



*Multilevel Governance and Rural Development:
The role of the Italian provinces – Province of Cosenza*

CASE STUDY REPORT: PROVINCE OF COSENZA

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The Focus Group with the Province of Cosenza included the Director General, the Managers and officials in charge of Agriculture, Taxation, Employer, Sport-Tourism-Entertainment, Soil defence, Environment and State-owned water resources, Job Market, Property-Expropriations, Budgets, Programming and Internationalisation.

The Focus Group with the local stakeholders included the representatives of the Local Action Groups Alto Jonio, Sila Greca, Pollino, Savuto and Valle del Crati, of the Pollino Park and of the General Confederation of Italian Agriculture – Confagricoltura.

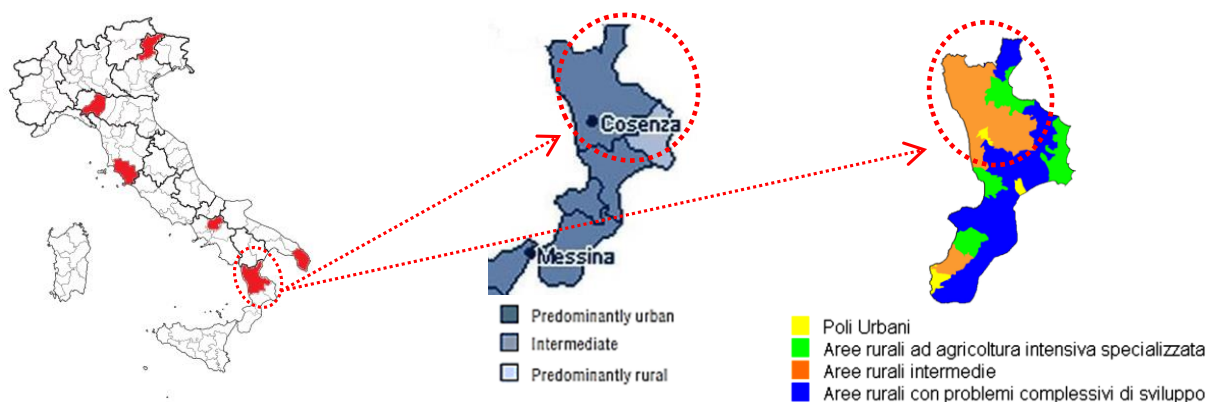
The Focus Group on the projects promoted by the Province of Cosenza included the representatives of the Local Energy Agency of the Province of Cosenza ALESSCO, the Rural District of Pollino-Versante Calabria (Calabria side), the Agrifood District of Sibari, the Province's managers and officials.

1. SHORT OVERVIEW OF THE TERRITORY

The Province of Cosenza occupies 44 % of the regional surface (6,650 Km²), the territory is mostly mountainous (54%) and hilly (40%) with the Pollino chain in the North, the Sila massif and three inland artificial lakes: Cecita, Arvo and Ampollino. It has 155 municipalities (38% of the municipalities in the Calabria region) where about 36% of the region's population lives. The demographic density is about 107 inhabitants per Km².

Some weaknesses are found in the urban setting system of the Province as historic city centres are characterised by a high hydro-geological and/or seismic vulnerability and new buildings and housing structures are often developed in landslide and flooding-prone areas. At the same time, most historic city centres have kept their identity and possess a high artistic and architectural value.

Figure 1 – OECD (centre) and NSP (right) classification of the Cosenza province's territory



Source: Our elaborations on OECD maps and NSP

With regard to demographic data, until 2008 overall trends are negative, notably in relation to a declining birth rate and migration. It is only from the start of 2009 until 2011 that we find a trend reversal (+6,000 inhabitants), although with minimum increases. Over the period under examination, we notice that the elderliness index went from 109.4% of 2001 to 143.5% of 2009, and has therefore become higher than the regional index.

Table 1– Territorial and Socio-economic features

	Province of Cosenza	Calabria Region	Italy
Surface (km ² , as of 2011)	6,649.96	15,080.55	301,336.00
Number of municipalities (as of 2011/12/31)	155	409	8,092
Population (on 2011/10/09)	714,030	1,959,050	59,433,744
Population density (inhab/km ² , on 2011/10/09)	107.37	129.91	197.23
Elderliness index (on 2009/12/31)	143.50	134.31	148.75
Dependency index (on 2011/10/09)	48.78	49.91	53.49
Population 15-64 years (% as of 2011)*	479,918	1,306,817	38,722,733
Activity rate (Istat, as of 2011)	48.68	48.76	62.25
Unemployment rate (Istat, as of 2011)	12.26	12.73	8.41
Employment rate (Istat, as of 2011)	42.65	42.49	56.94
Persons employed (as of 2011), of which in:	213,550	577,391	22,967,243
– agriculture (% 2011)	11.56%	11.01%	3,70%
– industry (% 2011)	16.16%	16.67%	28,47%
– other activities (% 2011)	72.28%	72.32%	67,83%

* Our elaborations

Source: Atlas of Competitiveness of provinces and regions, Istituto Tagliacarne –Unioncamere.

With regard to the job market, in 2011 the people employed were estimated at 213.6 thousand units (37% of those in the region). Over the last five years, employment has steadily declined by almost 15% compared to 2007. Simultaneously, over the same period, the number of jobseekers has progressively increased by nearly 10%.

The sectoral distribution of people employed shows that the majority of them work in the service sector (154.4 thousand); followed by the industrial sector with 34.5 thousand people (of whom more than half work in the building sector) and finally, agriculture, which employs 24.7 thousand people.

The business fabric of the province of Cosenza is characterised by the traditional sectors, a large number of small businesses and a marked prevalence of individual firms. According to data by Infocamere the IT company for the Italian Chambers of Commerce, in the decade 2001-2011 the number of enterprises increased by 8%, passing from about 61,000 in 2001 to 66,500 in 2011.

Table 2 – Structural features of the economy

	Province of Cosenza		Calabria Region		Italy	
Registered enterprises, number (Infocamere, on 2011/12/31), of which in:	66,451.00		180,922.00		6,110,074.00	
– Agriculture, forestry and fisheries	12,220.00	18.39%	32,016.00	17.70%	837,624.00	13.71%
– Manufacturing	5,200.00	7.83%	14,503.00	8.02%	617,768	10.11%
– Constructions	8,813.00	13.26%	22,830.00	12.62%	906,496.00	14.84%
– Wholesale and retail trading	19,341.00	29.11%	56,821.00	31.41%	1,550,863.00	25.38%
– Accommodation and catering	4,613.00	6.94%	11,374.00	6.29%	392,337.00	6.42%
Total added value, million Euros, as of 2010, of which in:	11,134.00		30,003.00		1,395,219.00	
– Agriculture	328.00	2.95%	1,176.00	3.92%	26,698.00	1.91%
– Industry	1,766.00	15.86%	4,564.00	15.21%	347,094.00	24.88%
– Services	9,040.00	81.19%	24,262.00	80.87%	1,021,426.00	73.21%
Total disposable income, million Euros (elab. Ist. Tagliacarne, as of 2010)	9,584.00		25,532.00		1,029,943.00	
Per capita disposable income, Euros (elab. Ist. Tagliacarne, as of 2010)	13,043.00		12,700.00		17,028.00	
Total agricultural production at base prices, thousand Euros (2010), of which:	608,756.00		1,913,135.00		45,942,616.00	
– Herbaceous crops	147,936.00	24.30%	400,945.00	20.96%	14,687,486.00	31.97%
– Ligneous crops	298,731.00	49.07%	1,035,036.00	54.10%	10,439,470.00	22.72%
– Livestock products	50,194.00	8.25%	230,906.00	12.07%	14,889,559.00	32.41%
– Forestry products	8,872.00	1.46%	14,985.00	0.78%	476,690.00	1.04%
– Related services	103,023.00	16.92%	231,263.00	12.09%	5,449,412.00	11.86%

Source: Atlas of competitiveness of the provinces and regions, Istituto Guglielmo Tagliacarne –Unioncamere

The *tertiary sector* ranks first in the province's economic system in terms of number of companies. The trade sector plays the lion's share with the highest number of companies in the province (19,341). The tourist sector counts 4,613 companies and plays a major role in promoting the province of Cosenza, which is the best performing province in the region in terms of tourist flows: 576,266 tourist arrivals in 2011, of which 90% Italian.

Table 3 – Total added value at base prices by category (current prices, million Euros)

		Agriculture, forestry and fisheries (a)	(a/d)	Industry (b)	(b/d)	Services (c)	(c/d)	Total (d)
Province of Cosenza	2000	337	3.85%	1,545	17.63%	6,881	78.52%	8,763
	2008	406	3.69%	1,686	15.33%	8,907	80.98%	11,000
	2011	375	3.65%	1,383	13.47%	8,510	82.88%	10,267
	Δ 2008/2000	20%		9%		29%		26%
	Δ 2011/2000	11%		-10%		24%		17%
	Δ 2011/2008	-8%		-18%		-4%		-7%
Calabria Region	2000	1,263	5.41%	3,837	16.43%	18,249	78.16%	23,349
	2008	1,248	4.09%	4,863	15.95%	24,370	79.95%	30,480
	2011	1,286	4.35%	4,013	13.56%	24,301	82.10%	29,600
	Δ 2008/2000	-1%		27%		34%		31%
	Δ 2011/2000	2%		5%		33%		27%
	Δ 2011/2008	3%		-17%		-0.3%		-3%
Italy	2000	30,036	2.80%	297,109	27.74%	743,745	69.45%	1,070,891
	2008	28,851	2.04%	378,722	26.72%	1,009,927	71.25%	1,417,500
	2011	28,150	1.99%	351,495	24.84%	1,035,563	73.17%	1,415,207
	Δ 2008/2000	-4%		27%		36%		32%
	Δ 2011/2000	-6%		18%		39%		32%
	Δ 2011/2008	-2%		-7%		3%		-0.2%

Source: Our elaborations on Istat data.

Agriculture is one of the core sectors of the province's economy, both for its weight on the total number of enterprises (18.4% of the total) and for its role in the export sector (40.2% of total exports). Most agricultural undertakings are small and mainly one-person businesses (91%). Generally speaking, non-specialised farming prevails in the territorial distribution of businesses. However, special crops can be found in some areas such as citrus fruits and olives in the Plain of Sibari, or cattle breeding in the Sila mountains, in Valle Crati, in the *Basso e Alto Tirreno Cosentino* (Northern and Southern Tyrrhenian area of Cosenza) (pigs). On December 31st 2011 there were 293 agri-tourist farms in the province.

Table 4 – Structural features of the primary sector

	Province of Cosenza			Calabria Region			Italy		
	2000	2010	Δ 10/00	2000	2010	Δ 10/00	2000	2010	Δ 10/00
Number of farms with cultivations, of which:	63,871	50,203	-0.21	174,277	137,388	-0.21	2,396,274	1,620,884	-0.32
– With citrus	10,417	6,987	-0.33	30,920	20,974	-0.32	154,643	79,589	-0.49
– With olives (table olives and olives for oil production)	43,335	41,049	-0.05	120,584	113,907	-0.06	1,111,122	902,075	-0.19
Number of farms with livestock, of which	11,072	4,797	-0.57	21,852	10,189	-0.53	370,356	217,449	-0.41
– Swine farms	9,261	1,577	-0.83	16,979	2,193	-0.87	156,818	26,197	-0.83
Number of pigs	51,807	2,737	-0.95	90,323	51,214	-0.43	8,603,141	9,331,314	0.08
Total agricultural area (hectars)	379,606	29,452	-0.92	841,304	706,438	-0.16	18,766,895	17,081,099	-0.09
Utilised agricultural area (hectars), of which:	229,762	212,967	-0.07	554,794	549,254	-0.01	13,181,859	12,856,048	-0.02
– Permanent pasture and meadows	7,533	59,451	6.89	140,607	140,715	0.00	3,414,592	3,434,073	0.01

Source: Our elaborations on Istat data, Censuses of agriculture 2000 and 2010.

However, between the two censuses, agriculture lost a substantial part of its production base: the total agricultural area shrank by more than 1/5, partly because of ongoing urbanisation processes, partly because of sheer land abandonment in the most remote areas. The strong decline of permanent pasture and meadows has caused cattle breeding to be neglected in inland areas.

The *industrial sector* is mainly made up by the building and manufacturing sectors. 13.3% of the province's companies are found in the building sector which accounts for an added value of 6.9% of the province's total, in line with regional figures. The building sector is the most hard-hit by the crisis, because of expenditure reduction for public works. The manufacturing sector basically consists of food businesses (24.1%), followed by metal products' manufacturing (16.3%).

If we look at the performance of foreign trade, in 2011 a cumulative decrease of 7% in freight flows took place. Agriculture accounts for 40.2% of total exports, i.e. a very high percentage compared with the regional (13.4%) and national (1.5%) average, which is all the more important given the technological and structural limits. Exports to the EU account for nearly 56%, followed by exports to North America (9.7%).

Over the two-year period, imports underperformed showing a negative trend (13%). Most imports are in metalworking and electronics (41.2% of the total), followed by the food sector (24%). Most of the imports come from the EU (about 74% of the total).

Table 5 – Market Openness (Million Euros, %)

	Province of Cosenza			Calabria Region			Italy		
	2010	2011	Δ	2010	2011	Δ	2010	2011	Δ
Import	200	175	-13%	659	578	-12%	343,220	400,184	17%
Export	77	71	-7%	345	355	3%	333,329	371,153	11%
Propensity to export (2010)	0.69%			1.15%			23.89		
Openness rate (2010)	2.49%			3.34%			48.49		

Source: Atlas of competitiveness of the provinces and regions, Istituto Tagliacarne – Unioncamere

Infrastructures are still quite inadequate to meet the needs of the production system and they depend upon the economic development of the area. Despite these limits, road and rail infrastructures are good, with 2011 indexes of 111.8 and 108.4 respectively, exceeding the regional indexes of 106.1 and 107.4 (Source: Unioncamere-Tagliacarne). Social infrastructures are adequate with the exception of health care facilities.

Table 6 – Infrastructural Development Indexes (Italy=100)

	Province of Cosenza		Calabria Region	
	2001	2011	2001	2011
Economic infrastructures*	61.74	56.79	81.08	83.85
Social infrastructures**	61.16	67.27	63.37	66.52
General index of infrastructures (economic and social)	61.56	59.94	75.77	78.65

*Economic infrastructures: road network, railway network, ports, airports, plants and energy-environmental networks, telephone and data transmission facilities and networks, banking networks and miscellaneous services.

**Social Infrastructures: cultural and leisure facilities, schools and health care centres.

Source: Atlas of competitiveness of the provinces and regions, Istituto Tagliacarne – Unioncamere.

More specifically, with regard to road infrastructures, the road network dates back to many years ago. As a consequence, it is not well suited to sustain today's volumes of traffic and to meet new mobility needs. Accessibility is scarce in some areas of the province, notably in mountain areas.

2. FUNCTIONS

2.1 Own functions and functions delegated by the Region

The process by which functions are delegated by the national government differs from the process of function delegation by the regions. Unlike the national process, the path towards the transfer of functions to the provinces by the Calabria region was long and troubled. Still today, more than ten years after this process was launched, it is still unaccomplished. The Calabria Region transposed the administrative decentralisation regulation as late as 2002, later than expected and after the other Regions, by issuing the regional law n. 34 “*Reorganisation of local and regional administrative functions*”. The intention of the original provision was to be a regulatory tool aimed at drawing up a framework of competences falling under the responsibility of the various territorial authorities. Over the period 2002-2005, 244 functions were formally transferred to cover four macro-areas of activity:

1. Economic development and production activities (handicraft, industry, energy, mines and geothermal resources);
2. Territory, environment and infrastructures (urban planning, environmental assets, local transport services and other transport services; public works; road network; environmental protection; state-owned water resources; civil protection; land registry);
3. Services to the individuals and the communities (job market; education; administrative police; human health and animal healthcare; financial aid schemes to people with disabilities).
4. Administrative Police.

As a result of the regional law n.1/2006¹, another 45 functions were transferred in relation to agriculture, cultural heritage, tourism, vocational training and upper secondary education. Formally, as many as 289 functions were delegated but in reality not always have these functions been actually transferred.

With regard to the activities falling under the responsibility of the province, the study shows that most of them are concentrated in the “Territory, environment and infrastructures” macro-area, namely for planning and project-making, as well as control, monitoring and evaluation.

However, a more careful and close-up reading shows serious shortcomings in the practical implementation of these tasks hindering the completion of processes that have been already initiated. As a matter of fact, their accomplishment depends upon regulations and criteria that the Region has either not issued yet or has issued in recent times only. The Region does not guarantee the transfer of necessary financial resources to carry out the activities undertaken and ensure their sustainability over time (financial resources are either not transferred or they are transferred intermittently).

The first case concerns the Territorial Plan for Provincial Coordination (PTCP) and the activities on waste and water management. The provincial plan for transport services is one of the outstanding planning activities. Although the plan has been drawn up and adopted, it cannot be implemented because the Region has failed to transfer the financial resources necessary to its implementation.

On the contrary, the province carries out plenty of planning and project-making activities in the *road* and in public construction sectors. The latter has required substantial financial resources: between 2004 and 2010 the Province invested about 366 million euros in public works.

Planning and project-making activities in the sector of economic development are carried out on a slighter degree, at least on the basis of the functions actually granted by the Region. The only functions performed on a regular basis concern the drafting of the provincial programme for the handicraft sector. This programme contains the requests of the municipalities and the category associations. Furthermore, this is the only production sector for which both functions and financial resources were transferred to the Province.

¹ R.L. n.1 of 11th January 2006 “*General provision laying down regulatory and financial regulations (linked to the regional budget law for the year 2006, art.3, paragraph 4 of the Regional Law n.8/2002)*”. Title II provides for amendments and additions over the R. L. 34/2002

Table 7–Functions transferred to the Provinces by Calabria Region

Macro-area	Matters	Planning/project -making	Regulatory powers	Granting of financial support to operators	Implementation of services	General monitoring, evaluation and control
Economic development and productive activities	Agriculture, forestry, hunting, fisheries, rural development, agri-tourism, food		X			X
	Craft		X			X
	Industry and aid to firms	X		X		
	Tourism					
	Energy (renewable energy and energy saving)		X	X	X	X
	Mines and geothermal resources	X	X	X		X
Territory, environment and infrastructure	Urban planning					X
	Environmental assets	X				X
	Protection and safeguard of nature and environment		X			X
	Water resources and soil protection					X
	Public works	X	X		X	X
	Road network	X	X		X	X
	Transport	X			X	X
	Civil protection	X	X		X	X
Services to the individuals and the communities	Social services, social inclusion and health care	X			X	X
	Vocational training	X		X		X
	School education			X		X
	Labour market	X		X		X
	Culture and cultural heritage				X	
	Performing arts*			X		
	Sport			X		
Administrative Police					X	

Source: Our elaborations.

Actions in the agricultural-rural sector are not very robust due to the lack of programming functions in this domain. This was the result of a political choice made at regional level from 1998 onward (Regional Law n.9/1998)² and confirmed by further regional regulations between 2002 and 2006. This happened despite the staff in charge of agriculture had been seconded from the region to the provinces on a permanent basis to take care of the technical evaluation of EU

² The Regional Law n.9 of 23rd July 1998 “Attribution of administrative functions in the sectors of agriculture, hunting, fisheries, rural development, farm tourism and food, conferred to the Region through legislative decree of 4th June 1997, n.143” was adopted as a result of a “forced” issuing of the legislative decree dated March 5th 1998 n. 60. The term “forced” refers to the fact that the Calabria region, together with other Regions had failed to comply with the provisions of art. 4 paragraph 5 of the Law n.59/97: the Regions should have issued a law that laid down the functions to be transferred to the Provinces and the local bodies, including the functions laid down by the Decree n.143/1997 on agriculture, within a 6-month period.

rural development action programmes. On the other hand, the Rural Development Programmes that came after the year 2000 did not provide for any cooperation or consultation with the Provinces.

Unlike the programming functions, most of the control, monitoring and evaluation as well as regulatory functions are now fully operational. Functions aim at ensuring that the regional legislation is enforced and adapted to the provincial setting: monitoring of noise and air pollution in the overall territory and of tourist activities (including B&B); issuing of professional qualifications/licenses in various sectors; keeping of Registries (as the registry on public school buildings, water basins, etc.) and Registers (*Proloco* Associations – tourist information and promotion offices, social cooperatives, voluntary organisations, cultural mediators); coordinating the statistics of the national and regional statistical programmes in the various sectors.

Financial support to public and private operators is given to provide services to the individuals and the communities first and foremost. Essentially, the Municipalities are granted funds to implement services (*the right to education*) for nursery schools (canteen, transport and inclusion of people with disabilities) and organise cultural events (to municipalities and cultural associations). These actions are affected by the high uncertainty over the guarantee of yearly funds by the Region. Over the years, inflows of regional funds have been drastically cut (-20% for 2012 activities).

The Province uses its own funds to finance activities on the territory. In the majority of cases, it uses limited amounts mainly to cushion the effects of the economic downturn, to take action in very critical situations, including support in the aftermath of social or environmental emergencies. At the same time, the Province launched a number of initiatives to put in place strategic facilities aimed at the promotion and protection of the territory, including the establishment of a Provincial Observatory on the environment and the implementation and management of the site SI PROTUR (the Provincial Information System for Tourism).

The Province of Cosenza has a complex organisation structure that allows it to deal with own and delegated functions. Basically, there are four departments in charge, respectively, of the following activities: “*Support Services*”, “*Services to the individuals*”, “*Development, protection and enhancement*”, “*Structures and Infrastructures*”. The Departments are aggregations of 19 segments, two of which have not entered in operation yet (water resources-waste). They are, in turn, subdivided into services and offices and can comprise peripheral structures located in the territory (job centres, neighbourhoods, etc.).

Besides the departments, there are staff-based structures providing support to all the other organisational units. The programming and internationalisation unit plays a major role among them, as it was established to support the province’s governance policies in the field of economic and territorial programming (Structural Funds and other regional, national and EU programmes resources), strategic planning, territorial marketing, transfer of good practises to sub-provincial local bodies.

The Province of Cosenza has a staff of 1,112 permanent employees, plus 13 units with fixed-term contracts (December 2011).

Over time, with a view to better pursuing its goals, the Province has developed an externalisation policy and acquired shareholdings in other Institutions and external firms. Among the various

subsidiaries, the the Energy Agency of the Province of Cosenza ALESSCO plays a strategic role for the Province's action. ALESSCO was established in 2006 through EU support (to cover 50% of start up costs) to deal with sustainable development and energy efficiency.

2.2. Functions performed within co-financed projects

The search for additional funds is not only due to the need to offset cutbacks in resources at national and regional level; in fact it is the result of a clear development strategy launched in the second half of the last decade with a view to making the best use of EU funds, as well as funds granted by any other international, national or institutional organisation.

In the period 2000-2006 already, the Province managed the European Social Fund Regional Operational Programme (ROP) resources mainly to implement employment policies. In this regard, it is necessary to make a distinction between the activities implemented on behalf of the Region and the activities implemented as a beneficiary – through participation in tenders – of the ESF resources.

The first case regards administrative functions over the implementation of vocational training schemes (active employment policies), which have mainly remained in the hands of the Region, although they were formally transferred in 2002. The Provinces only perform information and administration functions, including the collection of applications for regional tenders without any margin of discretion. With regard to the ESF, the Province managed the resources allocated to the job centres by the Region and took part in tenders for improving the services.

Other resources of the ESF were instead obtained through the participation in regional tenders, in the same way as did other beneficiaries, such as municipalities, church institutions, voluntary organisations. Having to deal with a very large number of potential beneficiaries forced the Province to plan its actions in a climate of uncertainty (choosing the right tender and hoping in a positive outcome of the preliminary selection procedures) and to compete with the other local actors.

In the period 2007-2013, the Province put in place cross-cutting system actions to create better synergies between the opportunities offered by public policies (national, EU and international) and its development strategy. Thematic discussions and meetings were held throughout the territory with a double objective: identifying the real local needs and pooling them into projects at provincial level, disseminating basic information to local operators on the opportunities offered by the various Programmes.

Among the various activities, it is worth mentioning the coordination of the Integrated Project that the European Regional Development Fund ROP 2007-2013 assigned to the Province. Over the second half of the years 2000, this activity became the pillar of the Province's institutional, administrative and political action. The coordination activities resulted in the elaboration of 39 Integrated Projects for Local Developments (PISL) on mobility, quality of life, tourism systems, villages, production systems, totalling an investment of 413 million euros (average amount of 10.1 million euros). The Regional Council approved 26 of them (Regional Resolution 466/2012), plus one on contrasting depopulation and one on language minorities. A leading municipality was selected for each PISL. Some of them – of collective nature – will be implemented by the Province.

With regard to the rural sector, as we already mentioned, the Calabria Provinces were not very much involved in the drafting of the RDPs and the lack of direct contacts with the Region's agriculture department led them to focus on support actions for the local actors (municipalities, associations, entrepreneurs). In this connection, the Province of Cosenza supported and coordinated the establishment of four rural and agri-food districts and took up the Presidency of two of them - the *Agro-food district of Sibari*, the *Rural district of the Pollino Park*³. In the same perspective, during the period 2000-2006, the Province supported, as member of the partnership, the development of the Integrated Rural and Agricultural Plans (PIAR) to be financed through the RDP. Also, in the period 2007-2013 the Province participated directly in the open public procedures of the RDP and submitted two project proposals on the measures of Axis III of the Programme (measures 313 and 331), on the promotion of wine and food itineraries in the province. Both proposals were retained and approved.

As regard the ERDF too, the Province failed to carve out an active role in the programming of actions. Nonetheless, in the period 2000-2006 it obtained major financial resources to make investments in the environmental sector (production of renewable energy and energy saving, green network, etc.) and managed the training activities of the Integrated Territorial Projects (PIT) within which it was in charge of selecting the training centres and allocating the resources. In the period 2007-2013, beside the support activities to the Integrated Development Projects (PIS), the province obtained substantial ERDF resources by taking part in tenders and used such resources for sports facilities and for implementing the One-stop Shops for Productive Activities (SUAP).

Over the years, besides the actions implemented within the regional community programmes (ROP, RDP), the Province worked on a wide range of projects in order to apply for a variety of Programmes. For example, on the invitation of the Calabria Region, it joined a few projects aimed at promoting the exchange of experiences (twinings) between Objective 1 Administrations on cross-cutting themes such as Equal Opportunities (project A.G.I.R.E. POR co-financed by ERDF National Operational Programme Technical Assistance and System Actions).

The Province launched a number of actions in the field of cooperation and international trade. For example, in 2007 the Province acceded to the Memorandum of Understanding for the Mediterranean area between the Regional Council of Calabria and the five provinces. The MoU aimed at developing common projects in this area through EU and national Programmes (such as the European Neighbourhood and Partnership Instrument - ENPI, Programme Agreements etc.), and starting off exchanges and relations with the other Italian regions that overlook the Mediterranean. Furthermore, the Province of Cosenza participated in various calls for tender on the different editions of the Interreg Programme, obtaining the approval of several projects and taking the lead in some cases⁴.

³They are: "*Quality agri-food district of Sibari (DAQ-Sibari)*", established by the R.L. n. 21 of 13th October 2004; "*Rural District of Sila*", established through Regional Council Resolution n. 279 of 25/3/2010; "*Rural District of 'Alto Jonio Cosentino'*" established through Regional Council Resolution n. 278 of 25/3/2010; "*Rural District of Pollino – Versante Calabro (Calabria side)*" established through Regional Council Resolution n. 280 of 25/3/2010.

⁴As it was the case of the project "*Development of Sustainable Tourism: Initiatives for the valorisation of Mountain areas*", co-financed within the INTERREG IVC Programme. The activities of the project were all completed by 31.12.2012, and the share of the Province of Cosenza amounted to a total of € 35,100.00.

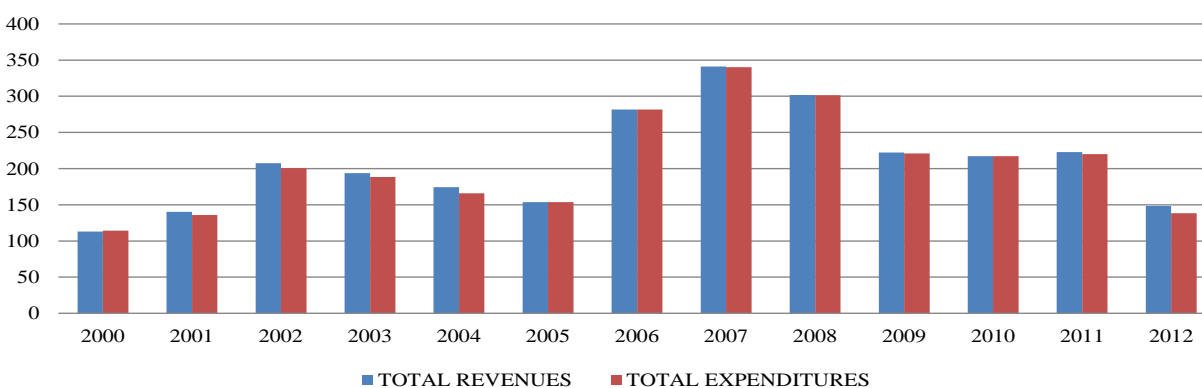
3. RESOURCES

3.1 Financial Resources

In the interests of a sounder management, the Province of Cosenza adopted an accounting framework that allows to perform different types of internal control: management control, evaluation of managers' performances, strategic control.

In the period 2000-2012 the budget of the Province of Cosenza was 209 million euros on average, with a revenue peak in 2007, mainly due to the actual transfer of regional resources related to delegated functions.

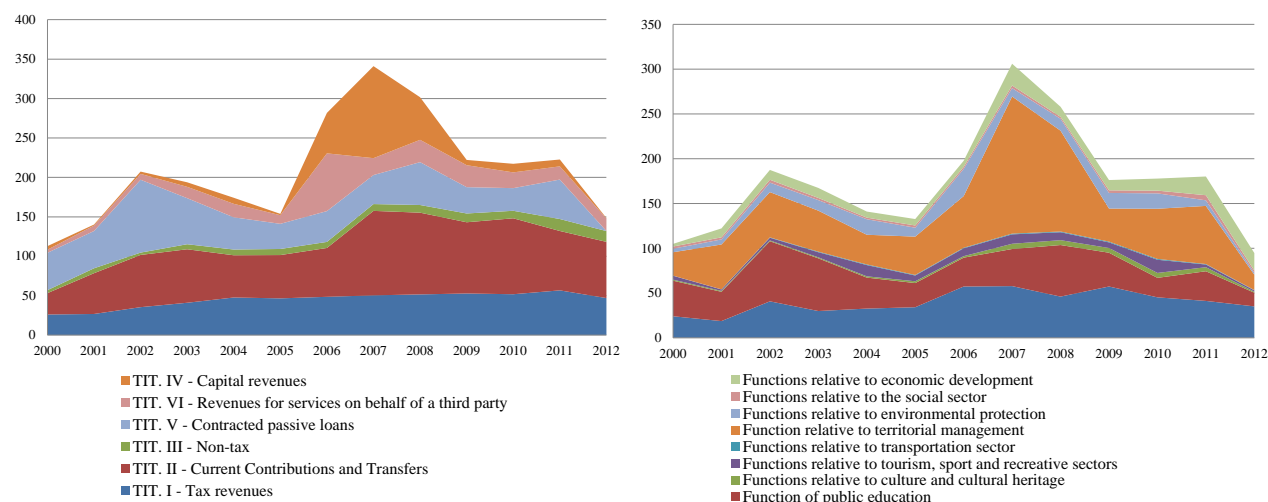
Figure 2 - Trends in revenues (assessments) and budget expenditures (commitments), 2000-2012 (Million Euros)



Source: Our elaborations on data by the Ministry of Internal Affairs

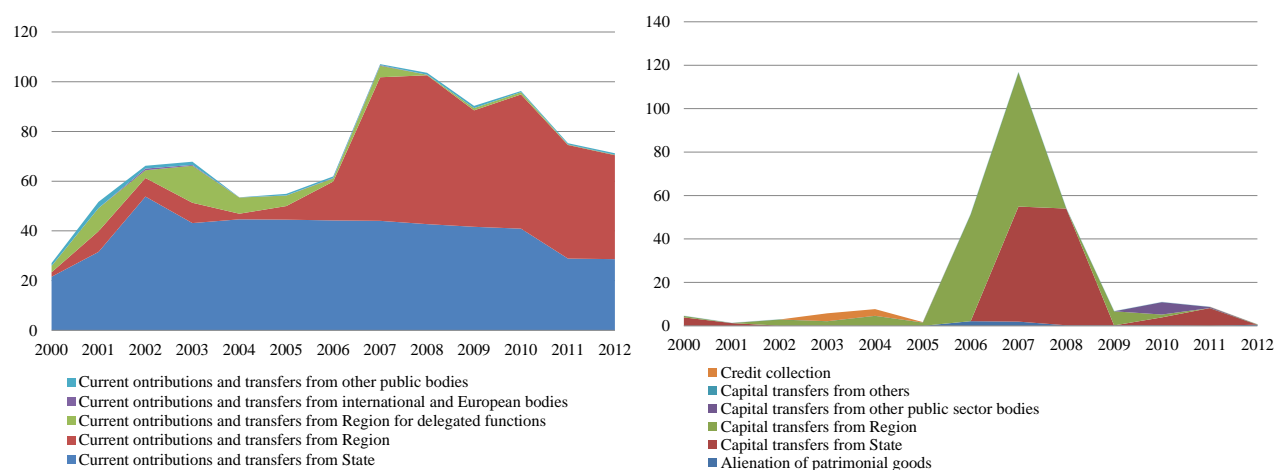
On the expenditure side (current and capital expenditure), there was a significant increase of investments for territorial management in 2007 (road network and public buildings) and for economic (agriculture) and social (childcare, people with disabilities and other social services) development although through minor investments over single actions. Overheads (administration, management and control) come next, even though these expenses had significantly increased already in 2006 when regional staff was transferred from the Region to the Province.

Figure 3 – Revenues (commitments) by title (left) and current and capital expenditures (assessments) by type of function (right) (Million Euros)



Source: Our elaborations on data by the Ministry of Internal Affairs

Figure 4 – Revenues (commitments) from current contributions and transfers (left) and disposals, capital transfers and debt collection (right) (Million Euros)



Source: Our elaborations on data by the Ministry of Internal Affairs

On the revenue side, in the period 2000-2012, resources were substantially deriving from State and regional current transfers and contributions, for an average of 40 and 30 million euros from State and Region, respectively. These amounts are insufficient to cover current expenditure and were further reduced drastically in 2011-2012; state transfers dropped at -41% versus 2010 and regional contributions were reduced by -20%.

The reduction of transfers and contributions forced the Province to shrink investment expenditure which allowed it to comply with the Stability Pact. The impact of the economic crisis on the Province's activities is self-evident: data show that in the last few years per capita average spending has steadily decreased.

Despite the unfavourable economic situation, over the last few years the Province managed to avoid a financial deficit. In 2012, the Province produced a surplus of about 529,000 euros and the accounting result of the year showed a surplus of about 2.7 million euros too.

If we look at the main budget indicators (table 8), the Province of Cosenza largely relies on state and regional revenues and this trend has increased over time compared to the other provinces. This is partially due to delays in revenue transfers from the Region, namely in the period 2000-2006. Conversely, financial independence and autonomy in relation to taxation have decreased. As a matter of fact, these indicators show that the overall expenditure reduction neither affected capital expenditure (that show a steady trend over time after all) nor economic development expenditure.

Table 8– Budget Indicators

	Average 2000-2006	Average 2007-2012	Δ%
Financial autonomy (<i>Own revenues/Current revenues</i>)	0.45	0.41	-9%
Tax autonomy (<i>Tax revenues/Current revenues</i>)	0.39	0.34	-14%
Financial dependence (<i>Revenues from contributions and transfers/Current revenues</i>)	0.55	0.59	7%
Dependence on State (<i>Revenues from contributions and transfers from State/Current revenues</i>)	0.40	0.24	-40%
Share of current transfers from Region on total current revenues	0.13	0.34	164%
Share of current expenditures on total expenditures	0.48	0.55	15%
Share of capital expenditures on total expenditures	0.38	0.26	-33%
Share of capital expenditures on current expenditures	0.84	0.52	-37%
Share of expenditures for general function of administration, management and control on current expenditures (<i>Expenditures Title I, function 1 / Current expenditures</i>)	0.33	0.36	9%
Share of expenditures for functions relative to economic development on current expenditures (<i>Expenditures Title I, function 9 / Current expenses</i>)	0.10	0.14	43%
Share of expenditures for general function of administration, management and control on total expenditures (<i>Expenditures Title I and Title II, function 1 / Total expenditures</i>)	0.19	0.21	8%
Share of expenditures for functions relative to economic development on total expenditures (<i>Expenditures Title I e Title II, function 9 / Total expenditures</i>)	0.05	0.08	65%
Share of current expenditures covered by own-source revenues* (<i>Own-source revenues / Current expenditures</i>)	0.55	0.51	-7%

Source: Our elaborations on data by the Ministry of Internal Affairs

1.2. Additional Resources

The institutional and political willingness to play an active role in the development of the territory and the need to find a way out of the *impasse* resulting from the Region's reluctance to transfer tasks and functions, prompted the Province of Cosenza to look for other sources of funding than the ordinary ones and take advantage of the opportunities offered by development programmes within public policies.

The first roll-out phase was launched in the programming period 2000-2006, when the Province succeeded in attaining various funds on different types of Programmes. In this period, the Province obtained about 33.5 million euros overall from the ROPs, of which almost 83% (28 million euros) for training and employment (therefore mainly co-funded by the ESF). The ERDF funds were equally important (about 5.7 million euros) and they were employed almost exclusively for actions in the environmental sector (5.5 million euros). The remaining ERDF resources (about 170,000) were allocated to promote tourism and cover the expenses of the territorial labs of the ecological network.

A special importance has to be given to the 4.4-million-euro investment on activities aimed at the Development of Information and Knowledge. These activities, co-financed by the Region (with the resources of the Framework Programme Agreement on Information Society - 2005) and the National Centre for Information Technology in the Public Administration - CNIPA were planned with the other four provinces of Calabria and, over time, led to the implementation of e-democracy, t-government and e-government projects.

The Province received extra resources from regional and national funds for a total amount of about 31.6 million euros that it used for activities in a variety of sectors: public buildings, road network and environmental protection (river restoration) (61% of resources); training (26%); social and cultural activities, social services (6%); hunting and fisheries (4.5%); tourism promotion (3%).

The resources for projects within European cooperation programmes have to be summed to the abovementioned funds. The amounts are much lower, but they provide added value to the Province's activity and a greater opening towards the outside world. Globally, these resources amount to nearly 418,000 euros for co-financed projects within Intelligent Energy Europe -IEE programmes (one environmental project amounting to 25,000 euros) and Interreg.

In the period 2007-2013, unlike the previous one, the Province took directly part in public tenders and managed to access RDP resources as well. Two projects were launched to promote and enhance local wine and food products with a view to improving tourist flows within the territory too.

Actions aimed at building sports facilities absorbed almost all ERDF funds that the Province obtained on the ROP 2007-2013 (about 81 million euros out of 82.5 millions). The remaining funds were distributed over renewable resources projects and the setting up of the One-stop Shops for Productive Activities (about 500,000 euros each).

All structural and infrastructural works, such as sports facilities, the road network, road works, were implemented through additional resources deriving from national Funds such as National Fund for Underutilized Areas (FAS), Funds allocated by the Interministerial Committee for Economic Planning (CIPE), Framework Programme Agreements (APQ). For example, about 55 million euros were directly allocated by the Ministry of infrastructures or through the Framework Programme Agreement for the road networks, whereas about 4 million euros were allocated to installation building from the FAS. Moreover, in 2010, to start reconstruction works after natural disasters, the Province managed about 5.7 million euros transferred by the Region through EU funds.

Additional resources were accessed through the ROP ESF 2007-2013. Specifically, nearly 12.5 million euros were allocated to finance the social inclusion of vulnerable groups (unemployed, mobility workers, people with disabilities, etc.) through training schemes.

Table 9 – Financial Resources managed directly by the Province of Cosenza

Programmes	Regional delegation (RD) or competitive bidding procedures (CBP)	Public financial resources 2000-2006 (thousand Euros)	Public financial resources 2007-2013* (thousand Euros)
1. Rural Development ProgrammesMeasures	CBP	–	690.86
2. European Social Fund O.P. Measures	RD/CBP	27,839.38	12,585.55
3. European Regional Development Fund O.P. Measures	RD/CBP	5,720.63	82,565.93
4. European Fisheries Fund Measures		–	–
5. General-purpose territorial pacts		–	–
6. Agriculture territorial pacts		–	–
7. Contract programme		–	–
8. Other local development integrated programmes (regional)		–	–
9. National Fund for Underutilised Areas (FAS)		–	–
10. INTERREG projects	CBP	393.75	36.00
11. LIFE projects	CBP	–	160.00
12. URBAN projects		–	–
13. Other programmes:		–	–
14. Other financing::		–	–
- Eu Funds	RD	25.00	5.40
- National Funds	Negotiated procedure	120,744.49	59,451.00
- Regional Funds	RD	23,566.50	708.59
- National and regional Funds	RD	8,401.00	–
- Regional and CNIPA Funds	RD/CBP	4,400.00	–
TOTAL		191,090.75	156,203.33
% on total revenues/expenditures		3%	15%
% on total capital expenditures		7%	40%
% on total capital expenditures for local development***		51%	286%

* The data provided by the Province are referred to the period 2007-2011.

*** capital expenditure for arts and cultural heritage, tourism, environmental protection, social policies and economic development actions.

Source: Our elaborations on data provided by the Province of Cosenza

And in the same period, the Province collaborated too with other partners to develop projects to apply for other EU programmes such as Life+ and Interreg on waste recovery (Life) and sustainable tourism.

4. RELATIONS BETWEEN THE PROVINCE AND THE LOCAL STAKEHOLDERS

4.1. The Region

The 2002 regional enabling law provided for the Province to become an intermediate institution in charge of public policies to ensure amore effective implementation. The identification of a “large area” was supposed to improve the capacity to find solutions at local level.

Over the years, the innovative potential that the regional legislator wanted to bring with the enabling law was dampened by a deliberate political choice of the regional governments that held back the implementation of the decentralisation process.

The failure to transfer functions from the Region to the Provinces resulted in strained relationships between them that often turned into a real and serious institutional conflict. This situation was described very well by one of our interlocutors: “... *twelve years after the approval of the Act the decentralisation process has virtually stopped!... In the present situation it is very difficult for us to implement those functions because the process is rather vague and without a clear orientation as to the allocation of the necessary financial resources linked to those functions ... We are at an embryonic stage as to the implementation of some competences, in the last few years the relationship with the Region has been very difficult and it is still complicated now In some way it is very tense too!*”.

As a matter of fact, managing the tasks and functions covered by the enabling law permitted the Region to dialogue with the local actors directly, bypassing the Province. This situation undermines the authoritative image of the Province vis-à-vis its territory and results in poorly integrated initiatives in the context within which it operates.

4.2. The Local Stakeholders

The dialogue with the major local stakeholders has been promoted through a Social, Economic and Institutional Partnership between the Province of Cosenza and the representatives of the institutions, and the economic and social partners. The Partnership meets whenever it is necessary to take important decisions, discuss far-reaching development projects, exchange views on the local economy, listen to the representatives of sector associations on specific issues.

The Province maintains constant and fruitful relationships with the municipalities. The provincial offices help the municipalities in project-making activities and actions when required and when the state of resources allows. At the same time, it promotes their participation in activities of strategic importance co-financed by EU and national bodies by providing technical support through provincial technical units or subsidiaries.

Furthermore, the University of Calabria, located in the province of Cosenza, maintains good working relationships with the Province and carries out studies and surveys to support the province’s activities.

The cooperation with the local stakeholders has often resulted in memorandums of understanding that the Province either promoted or adopted.

5. SOME FINAL CONSIDERATIONS

The present study has shown that the decentralisation process from the Calabria Region to the Provinces was strongly influenced by great delays and slowness in transferring functions, resources and tasks ever since the regional enabling law n. 34/2002 was issued. Some functions were never transferred, others were formally transferred but never entered into operation.

In many cases, the administrative functions were *formally* conferred to the Provinces but continued to be *effectively* managed by the Region. In this way, even though the decentralisation process gave the Provinces, on paper, a role to play in the sectors covered by the new functions, *de facto*, they have played a mere collaborative and support role while the general direction is a matter retained by the Region.

Nonetheless, despite the dysfunctionalities in the transfer of functions, there are some elements worth mentioning in the activity of the Province.

First of all, over the last decade, not only did the state transfers drop progressively but the regional ones were also quite unstable. Despite this situation, the Province did not necessarily give up on its commitment to provide basic services and to maintain capital expenditure. As regard the impact of the decentralisation on the Provinces' organisation, after an initial phase of "*disorientation*", the provincial administrations rearranged their internal structure, with some difficulties, some of which are still to be tackled. The Provinces needed to initiate training schemes to coach staff transferred from the Region and/or internal personnel who was unprepared to deal with the new functions. Roles and responsibilities needed to be refocused.

In some cases, administrative decentralisation corresponded to benefits that had been expected and hoped-for in terms of better relationships with end-users. This led to more transparent procedures, shorter time to conclude proceedings, a more accurate planning suited to the needs of the territory and a better capacity to use funds.

However, faced with an uncertain decentralisation process, the Province has increasingly resorted to extra-budgetary funds (European, national and regional funds) to promote projects in sectors of paramount importance for the local development (culture, tourism, training, agriculture and agri-food industry, etc.). To do this, the Province set up an internal department to promote the professional growth of technical staff, by establishing cooperation networks with other institutional stakeholders in Italy and abroad (see Interreg projects).

Over the years, even with all the difficulties and without the necessary powers, the Province of Cosenza has tried to provide the territory with infrastructures, although these choices were affected by the precariousness of its institutional role. Often, it can only launch "*pilot actions*", hoping that other institutions turn them into far-reaching and sustainable plans. Furthermore, the lack of delegated powers does not allow for long-term programming actions and compels the Province to adopt a short/medium-term action strategy. However, the effort is to launch actions that are not seen as an end in themselves but as the driving force for the development of the territory.