

## Module 1:

### General Guidelines for the Regional Development Vision (Sibenik, October 5-6 2001)

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#### 1. Introduction

The objective of Module 1 was twofold: 1. **promote discussion** among participants with the aim of drawing up priorities for a **territorial development strategy** and 2. starting with priorities, draft a **hierarchy of successive measures and actions**.

First of all, the aim was to provide a basis for the "Regional Development Vision" by pointing out the **main macro-problems** and the **main macro-resources** of the two Counties. The main causes for the problems besetting the area were established through a thorough analysis, which was followed by the drawing up of **priorities-measures-actions** necessary for a comprehensive development strategy in a framework of integrated policies pursuing general objectives.

During the second part of the Module, the group focussed on drawing up **possible applications for the territorial development initiative**, in the shape of interlinked **project actions** to be developed in subsequent modules as single **project proposals**.

In this context, the coordinator had the task of introducing the participants to the structure of a "Regional Development Vision" and to a specific methodology, the purpose of which was to promote discussion among participants, the presentation of brief reports and the examination of the reports' contents. The results achieved during the module can be put down to the extraordinary response from the participants and to their professionalism and expertise, which emerged from the discussion.

#### 2. Guidelines

In the first stage of the module, the discussion with the participants has emphasised the following macro-problems:

1. unemployment;
2. insufficient economic valorisation of the environment;
3. inefficient law enforcement;
4. isolation;
5. lack of coordination.

The discussion focussed on points 1, 4, 5 and 6. The participants were divided into groups and invited to draw up a "**problem tree**" and a corresponding "**solution tree**". The conclusions were the following:

1. **Lack of coordination.** The lack of information and transport networks has been emphasised as a crucial problem in the area with reference both to vertical relations among the various hierarchic levels in the government, and to horizontal links among the various

agencies and actors. In other words, the problem can be described as lack of **relational capital** and **high level of transaction costs** resulting from that lack. This issue requires examination, as it affects all sectors in the area, not only single economic departments. The main causes, on the one hand, are lack of technical experience and expertise and, on the other, bad practice in **selecting personnel** and promoting **professional advancement**.

2. **Unemployment.** The group which examined the issue of unemployment showed a tendency to simply draw up a list of causes and relative solutions, rather than perform a more detailed analysis of the problem itself. Nevertheless, the following causes emerged:

- consequences of the transition process connected to privatisation and their exacerbation as a result of the war;
- lack of professional expertise, initiative and entrepreneurial environment;
- demographic redistribution and population changes as a result of migration, brain-drain and repatriation of refugees. The proposed solutions include modifying the **systems of education** and **professional training**, accelerating the process of reconstruction and the reform of legislation, especially that concerning enterprises and the market. It is interesting to note that, with reference to creating an entrepreneurship-friendly environment, the participants pointed out the importance of market-based regional planning and of a quicker accession to the EU.

3. **Territorial imbalance between coast and hinterland.** The issue of territorial imbalance between coast and hinterland has been examined emphasising the various opportunities for promoting settlement and economic development. The disparities in services supply has been especially pointed out, whereas the lack of physical, communication and market infrastructure has been mentioned in this context as representing an obstacle to implementing integrated strategies. The group also stressed the need for a specific program for the integration of the hinterland by creating a network of the smaller municipalities in the area with the aim of improving services or setting them up from scratch for wider areas rather than for single municipalities, where such an initiative might prove economically unviable. The problem of identifying **integration opportunities** for the areas in the region has been defined crucial in terms of pinpointing and promoting complementary features: for example, supplying agricultural products of the hinterland to the coast instead of importing them from abroad.

4. **Isolation.** The issue of isolation is closely linked to the revitalisation of the many islands of the region. The reasons for isolation can be likened partly to those which led to the imbalance between the coast and the hinterland: non-uniform population density, insufficient economic and cultural integration. Depopulation and population aging are the main indicators of imbalance. The proposed solution envisages the implementation of **redistribution policies** aiming at **improving all aspects of communication**, placing significant emphasis on **education** and **information**.

### **3. Hierarchic structure of priorities, measures and actions**

The second part of the Module focussed on extracting from the above described analysis a structure of **priorities, measures and actions** according to the hierarchy and the terminology adopted by the EU in the **bottom-up approach to structural intervention planning**. The presentation of results suggested for the final draft of the Regional Development Vision is in accordance with the model recently drawn up by a group of researchers of the **University of Ancona** for the **Pluriannual Socio-Economic Plan of the Conero Park**.

The final proposal (cf. Annex), which emerged during group discussion and in the plenary session, focuses on four priorities:

1. **Institutional and administrative system** This priority includes measures and actions for the improvement of **planning instruments** and **evaluation capability** ex ante, in itinere and ex post, as well as the harmonisation of **legislative** (administrative decentralisation, conclusion of the privatisation process and law enforcement improvement) and **financial instruments**.
2. **Economic valorisation and protection of natural resources.** This priority encompasses actions aiming at a **better exploitation** of coastal resources and of the territory itself. The significant economic value of the natural resources in the area and the need for a more coordinated valorisation of the economic and employment opportunities have been stressed, as has the need to pursue these objects bearing in mind the principles of protection and sustainability.
3. **Diversification and integration of production with emphasis on flexibility.** Flexibility is closely linked to a better **diversification of the region's economy**. Although tourism is the main source of employment and income, this resource is to be included in a **global** framework for economic development aiming at valorising **agricultural and industrial resources**, emphasising especially **small enterprises and craftsmanship**, as well as all kinds of services to enterprises and individuals, both from the public and the private sectors. Great importance has also been attached to the setting up of a system of **physical** (roads, ports, logistics, etc.) and **relational networks** (self-supply, professional training, territorial revitalisation and information networks).
4. **Re-establishing territorial balance.** The fourth priority focuses on integration among the various parts of the territory, that is, the islands, the coast and the hinterland, which are characterised by isolation and lack of services. The measures and actions put forward focus on **social cohesion**, on policies promoting an integrated development of different sectors and areas by exploiting **complementary features**, on **rural development** and the development of the **islands and the hinterland**. The region is **mainly rural** according to the classification drawn up by the OECD and adopted by the EU.

#### **4. Comments on beneficiaries**

The **active involvement** of the participants has proven to be the correct approach and has met with a **prompt** and **fruitful** response. The discussion has shown a **high level of professionalism and awareness** of the participants of the need to structure proposals according to the suggested methodology and of the usefulness of an exercise aiming at producing, albeit at a general and still relatively abstract level, a cohesive system of priorities and actions. The implementation of the proposed methodology, which has been discussed at length and will undoubtedly be discussed in the future, has shown **the participants' ability to adopt a global approach to development**, rather than concentrating on single sectors or interventions, or on the search for external financial sources. **The different cultural and professional background** of the participants has contributed to livening the discussion and has produced various interesting suggestions which have been profitably included in the conclusions. In the event of a future renewal of this experience, it would be interesting to include also **new professional profiles** to enable them to contribute with their own ideas, proposals and evaluations.

#### **5. Final remarks**

The Regional Development Vision that emerged from the first meeting is very clear despite the short time at disposal. Undoubtedly, the forthcoming technical workshops will further define the content of the Vision. Many participants have stressed the importance for local development of actions that **go beyond the competence of local institutions**. Therefore, the success of the Vision and of a subsequent, more comprehensive and more concrete process of regional development planning depends on **external events**: regionalisation and administrative and institutional decentralisation, the opening of the market and the favourable conclusion of the peace process in South-Eastern Europe, the start of a concrete process of adhesion to the EU, strengthening of cooperation on the Adriatic, the availability, after the crisis caused by the war, of external support to the necessary restructuring, the granting of which is more rapid than usual, etc. However, the participants were highly **aware** of the need, in the area, for a **specific strategy** and a **specific territorial development "Vision"**. In this respect, **the proposed methodology has met with an enthusiastic response** which exceeded even the highest expectations. **The experience therefore deserves the highest marks**, as does **the methodological structure of the project**: the **bottom-up** approach has proven **particularly appropriate** to channel local experience towards an **organic and commonly shared development strategy**.

