Subtheme 3: Public Value, the case of tourism

Towards Sustainable Tourism: How to harmonise conservation of cultural heritage and natural resources with promotion of tourism, from Italian cases

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The paper analyses the role of local governments in exercising tourism-related policies. Since tourism-related policies are multi-disciplinary and involves not only various level of governments, but also various departments and institutions, the network analysis of these actors is essential to understand the governance of tourism policy. The paper analyses relationship among actors in implementing tourism policy. The analysis is realized in three phases: 1) legislation (policy level), 2) institution (function and competence level), and 3) implementation (action, monitoring, control, and evaluation). The paper focuses on Italian Regions, especially on their tourism policy, cultural heritage management and conservation of natural resources. In conclusion, the paper points out their issues.
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**Introduction**
Why Italian local policy and its experiences of administrative and fiscal decentralization interest a Japanese researcher? It is because the two countries have various similarities: unitary state with widely stretched territory; historically fragmented structure, modernization through centralization, and recent efforts of decentralization in order to realize efficiency and effectiveness in public management.

While Italy started its decentralization movement in the Nineties, Japan started also a similar policy during the same decade. The social, economic, and political structure of the both society have many things in common. The most significant difference between decentralization policies of the two countries is the Constitutional reform in Italy, which changed radically the relationship between the State and the Regions. In Japan, many policies implemented on this regard have never required modification of Constitution, also because of its rigid characteristics.

Japan has been discussing about the possibility to introduce a kind of federal structure, or a regional decentralization. Thus the Italian experiences could be an interesting case and guide for the forthcoming Japanese reform. Since the Japanese reform has been concentrated its focus on efficiency and effectiveness of administrative action, it might be a great support to have some similar cases analyzed.

Since 1999 the Italian administrative institutions have changed with reference to the order and the functions of the Regions (“Regione”), in a perspective which is commonly defined as
federalist, although Italy is a unitary country. Stronger autonomy and empowerment of Regions have been realized for the autonomous Regions with special statute as well as for those with ordinary ones, through a new model of governance and by strengthening of statutory, legislative and financial autonomy (Kudo, 2005).

What comes out from the constitutional reforms of 1999 and 2001 is a new institutional setting that has unhinged the traditional centralistic Italian state. According to the criterion of “equality in the institutional order”, they focused on the role of the Regions, which currently represent the joint-point of both local policy making and coordination of decentralized administrative functions. In the perspective of New Public Management and as an essential component of the “institutional decentralization”, the principle of subsidiarity has strongly influenced the redesign of the administrative functions and their reallocation from the central to the various levels of local governments in Italy.

This change has undoubtedly exercised a strong influence on modalities by which the Regional governments have been redesigning their organizational orders and introduced modernization in formulating strategies and elaborating plans and programs. This has been introducing a new managerial culture and has been upgrading information and accounting systems and managerial instruments. In general, this has lead the Regions to exit from the spiral of rituality in the elaboration of plans and programs and to create organizations capable to face the complexity
deriving from the new status, even though, as usual, there are big diversities among cases. The research stretches to evidence some innovative cases in the panorama of the Italian Regions, and focuses on the advantages and the issues encountered. These cases show innovations in. programming, budgeting, service delivery, and reporting of administrative institutions (Kudo and Russo, 2008).

Why then focus on service? Partly because of the above mentioned changes in institutional setting as well as realities, but also because of the theoretical interest. The role of intangible assets as drivers of corporate performances became critical in management studies over the last few years (Brondoni 2004; Beretta 2005). The underlying idea is that intangible assets underpin the ability of any given organization to meet the expectations of its primary stakeholders (Rumelt 1987; Itami 1987; Barney 1991; Hall 1992; Peterlaf 1993). These assets can be very different: whereas some of them, such as trademarks and patents, can be considered in all respect as part of the assets of corporation, others, such as intellectual capital, credibility vis-à-vis commercial partners, reputation in the eyes of customers and the like are non-proprietary in nature. Inasmuch as they contribute to sustainable competitive advantage, they influence in a critical way corporate performances.

In the last few years the debate among public management scholars has centered to a significant extent on the concept of “public governance” (Rhodes 1997, 2000; Kettl 2000), which helps
understand what role belongs to public sector organizations when they maintain upon themselves the political responsibility to meet needs, but pass on to other organizations, along different patterns, the responsibility to ensure service delivery ("public function" vs. "public service" according to the taxonomy suggested by Borgonovi 1973). The fact that the concept of "public governance" is taken straight from political science studies implied that the debate, in Italy as well as elsewhere, has taken primarily a "macro" focus, i.e., centered on the analysis of system-level dynamics, and consequently on governance network (Kickert et al. 1997; Bevir 2002; Klijn & Skelcher 2007), and rarely balanced this emphasis with a "micro" focus, paying attention to the patterns how the discharge of their new responsibilities translates into the management practices of today’s governmental organizations.

Thus this paper highlights how conceptual developments regarding intangible assets can be effectively combined with the focus on public governance to make the debate more relevant for public sector managers, while bringing an innovative perspective into public management studies. Though local governments are in search of innovation to achieve social, environmental and economic sustainability in their territory, there are few examples of these excellences. In order to focus on these processes, the author picked up a changing reality: the Italian Regions.

1. Italian Legislation on Relationship between Region and Municipality
The discipline on relationship between the Regions and local governments (municipalities and provinces) is not a recent matter. Presidential Decree n. 616/77 disciplined participation of the Regions to the national and regional planning process (Art. 11).

Law n. 59/97 provided the context for inter-institutional collaboration between Regions and local governments (Art. 4, on the functions delegated by the State to the Regions and local governments, and on the principle of cooperation between the State, the Regions and local governments). It attributed to the Regions new competences by establishing: 1) New criteria for allocating competences: the law established the functions belonging to the State competence and transferred to the Regions; 2) the identification of municipalities as first holders of administrative functions. The subsidiary principle was introduced to distribute competence between different institutional levels. Administrative functions were assigned to municipalities, provinces and mountain communities. Planning functions were attributed to the Regions.

Art. 9 of Law n. 59/97 delegated the Italian Government to issue decree to discipline role of the Conference for the State and the Regions, and that for the State-Cities and local governments. Following principles were remarked: 1) Strengthening power and functions of these Conferences through its participation to all decision processes, at Regional, inter-Regional, and intra-Regional level. At least an advisory and mandatory role was prescribed in all cases; 2) Simplifying the procedures between the State and the Regions through Conferences. Legislative
Decree n. 112/98 enforced the previous principles. Legislative Decree n. 267/2000 restated what previously Presidential Decree n. 616/77 had disciplined on participation of local governments to planning process of the Regions. It defined Regional system of local governments. Art. 4 of the Decree states that the Regions fulfil administrative functions through municipalities and provinces. It also states that the Regions must provide tools and procedures to foster relationship and collaboration, and consensus building processes between them and respective local governments. Art. 5 states that the Regions define general goals in socio-economic and territorial planning process. Upon such goals, the Regions allocate available funds to local government investment plans. Art. 24 defines that the Regions, in agreement with interested local governments, may define a number of fields for coordination and collaboration between local governments on issues like: territorial planning, infrastructural and service networks, transportation plans, environmental, hydro-geological protection, water, garbage collection, trade organization, and cultural policies. Another important law, regarding the devolution process on many functions delegated by the State to the Regions, is the Constitutional Law n. 3/2001. The Law (Art. 34) defines legislative functions attributed to the Regions, i.e.: health care system, school system, and local police.

1.1. Fiscal Decentralization Reform
Law n. 3/2001 changed Art. 119 of the Italian Constitution. The article defines that the Municipalities, the Provinces, the Metropolitan Cities, and the Regions have financial autonomy. They have autonomous resources; they set their own taxes in coordination with national fiscal system. A fund, which allocates funds towards poor areas, is also established. Local governments can recur to loans only to finance investments. All other expenses must be funded through revenues from their own autonomous resources and taxes.

Fiscal decentralization reform is still in progress. Each year the national law defines rules according to which municipal governments participate to taxes collected by the Regions (Law n. 296/06, Art. 1; Law n. 1/08, Art. 6; Law n. 191/09, Art. 2; Law n. 42/10, Art. 1).

1.2. From dual to cooperative Regionalism

Recent legislations on relationship between the State and the Regions have proposed new model of relationship. The model is based on collaboration principle (so called cooperative Regionalism, as opposed to dual vision of the system), i.e. on the assumption that activities thought in terms of exclusive competence of one governmental level are now bounded.

Cooperative Regionalism assertion (i.e. federalism) generated network of relationships between different levels of government and is characterized by variety of actors and procedures involved. In particular, in relation to different government levels, it is possible to identify subjects playing
dominant role. This role depends on the type of relationship existing between the State and the Regions. The same role can be envisaged about relationships between the Region and local governments. If supremacy position of one actor is identified (e.g. the State towards the other institutions, or the Region towards municipalities and provinces) we face coordination relation.

If equalitarian position of one actor is identified, then we have cooperation relation. The latter is representative of joined competence exercise (e.g. owed both by the State and other territorial units for the same matters) and leading to co-responsibility for performed activities.

Since all institutional levels of the territory may be involved, the State may coordinate the Regions and local governments, and the Regions may do the same towards local governments.

Coordination policies aim to pursue the whole system functionality. This may imply the need to make the local government system compatible with the system unity, and to avoid the territorial community inertia and the system paralysis. On this regard, the Italian system comprises the following tools: 1) Substitutive intervention in case of inertia. The State intervention may concern matters, which are among State functions delegated to the Regions. The Government can nominate an ad acta commissioner. The Region intervention may happen when municipal administrations are too late to act, or omit to perform compulsory acts according to law. In these cases, according to Law n. 127/97 (Art. 16) an ad acta commissioner can be nominated by the Regional ombudsman. 2) The need to preserve continuity of the system functionality. This may
happen in case of dissolution of the Regional Council. 3) **The need to preserve the system unity.**

According to Art. 8 of Law n.59/97, acts of orientation and coordination of the Regional governmental functions are adopted by the State through previous agreement with the Permanent Conference “State-Regions”, or with all involved Region. However, the third paragraph of the same article also states that, in case of urgency, the Government may skip the above-mentioned procedure. In any case, it has to submit measure to the exam of the Permanent Conference “State-Regions” and must reconsider the measures for which negative advice is given. 4) **The need to protect the act legitimacy function.** For example, if the State considers that the Region adopts law without competences for it, then the State can raise the issue of constitutional legitimacy towards the Constitutional Court, within 60 days from its publication of law (Art. 127 Italian Constitution).

**1.3. Cooperation Policies: Institutional Cooperation**

**A. The “State-Regions” Conference**

Prime Minister Decree dated October 12, 1983 and Legislative Decree n. 281/97 systematically ruled the power of the Conference. This is an institution having general competences (not a sectorial one). The competences cover the followings:

1. Advisory role on government acts with Regional interests;
2. Nomination of people responsible of bodies carrying out activities or services exploitable for the exercise of concurrent competence between the national Government, the Regions and the autonomous Provinces;

3. Codetermination over the content of the State direction and coordination acts;

4. Information by assuring exchange of data and information between the national Government and the Regions;

5. Definition of criteria for distribution of financial resources for the Regions and the Provinces;

6. Resolution for issues pointed out by the law.

The Permanent Conference is a tool to support processes of mediation over the choices (dealing with the Regional competences) made by the Executive; it aims to help the participation of the Regions in defining the political direction of the national Government.

B. The Conference “State-Cities-Local governments”

Based on Legislative Decree n. 281/97 (Art.9), the Conference coordinates relationships between the State and local governments, to study, inform and exchange opinions concerning problems related to the general political direction, and that may influence the functions of municipalities and the Provinces. The Conference is the place for discussion and analysis of problems concerning local government organizations and functions, and of legislative initiatives.
It also has the duty to promote initiatives to improve public service efficiency and agreements and/or plans related to public service contracts.

The Conference “State-Cities-Local governments” is headed by the Prime Minister and is composed of:

1. Various Ministers (Internal Affairs, Regional Affairs, Economics and Finance, Public Works, and Health);

2. the Presidents of the associations representing the municipalities, the Provinces and the mountain communities;

3. 14 mayors and 6 Provincial Presidents.

C. The Unified Conference (“State-Regions-Cities-Local governments”)

According to Legislative Decree n. 281/97 (Art.9), this Conference adopts dispositions, makes agreements, provides advice, chooses representatives referred to the matters of its competences and duties of joint interests for the Regions, the Provinces, the municipalities, and the mountain communities. Within the Unified Conference, besides the approval of the national Government, the resolutions are adopted with consensus of the two groups’ members belonging to the Conference “State-Regions” and the Conference “State-Cities-Local governments”. The approval is expressed with unanimously vote of the two groups’ members.

D. The “Region-Local government” Conference by the Regional law
According to Law n. 59/97, (Art. 4) the Regions may assign all functions to the municipalities, for matters listed in Art. 117 of the Italian Constitution, and requiring unified exercise at the Regional level, by listening to the representatives of the municipalities. It is possible to detect some common and characteristic elements among these institutions.

First, only members of the Regional and the municipal governments can be part of these conferences. Second, their competence is general and not sectorial (usually it provides advice about plans concerning reorganization of functions of local governments and performs controls and recognition of law enforcement referred to local interests). Third, they perform coordination and connect functions between the Region and the local governments, especially through proposals, advisories and study duties included for issues of local interests.

E. The Conference of Services

Unlike the previous institutions, it is a temporary organization and used for specific purposes (Law n. 241/90, Art 14). It is a table where the local governments can sit and reach two different types of conclusions: 1) they may get information from organizations; 2) they may reach formal agreement through unanimous vote of various subjects, which will be transfer to the decision-making institutions.

As referred to the process streamlining and speeding functions, the conference of services is a tool to collect agreements, shared opinions, and permissions from various governments. The use
of this conference can be very productive as a mechanism to reach an agreement and to tackle complex and slow administrative procedures, as well as to obtain approval from other local governments, without waiting for various sub-processes.

1.4. Cooperation Policies: Functional Cooperation

The remaining issue is the core of so-called *negotiated planning*, which was ruled by Law n. 662/96. *Negotiated planning* can be defined as an inter-institutional strategy aimed to encourage and harmonize economic and social policies undertaken by various public and private actors in the territory. This planning is needed on the assumption that market forces alone cannot achieve economically and socially-balanced territorial development. To foster development, the public program must: (a) identify the strategic priorities of each territory, (b) select the interventions to implement them, and (c) provide the necessary financial resources and timetables to realize them.

*Negotiated planning* consists of the following instruments: (a) institutional\(^1\) and program\(^2\)

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1\(^{\text{\footnotesize In the framework of the decentralisation of government functions, an *institutional agreement* allows the Italian State and Regions to collaborate and commit themselves on a multi-year programme of initiatives. With this instrument Regions can direct national resources for public investment towards their priority projects. Thus the institutional agreement is a document that serves as a framework for the programme of public investments, through which Regions and the central government identify the economic priorities of each territory. Such instrument designates the actions to be co-ordinated by the State, Regions or autonomous Provinces in order to avoid wasting resources and fragmenting interventions.}}\)

2\(^{\text{\footnotesize A *programme agreement* is a consensual document through which the State, Regions, local corporate bodies and other public subjects commit themselves to implement an institutional agreement. It defines the mechanisms for co-operation among public administrations, in the process of policy planning and implementation.}}\)
agreements; (b) territorial pacts; (c) area contracts, and (d) program contracts. Each tool has specific rules and goals, but they are all considered as part of an organic system aimed at coordinating public territorial intervention of institutionally decentralized system.

In all cases, negotiation is considered key to coordinate the problems of various ‘actors’ that have role to play in a given territorial area. As institutional system moves towards decentralizing competencies, the success or feasibility of many initiatives depends on commitments taken by each ‘actor’, collaboration among public institutions and involvement of private institutions. Therefore, in many interventions, public administration acts like one party of the contract rather than the decision maker. In other words, negotiated planning implies that a public institution takes the role of the facilitator of learning and decision-making process involving various institutions. This process is often complex, also because of the diversity of goals and objectives of various actors. Managing this diversity and achieving a common shared view of the system, based on which each actor will undertake a set of policies that are coherent with others, is an

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3 A territorial pact is an agreement between public and private actors working locally to implement a programme of economically integrated interventions. It aims to promote local development at sub-Regional level and to encourage local institutions and private subjects to work together. Territorial pacts foster territorial development through a bottom-up approach, by means of infrastructure investments combined with incentives for companies that undertake integrated projects in the fields of industry, agro-industry, services and tourism.

4 Area contracts aim to promote partnerships for local development. They differ from territorial pacts by taking a top-down approach (i.e. the central public administration plays a major role). They are implemented in limited areas with serious economic emergencies selected by the central government within depressed areas.

5 Programme contracts allow the central administration to secure the implementation of large-scale industrial development projects in lagging areas promoting private investments. They provide an agreement between the central administration (i.e. the Ministry of the Economy) and private actors, implying financial incentives and infrastructure intervention. Large firms and consortia of SMEs (and representatives of industrial districts) can use this instrument. The initiatives were designed specifically for high technology sectors or sectors of growing demand, but recently also the agricultural and tourism sectors have been addressed by programme contracts.
important role that public institutions (e.g. the Regions, the Provinces and municipalities) are called to play.

2. The Sicily Region Case Study

The Permanent Conference “Region-Local Government” was instituted in Sicily through the Regional Law n. 6/97. Later, the Law n. 2/2002 (Art. 100) stated that the Conference intervenes through its own decisions on general issues having relevance on a municipal, provincial or metropolitan level. The President of the Region nominates the Conference members. The Conference chair is the President of the Region or a delegated person by him or her. Other components are:

1. The Regional Councillor for “Local Governments” (Assessorato alle Autonomie Locali), who is also usually chairs the conference meetings, as a praxis;

2. The Regional Councillor for “Finance” (Assessorato all’Economia);

3. The President of the Association of Sicilian Municipalities (ANCI Sicilia)

4. The President of the Association of Sicilian Provinces (URPS)

5. 9 Mayors and 3 Presidents of provinces, which are respectively nominated by ANCI and URPS;

6. a representative of the Sicilian Association of Local Governments (Lega delle Autonomie);
7. a representative of the Sicilian Association of Administrators of Communities and Local Governments (ASACEL);

8. a representative of the Sicilian Association of Local Governments Administrators (ASAEL);

9. any Regional councillor whose competence is relevant to the subject on which the Conference has to discuss.

However, the discipline for the organization and functioning of the Conference was approved only later, i.e. through the Presidential Decree dated 8 March 2004. Such decree has prescribed that the Director of the Regional Department of “local governments” must participate to each meeting of the Conference. Though this is not stated by the decree, the role of this manager is to support the councillor for “local governments” in the handling of every kind of documentation necessary to the good functioning of the meetings. In particular, the role of the director of local governments department is to prepare such documents (e.g. proposals of public tenders for the allocation of funds), to support the politician in the communication to the board members, and to implement the decisions taken.

Specific deliberations taken by the Conference are about the:

1. Local government system rules and laws, the management, fulfilment, and delivery of public services;
2. Coordination of local policies in the Regional territory (through information, advice and linkage between the Region and local governments);

3. Undertaking and finalization of agreements between the Region and local governments.

The Conference also gives advice on the Regional Finance Act proposal, on the financial planning documents, and on the guidelines on fiscal federalism. The Conference is held at least once a month. It is regularly called by the President of the Region or (as a praxis) by the Regional Councillor at “local governments”. It can also be called on request of one of the Associations of local governments. The rules on the functioning of the Conference have been later disciplined and partially changed by the Presidential Decree dated 11 February, 2005. The purpose of such decree is to rule the cases of lack of components participating at the Conference. The risk for this is that important political decisions are postponed due to political gaming and boycott actions.

A more organic discipline, which only marginally changes the previous one, was adopted through the Presidential Decree dated October 30, 2008.

2.1. Local Governments Funding Policies of the Region

Given the above institutional context, a significant issue related the Regional policies for local governments is funding. Concerning this, the Law n. 2/2002 (Art. 76) prescribes the rule of
getting advice from the Conference Region-Local governments, in order to distribute funds to municipalities.

The Law n. 15/2004 (Art. 18) prescribes that funds must be transferred to municipalities in 4 slots, with a three months period, at the end of each 3-month time. Furthermore the Law n. 1/2008 (Finance Act for the year 2008), at the Art. 6 refers to the national Law (Law n. 296/06).

It gives specifically criteria for the participation of municipalities to the fiscal revenues collected by Regions on national personal income taxes. In particular (Art. 7) it mentions that – starting from the year 2010 – the allocation of such collections to municipalities is defined through a Decree of the Regional Councillor for “Local Governments”, in agreement with the Regional councillor at Finance. It also needs to get advice from the Conference “Region-Local governments”.

Also the Law n. 6/09 (Art. 11) defines the rules for allocating resources to Municipal administrations. In particular, it authorizes the director of the department of Finance to distribute (if enabled by the Regional Councillor for “Finance”) to municipalities’ cash anticipations of the sums to be transferred (collected taxes). Such anticipations cannot be higher than 30% of the local governments Fund.

The same allocation process is followed by further Regional laws, like the Law n. 11/2010 (financial act), Art. 4.
2.2. Local Governments Fund: Allocation Criteria

Each year the available local governments fund is allocated by the Councillor for “Local Governments”, based on the following criteria:

1. 5% allocated by law (e.g., to cover the needs of municipalities in condition of financial disease, to cover expenses caused by natural events, to reimburse collections from Value Added Tax);

2. A second pool of financial resources (in the last year about the triple of the above 5%) is again defined by law to finance specific projects. Among the most important allocations are: a) funding to smaller islands to contribute to garbage transportation; b) funding to the historic centre of Ibla – Ragusa, to restore and recover buildings; c) hospitalization of patients under psychiatric care; d) custody of under aged criminals; e) integrated management of garbage collection; f) requalification of unemployed people; g) funding to the municipality of Palermo for various emergency reasons.

3. A third pool (a bit less than 10% of the Fund) is deducted as a result of decisions of the “Region-Local governments” Conference. Among the most important allocations of funds are: a) reimbursement to smaller municipalities (i.e. those having less than 10,000 inhabitants) of costs related to nursery schools; b) reimbursement to municipalities for
expenses of transportation of intermediate school students from a centre to another; c) improvement of Municipal police services; d) administrative expenses for the functioning of the Technical Secretary of the Conference “Region-Local governments”; e) as an incentive to good performing municipalities (about 2% of the fund), based on financial indicators;

4. the remaining sum (about the 17% of the Fund) is allocated by law to those municipalities having major disadvantage and to smaller municipalities (i.e. with less than 10,000 inhabitants);

5. therefore, after this allocation, the remaining sum that the Regional Councillor for “Local Governments” can allocate to the remaining municipalities (possibly based on strategic projects, and call for tenders) is about the 50% of the available Fund.

2.3. Critical Remarks

The previous analysis shows how the allocation of funds from the Sicily Region to Municipal administration and related policies aimed to support local development are dampened by a number of significant weaknesses. Among them:

1. The reduction of the Fund for local governments over time, due to the sharp decrease of transfers from the State. To this phenomenon, it should be added the uncertainty about the
actual structure and functioning of the future system of funding, based on the principle of federalism;

2. An excessive use of the Fund to finance ineffective municipalities or those which have highest unemployment levels in their areas;

3. An excessive exploitation of the Fund through the tool of Law, rather than through synergic policies coordinated by the Regional Councilorship for “Local Governments”. This means that a significant share of the fund is allocated based on a Parliamentarian debate (often based on ‘abuse of welfare’ principles), rather than on a pure public policy analysis and implementation principle;

4. There is also a big problem caused by the debate process in the “Region-Local governments” Conference. It takes several months to the Conference to formulate an opinion (advice) for the allocation of the Fund. A crucial issue is related to the capability of the department of local governments (Management) to support the Councillor with a proper and prompt proposal about the allocation of such funds (this implies the pre analysis and development of alternative allocations through calls for tenders), within 15 days from the approval of the Regional Budget for the current year. It is also crucial the political ability of the councillor to lead the discussion with other Conference members and push them to skip political inertia. It is also crucial the prompt issue (by the Department of local
governments) of financial transfers to municipalities every 3 months, and (in case of delays in the conclusion of the debate in the Conference) of prompt anticipations of funds to municipalities (equal to the 80% of the funds distributed in the previous year).

It is crucial to foster a deep collaboration and coordination between the political and managerial level, inside the councillorship for Local governments. It is also crucial to encourage a change in the political agenda at Regional Institutional level. This implies a lower use of single laws or (more often) a single Regional financial law embodying so many and heterogeneous allocations of funds to satisfy short-term requests from political parties. A more coordinated approach would also require a higher level of collaboration between the Region and municipalities. It is important to define sustainable policies to fix crisis and maybe establish growth. This also requires a deep change of culture.

Another important issue can be related to the highly fragmented distribution of roles between several Regional councillorships that have different impact on the policies affecting Municipal and other local governments. It is sufficient to observe, on this regard, that the Regional fund for local governments is only a (though important) component of the budget allocated and managed by different Regional Councillorships to support municipal activities. For instance, huge European Union funds (e.g. those associated to Regional Operating Program) are managed by the Regional councillorship for Infrastructures. Such funds are used to sustain various
Municipal policies in the improvement of the urban infrastructures and equipment (roads, squares, sidewalks, schools, etc.). Other European funds (but also Regional funds) are managed by several other councillorships (e.g. Cultural Heritage, Production Activities, Energy, and Healthcare).

Therefore, the Sicily Region lacks of a “Regional Policy” aimed at coordinating different Regional Councillorships in their own transfer activities towards municipalities. A higher level of interaction, possibly on a Presidential level (based on a proper Strategic Planning process) could significantly contribute to create a higher level of synergy in and without the Region, and awareness on the impact of public policies.

2.4. Tourism Policy in Sicily: Main Issues

The analysis of materials and interviews at both regional and local governments shows the difficult intergovernmental coordination between the Region and the local governments, even though there are various instruments to facilitate it. Many local operators blame of the Regional political fragmentation and thus the weak policy implementation capacity on this sector. Funding is also an essential issue for policy implementation and thus its delay causes serious problems. The delay is sometimes caused by political stagnation, and sometimes caused by incapacity of managing procedures.
On the other hand, the capacity of policy implementation at local government level is also considered as one of the reason of difficulties. This is understandable from the fact, that the most of the municipalities are very small in its population and thus have limited budget, limited staff number, and thus institutional support. Many lack staff with expertise. Current requirements to introduce public and private partnerships are often not yet considered, just because many municipalities do not have structure to support it, nor private partners in the territories.

Regarding the coordination among related policies, many policies are implemented without minimum coordination with other policies. In some cases, policies are even in contrast with other policy areas. The main reason of this seems to be the lacking policy coordination at the Regional level. This means that tourism policy, culture policy, including cultural heritage management, and environmental policy are not coordinated among themselves. In some cases they are in sharp conflicts. In fact, many cultural heritages are in risk, because of lack of coordination with tourism promotion policy at the regional level. Same situation can be seen among natural reserves. On the contrary, some tourism promotions are stuck, because of lack of coordination with cultural heritage management policy. Coordination between municipalities and the Region is another big issue to promote these policies at the regional level.

Sicily Region has received rather big amount of European Funds for its regional development.
However, the analysis of its impact shows that the use was not necessary effective on its territory. In fact, many infrastructure created with the funds are often not fully utilized, many training courses introduced with the funds are often used only to give youngsters temporary “occupation”, but without giving them knowledge or information. The evaluation of the impact of the funds is not positive and shows many issues regarding this system and its implementation.

3. The Emilia-Romagna Region Case Study

The main institutional settings and funding system of this region are similar to those of the Sicily, except those characteristics typical to the Special Autonomous Regions. Since Emilia-Romagna Region is an ordinary region with high productivity and economic standard, from funding point of view, it does not enjoy any privileges.

The tourism policy is planned and coordinated at the regional level, implemented mostly at provincial and municipal level. The Region works with various actors, including private partners, associations, and volunteer groups. The existence of active private actors, volunteer groups, and social sector is one of the characteristics of the Region.

3.1. Territorial Peculiarity and Organizational Characteristics
From the point of view of tourism policy, the Region enjoys the rich territorial characteristics: it has Adriatic coast side, Apennines mountain area, historical and art cities, and sports and wellness destinations. Thus the variation of visitors is wide ranged in terms of age, gender, wealth, and orientation. The Region can attract their visitors throughout the year, from swimmer in the summer to the skiers in the winter. Another characteristic is the possible combination of these variations. The good coordination of various associations and groups enables visitors to explore their various interests on the territory.

The Adriatic coast side is the historical summer destination of mass tourism and has been attracting Italian and foreign families and youngsters. It also attracts many weekend visitors, given the strategic location from various big cities. It also offers cycling and biking possibilities.

The Po Delta area and some archaeological sites offer natural and historical experiences.

The Apennines mountain area is famous for its skiing resorts, trekking courses, cycling and biking courses, and horse trails. This area also attracts visitors of various types all throughout the year. The area is famous for its root of wine and flavour and thus attracts also eno-gastronomy visitors.

Historical and art cities are the other attractions of the Region. It has various UNESCO World Heritage; Ravenna, Ferrara and Modena. The Region has important musical sites, mainly connected to Giuseppe Verdi and Arturo Toscanini and thus attracts opera lovers. The art cities
attract art lovers through their festivals and exhibitions. This is also an all year activities.

Sports and wellness related tourism is another important type of tourism of the Region. Sports activities include not only those mentioned above, but also F1 race. Almost all sports activities are open for those who participates in the activities as well as for those who enjoys watching them. Regarding wellness related tourism, the Region offers numerous spa destinations, and food and wine experiences.

The Region has a wide range of offers throughout the territory and throughout the year. Thus, coordination among various territories and various activities became essential for the integration of the offers. Various provinces and local governments collaborate each other and with the Region and various operators and institutions have to collaborate each other and with public sector.

The other characteristics of the Region are its rich associations and volunteer groups. The Region was studied by Robert Putnam for his social capital study (Putnam, 1993) and was indicated as social capital rich area. The area is known as the birthplace of cooperative activities and has long tradition of associations. In fact, there are many active associations related to tourism promotion, culture activities, sport activities, social activities and professional activities. They are independent organizations, but collaborate each other and with public institutions. Regarding tourism, many local organizations are involved in planning and implementation of
tourism projects, making the activities rich. The Region is the main coordinator of these initiatives.

The funding is also utilised through various actors, not necessary by the Region. This makes it easier to use the funding in flexible way. The delay, which was often seen in Sicily, does rarely occur in this Region, since the funding process is less controlled politically and is delegated to associations and related institutions.

3.2. Best Practices

There are many concrete examples of tourism related policy coordination in Emilia-Romagna Region. Here are some of the best practices, which characterise the territory.

The Adriatic coast cooperates with Apennines mountains during the summer vacation season to diversify the offer. The typical swimming vacationer spends their time and money only at the seashore, but the attempt is to allocate them at least a couple of days far from the coast. This makes them to stay longer in average, and to spend more. The rich variation of sport activities offered in mountains attracts not only swimmers but also other sports lovers. The differences in food and wine offers are also an attraction. In order to promote this sea-mountain cooperation, associations of hotels, bed and breakfast, agritourism, and sport activities owners are collaborating for this integrated programme. They collaborate in terms of communication, offers,
and facilitation.

Tourists with cultural destinations often choose UNESCO world heritage cities. However the cities in the Region are rather small compared to other world heritage cities. Thus it is important to integrate offers, including food and wine, wellness and nature experiences. Cities like Ravenna, Ferrara, and Modena collaborate with surrounding cities to promote culture tourism with culinary highlights and spa experiences. Exhibitions and festivals are collaborating with restaurants and wine producers to promote the same event together to attract more visitors to stay longer. More and more public institutions are thus collaborating with private businesses, event organizers and culture and other associations. It is crucial for these small historical cities to have partners inside and outside their territory to make the visitors to stay longer with various offers.

Sports and wellness tourism has been an important tourism in the Region. Cycling and biking, house trails have been attracting active participants in the Region, who come regularly to the territory. F1 racing attracts millions of participants. Spa visitors are historical presence in the territory. These types of tourism try to innovate their offers and to attract new visitors. They are trying to promote tourism of wellbeing, combining offers related to sports, wellness, and culinary experiences. Since wellbeing is an important element for modern life, this could be a new frontier. Thus, sports organizations, gyms, and various existing institutions are
collaborating to integrate the offer in the framework of the promotion of wellbeing.

**Conclusion: Findings and Recommendations**

There is a fundamental issue that has not been addressed from the beginning of this research, that is; if Italian local governments have peculiarities or have more common characteristics to other local units in Europe and/or in other areas. The peculiarities of Italian institutions, political, public administrative, and business, have been a historical debate issue, however it seems that recent literatures stress more common characteristics of its institutions, rather than the historical perspective of stressing the differences.

Under the European integration and especially with the introduction of various measures and funding for local governments, citizen services, and over all, the principle of subsidiarity, there are apparently more and more common characteristics among local governments institutions in various European countries.

The two cases show some common characteristics in their legal (juridical) and institutional settings, however their policy implementation and funding processes are quite different. The biggest differences are the coordination among various levels of governments in their regions, the coordination among related sectors in the territory, and the collaboration with private business, associations, and related actors. The Sicily case shows the difficulty in coordination
and collaboration, the Emilia-Romagna case shows the successful coordination and collaboration. The latter is in fact considered to be the best practice on this field.

In order to promote a sustainable tourism, it is necessary to have a good coordinated policy and organizations to harmonise the general tourism promotion with conservation of cultural heritage and natural resources. The Emilia-Romagna case show that the good governance of tourism promotion at Regional level as well as provincial level and municipality level could be strengthen with collaboration with various actor of private sector and associations. It is not easy to make different interest groups collaborate, but when it is successful like the case, it makes difference. Strong participation of private businesses, associations, and various groups is also essential for the success of policy implementation. Thus for all standard areas, it is recommended to promote these characteristics through capacity building of the people and promoting participation of the actors.

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