells you that it has raised the level of income and employment, that is important, but not sufficient, because it does not tell you who has benefited from the increase and whether the jobs created are skilled or not, have guaranteed wages, are partial or undefined, etc.

The fact of using second-hand information and secondary documents affected the quality of the case descriptions and their selection. The options we took were obviously more dependent on what information was available and could be obtained than on that information's excellence. In any event, we were able to select a first series of experiences on which sufficient information could be obtained; that series was then pared down for greater depth. The cases chosen were the zonal plans in Italy, specifically in the Friuli, Venezia, Giulia region, the local networks in Portugal, specifically in Famalicão, and the Vall d'en Bas Cooperative in the Catalan Pyrenees.

Some of the criteria used to select the cases are described below:

- The experience had to have significant dimensions (geographical, budgetary, demographic, etc.) and have lasted some time. We could not analyse anecdotes, experiences lasting less than one year, or declarations of intent.
- It had to have a territorially consistent articulation between local development and social protection as a whole. This did not mean – quite the contrary – that it could not be part of broader programmes drawn up at the State, European or international level.

- The experience had to reveal the diverse nature of the players involved. The absence of certain players (public administration, socio-economic organizations, associative world, social economy) was not a factor of exclusion.
- The experience had to fall into one or several of the categories of relationship established above. This gave the text coherence (six in terms of social protection towards the territory, and five in terms of local development towards social capital and protection). In some cases the experience encompassed several previously defined types.
- The experience had to show that access to and use of social benefits, services and aid had improved as levels of income and employment rose across the territory. The biggest difficulty was no doubt to quantify and qualify those results and their impact.

We can also present the minimum criteria used in the description of the experiences, as follows:

- each experience was situated in its economic, demographic, geographical, social and institutional context;
- when applicable, it was considered in terms of the labour, social protection and territorial development policies, plans and programmes decided at a higher level;
- the origins of and internal and external factors giving rise to the experience were also described, against the backdrop of the legal framework;
- objectives, intentions and goals, project goals and experiences that clearly connected social protection and local development were highlighted;
- an idea was given of the process and momentum created, showing the role of the players, their partnerships between them and, if possible, how initiatives were structured and managed;
- whenever possible, the experience's individual, collective and territorial results and impact were presented, and was its capacity to lead the way, its sustainability and its transferability;
- experiences that could be used for pedagogical purposes were included.