

## **GOVERNANCE: THE LOMBARDY WAY**

### **Assessing an experience, designing new perspectives**

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#### ***Sussidiarietà e capitale sociale: il futuro della programmazione***

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*Testo non rivisto dall'autore*

I've been asked to look at the social capital content of the Lombard region experience. Although I don't know intimately the Lombard model, I have studied what has been happening in Italy at the regional level for a number of years and in fact I think I was among the first to do that. Therefore, I can draw on this experience in order to inform my comments.

One of the things that we need to understand when we talk about vertical or horizontal subsidiarity is that **institutions matter**. If you have institutions you have got a set of alternatives. If you do not have the institutions you don't have these alternatives. For example, I keep stressing that in the U.K. context there are brilliant ideas and marvellous local experiments but the institutions do not exist to bring this forward. Regional institutions do not exist, regional political systems do not exist, regional organisations of interest groups do not exist, hence in the U.K. context you always have to get the ear of the national government. On the contrary, in Italy there have been institutions at the regional level from the beginning of the Italian Republic, at least in some places such as Sicily, Sardinia, and special regions, and then from 1970 we have had regional institutions in the rest of Italy. In addition to regional institutions, Italy has a consolidated sub-regional institutional structure: towns in Italy have much greater powers than in the UK, Italian towns have a much greater leeway in experimentation. To a certain extent, Italy is Europe's experimental laboratory on local regional government. And Italians should not have an inferiority complex.

To go back to social capital, when we as a research team in the 1970s started to look into the social capital notion, we defined and operationalised this concept in Italy. We discovered the concept of social capital by looking at institution performance, i.e. we wanted to see how new regional structures rooted themselves in a new context and then began operating as decision making bodies. One of the first things that we discovered is that in 1970 regions didn't have many powers

and therefore they couldn't decide very much. Yet the Italian case is a very clear case of when regional institutions are embedded in the political institutional system, they have grown over time and have become political and economical and social lobbies in order to get greater powers. So, if we look at the Italian experience from 1970 to 2006 we have had this process of constant empowerment, though it may be 'stop-and-go'<sup>1</sup>. Eventually, we came up with social capital as the only explanatory element for the differences in institution performance in Italy. We first looked at economic development, and that didn't explain institutions; North-South divide, and that didn't explain institutions; political leanings, that didn't explain institutions; the educational levels, age, gender, nothing explained institution performance. And then, we found out that something that became labelled as social capital did. This social capital element went back to the first statistics that we had on Italy in 1860 (above all they went back to the Renaissance period, to the Medieval period).

But what do we mean by social capital? We consider social capital as **the ability to work together**, for the pursuit of common goods. In our concept, social capital is a community resource, we do not consider social capital as an individual asset. What do we have when we have social capital? From our perspective, one of the fundamental aspects of social capital is social trust, the ability to trust others<sup>2</sup>. Secondly, there is an identity component: people must share an identity. It may be an identity of gender, maybe of class, of ethnic group, etc. Thirdly, reciprocity, i.e. you don't necessarily need engaging in collective activity to have an immediate return, it is the product of your collective activity that you will receive eventually. And here, one of the other pieces of information we picked up in the Italian case was the creation and the existence of mutual aid societies in the 1800s, when the reciprocity principle was fundamental to the mutual aid society experience. Thirdly, we have networking in terms of the ability to go beyond themselves and to connect with other groups in society. And, finally, participation. And here it is important if institutions exist or not, because if you have institutions with the power to make decisions on important policies, economic policies or social policies, then participation has a *raison d'être*, a rationale for its existence. On this basis, our notion of social capital has a strong democratic element to it, i.e. local democracy, the ability of people to act together and to formulate political demands, but also to act on decisions made by the government.

Therefore, from our notion we developed three definitions of social capital which I think are quite relevant to today's discussion. The first type of social

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<sup>1</sup> The same thing is happening now in the U.K. with Scotland and Wales. When it was created, Wales was a weak region, it did not have a lot of powers, but since then it has been able to be an effective lobby in its own interest in terms of expending regionalism. Where the regions do not exist, in England, they cannot do anything, and therefore all the constituent powers, i.e. the status quo, operate against the introduction of new institutions: everyone has an interest in not having new institutions and not reorganising the decision making structure.

<sup>2</sup> i.e. in order to engage in collective activities, you need to be able to trust the next person, because you know or you feel that that person will not use this collective activity only for an individual gain, and therefore will not exit in order to gain an individual gain *vis à vis* of the collective thing.

capital, which we call **bonding social capital**, is associated with coping strategies, i.e. in moments of distress, families or neighbourhoods are able to come together in order to face a crisis, in order to provide a collective response to something they can't as individuals respond to. Secondly, we talk about **bridging social capital**, the ability of various groups and associations to come together to work within a community, and the third is **linking social capital**, the ability to connect that community to the institutions.

And so, what is important in today's discussion are the bridging and the linking: the bridging is the civil society component. The relevant questions here are: is the society capable of organising itself spontaneously? Is this civil society able to have confidence in the institutions and are the institutions open for this access to take place? So, one of the important elements of decision making in the social capital context is that **decision making has to be from the ground up**, i.e. the decision makers cannot approach civil society with all of the answers, all of decisions already made and then imposing those decisions on civil society. Social capital has a role to play, if those decisions are mutual decisions, i.e. where there is a dialogue established with civil society in order to come up with the best solution in terms of public, private or third-sector alternative. To sum up, social capital is very much depending on a ground-up, inductive decision-making process rather than a deductive one.

Now, if we look at the Lombardy case, are we sure that this is a model, that this is not something that is *sui generis* to Lombardy? Is this something that is Lombard and cannot be transferred anywhere else and therefore we should not even be talking about a model? Because a model assumes that it has transferability, it can move to other places. In Lombardy there is a relatively high level of social capital. In other parts of Italy, there are not similar levels of social capital. So, in Lombardy the inductive approach, the third sector approach, the dialogue approach has a much greater latitude than in other regions. What are the mechanisms that we can come up with in order to guarantee this dialogue, so that we can formulate our policies on the basis of this dialogue?

This is something that is very much tied to the notion of social capital stocks. I have commissioned Censis two months ago to do a national survey of social capital the way we did it in the Seventies and Eighties and in that survey there is a regional breakdown: in a month or two I will be able to tell you whether your level of social capital has remained the same, because there is a debate in the United States that argues that since the 1950s social capital has been eroded in the US, i.e. that there is less participation, there is less joining and there is less dialogue. And so, one of the questions that was asked by the President Formigoni was: in our policy making are we helping to build social capital? I would say that if in policies there is just public and private then we may destroy social capital and the ability to work together to come up with a solution that will be acceptable and advantageous to all. This is one of the things that we can look at.

Now, in the past when I worked on regional and local development in the 1980s we had conceived of the integrating territorial programmes or projects which in Italy then we translated into "patti territoriali", "progetti integrati territoriali", "progetti integrati regionali" etc., so that now we have at the local

level is a series of innovations, experimentations, that could provide us in terms of a systematic evaluation, with answers to a number of questions: whether the structuring policy in this way is supportive of involvement in civil society, whether it is important in the creation of social capital, in making sure that everyone has the opportunity to participate, and so that we don't have policies that serve a particular interest and then cut out other interests.

At the European level, I have two projects: we are looking at social capital and the impact of social capital at the local and regional level: in one we're looking at social policy, and in the other one we're looking at economic policy. Sometimes when you look abroad it is easier to detect what's going on rather than when you look at yourself. But in places like the Czech Republic, Hungary, Romania and Bulgaria, there are parts of the population which systematically are cut out, are never considered in the formulation of policies, in the delivery of services and in participation, because they are considered to be on one hand the minority, on the other hand people that are marginalised and therefore never were part of the central civil society or that are irrelevant to policy making because eventually they will disappear (not that they will be eventually absorbed in society, but eventually they will go away)<sup>3</sup>. I think this is one of the challenges in a place like Lombardy in terms of the immigrant populations, that we are increasingly bringing in: are they also being included or are we creating ghettos because we cannot believe or think they will remain for very long here, and therefore we don't need to involve in decision making?

What I would suggest is a very ambitious evaluation procedure, because public policies, if they're not evaluated they run the risk of being captured by the beneficiaries. And so you've got to constantly evaluate what you're doing right and what you're doing wrong, so that you can learn from your experience. The only way you can learn from experience is not just hearing what people from the outside think about you, but also doing your own grass-roots research, on your experiments, to see exactly what happened, who benefited, who participated and how the policy can be improved in the near future. This is the challenge that Lombardy has and I think that here you have the political, intellectual, cultural, economic and social bases to respond to this challenge very well.

Finally, in terms of the issue of development of human capital, I am doing now experimental study in Naples, particularly to understand what creates social capital. What are the mechanisms to create it? We've got various theories, various hypotheses, but we don't have any experiments. So since 1996 we conducted an experiment in a neighbourhood in Naples in which we promoted both educational activities (*corsi di formazione* and *stage*) and social infrastructure. From this experience we have learnt that the development of human capital has to go along with the development of social capital, or otherwise we are creating people who cannot find their roots in society, who, once they've become educated and capable, they become an external element from society

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<sup>3</sup> And the typical example of this are the Roma. Therefore, the perception of the Roma is very much a transitory population, but then when you do analyses of the Roma communities you find out that they go back generations, they've been there forever, and therefore they're not going to go away.

rather than being able to participate to society and being part of a greater development of society, so their gain is the community gain. And I think this is the hypothesis that's behind your policy making, but it has to be rendered much more explicit. The connections between development of human capital and development of social capital have to be clarified and brought out into the open.