

***Crisis and cohesion:
evolution of the public policies in Italy***

Rossella Rusca

CoesioNet Seminar, Paris, 23 October 2012



SUMMARY

- **Territorial cohesion in Italy ay the end of 2011**
- **The Cohesion Action Plan**
- **Better spending in 2014-2020**
- **The 2014-2020 programming exercise**

TERRITORIAL COHESION IN ITALY AT THE END OF 2011

- **Public policy to support Territorial cohesion in Italy is based on:**
 - the Italian Constitution (art.119.5 and art.3.2)
 - The TFUE (art 174 and 175)

- **These require that additional and targeted “special” interventions are supported in order to:**
 - Promote harmonious development (TFUE)
 - Remove economic and social imbalances (Italian Constitution)

- **To that scope specific Funds are targeted**
 - EU Funds supporting cohesion policy (TFUE)
 - The national Development and Cohesion Fund(Italian Constitution)

TERRITORIAL COHESION IN ITALY AT THE END OF 2011

- **The crisis strongly affected Italy, but the Southern regions are more in difficulty:**
 - modest level of dynamic factors, such export
 - worst decrease in employment
 - negative perspectives for investment

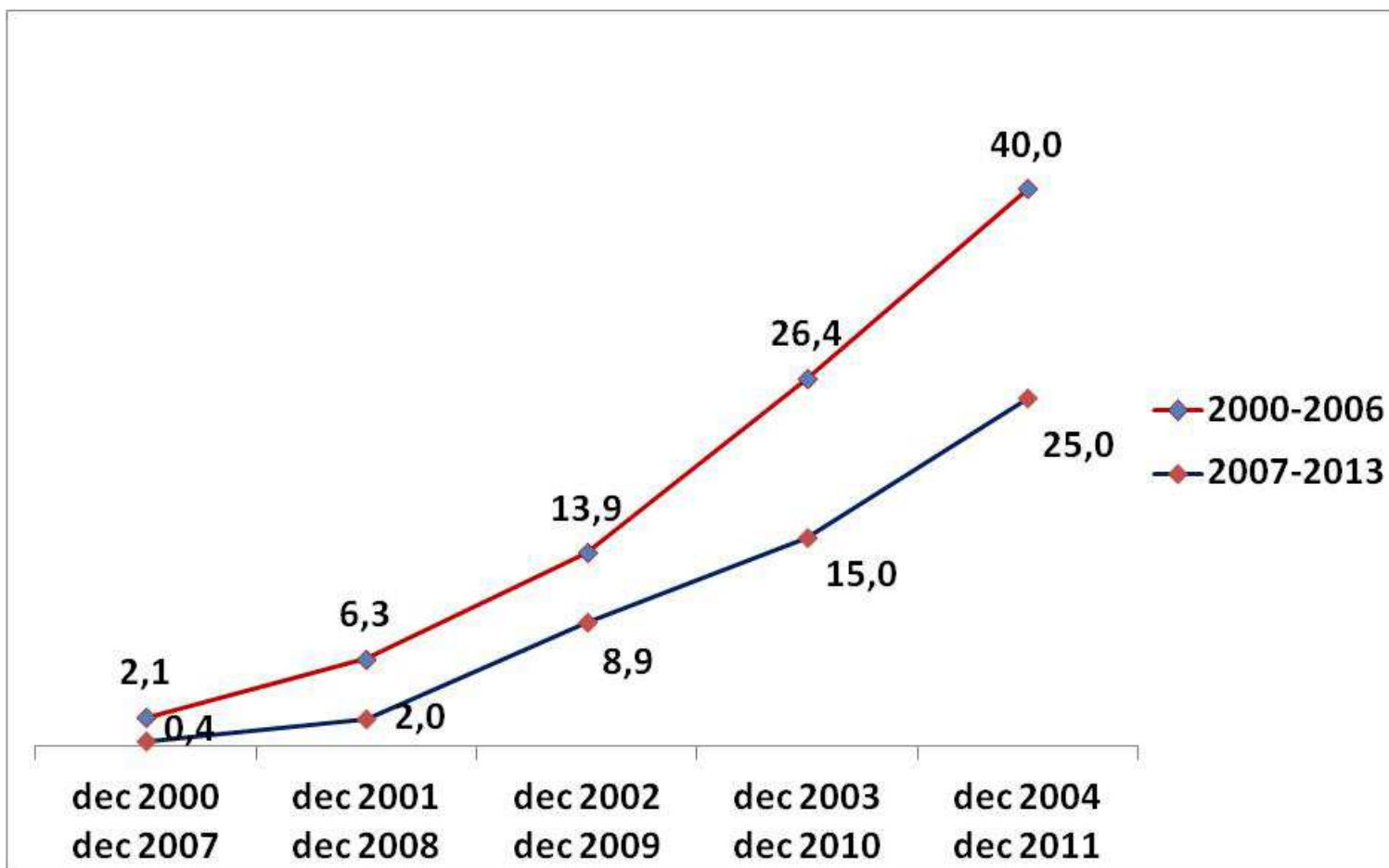
- **Persisting and new gaps are to be managed**
 - Persisting gap in prosperity
 - Gap in the supply of essential services to citizens

- **These essential services, supporting growth and social inclusion, are the policy agenda for territorial cohesion**

TERRITORIAL COHESION IN ITALY AT THE END OF 2011

The 2007-2013 anomaly

Comparison 2000-2006 and 2007-2013 programming cycles



TERRITORIAL COHESION IN ITALY AT THE END OF 2011

- **The anomaly is mainly due to:**
 - Weak guidance by competence and coordination centres at national level, and a corresponding regional weakness
 - Uncertainty of investment:
 - Sequences of public finance cuts
 - Trade-off with the internal stability pact
 - Fragmentation of intervention
 - Focus on process instead of results and low local voice

TERRITORIAL COHESION IN ITALY AT THE END OF 2011

- **Consequences:**
 - Risk of de-committment of EU Funds, that are more than needed in a situation of economic crisis
 - Low quality of the expenditure

- **In 2011 the Italian Government reacted with a “better spending strategy”:**
 - Measures to accelerate the expenditure
 - Measure to improve the quality and effectiveness of the expenditure:
 - The October 26 Euro Area Summit led to the design of an Action Plan targeted to reprogram and re-launch public expenditure especially in the Convergence regions, which show the heaviest retard



THE COHESION ACTION PLAN

➤ Principles:

- Thematic concentration
- Focus on actions and outcomes (results)
- Enhanced partnership
- Open government

THE COHESION ACTION PLAN

- **Methodology:**
 - **Thematic concentration**
 - progressive reduction of national co-financing to EU average
 - resources reprogrammed on few clear-cut strategic priorities
 - setting of national targets for spending
 - **Focus on actions and outcomes (results)**
 - Identification of concrete actions needed to get results
 - Appropriate indicator system
 - **Enhanced partnership**
 - Support from strong national competence centres
 - Enhanced cooperation with the Commission
 - Task-forces on problem Regions
 - **Open government and open data**
 - Opencoesione web-portal

THE COHESION ACTION PLAN

- **Three steps, around 8 billion EUR**
 - **First phase (December 2011)**
 - 3,5 billion EUR reprogrammed on :
 - Education and vocational training, Digital agenda, Tax benefit system for disadvantaged workers
 - **Second phase (May 2012)**
 - 2,3 billion EUR reprogrammed on
 - Child and elderly care, Other actions for youth, Competitiveness and innovation for enterprises, Cultural attractors, Streamlining of civil justice procedures, Energy efficiency
 - **Third phase (in course)**
 - Direct actions in support of workers and firms in order to: help companies to stay locally and protect vulnerable workers and citizens from the effects of the crisis

THE COHESION ACTION PLAN

Some achievement of the Action Plan (so far)

- **Education:** 70% of new resources already committed
- **Tax credit for disadvantaged workers:** tender closed with high demand
- **Justice:** adoption of ICT instruments for civil jurisdiction in order to shorten by one third the length of some phases of judgments
- **Youth:** tender issued for innovative projects on University (“Messengers”), school drop-outs and non-profit associations
- **Digital Agenda:** plan for first-level divide approved, for ultra-high speed notified
- **Railways:** high-capacity line Naples-Bari contractualised
- **SMEs and competitiveness:** contracts to be signed in November, etc.
- **Pompei:** work on first five *insulae* to start in December

BETTER SPENDING IN 2014-2020

- Better spending is strongly advocated by Some Member states in the framework of the negotiations on the Multiannual Financial Framework
- Not always this is made in an appropriate and coherent way
- Italy is a supporter of better spending, and is already doing concrete homework on that:
 - Cohesion Action Plan is clearly anticipating the 2014-2020 rules that best support better spending
- Italy signed a first non-paper on April 2012 on better spending, together with other six Countries (AT, DE, FI, FR, NL, SE)
- Italy is also now proactively contributing to the debate



BETTER SPENDING IN 2014-2020

- To ensure that better spending is fully part of the 2014-2020 EU expenditure for cohesion
- The “good” results of negotiations on the legislative package need to be secured (on strategic programming, on thematic concentration),
- Some results need to be improved (ex-ante conditionality, performance framework, partnership, Common Strategic Framework, information and communication)
- Some issues have to be tackled in a political framework
 - High level political debate and review: Where and how to debate commitments, strategic objectives, achievements, guidance and redirection of action?



THE 2014-2020 PROGRAMMING EXERCISE

- The Partnership Agreement will be built in continuity with the Cohesion Action Plan
- A note, agreed within the Conference among State and Regions in July 2012 defines the main features and steps of the programming exercise
- A strategic and methodological document will be delivered by October 2012 from the Government, and will be the basis for the institutional and partnership dialogue
- During June and July meeting were organized in many regions to both assess the implementation of 2007-2013 and debate on 2014-2020, listening to the voice coming from the territories on lessons learnt, perceived needs, expected results, concrete actions



THE 2014-2020 PROGRAMMING EXERCISE

- **Principles:**
- Concentration of resources on few priorities taking into account territorial contexts specificities and impact on development
- Focus on concrete and measurable results in terms of citizen quality of life, and on actions
- Opening to the public debate to enhance accountability of the policy and democratic control
- Attention to “places”, enhancing the urban, rural, and urban-rural dimension
- Enhancement of the contribution of national competence centres
- Integration of regional policy, community and nationally supported, with the ordinary national fiscal policy

THE 2014-2020 PROGRAMMING EXERCISE

- **Content of the Government strategic document**
- Objectives motivated by a synthetic analysis of economic and social trends
- Main expected results
- General financial size (CSF Funds, national co-financing, Development and Cohesion Fund)
- Main actions to achieve results
- Identification of “clouds” connecting actions and link of clouds with CSF thematic objectives and National Reform Programme objective
- Categories of beneficiaries
- Competence centres to be mobilized
- Use of new specific CSF territorial development tools
- First interpretation of Community rules (e.g: ex-ante conditionality)

SOURCES

- Hearing of Minister for Territorial Cohesion, Fabrizio Barca to the Parliament budgetary committees. 2011, December 6
- <http://www.coesioneterritoriale.gov.it/wp-content/uploads/2012/03/La-coesione-territoriale-in-italia-alla-fine-del-2011.pdf>
- Department for Development and Economic Cohesion documents on the Cohesion Action Plan
- www.dps.tesoro.it
- Opencoessione web-portal
- <http://opencoessione.gov.it/>
- Hearing of Minister for Territorial Cohesion, Fabrizio Barca to the European Parliament REGI Committee, 2012, October 10
- <http://www.coesioneterritoriale.gov.it/wp-content/uploads/2012/03/La-coesione-territoriale-in-italia-alla-fine-del-2011.pdf>



Thank you for your attention

rossella.rusca@tesoro.it