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Inner Peripheries: towards an EU place-based agenda on territorial peripherality

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ABSTRACT

The main goal of this paper is to propose a sound interpretative and policy framework for 'Inner Peripheries' at the EU level. Its ambition is to bridge conceptual approaches to peripherality with the policy objectives set by key documents such as the Territorial Agenda 2020 and other recent reports on economic, social and territorial cohesion. An integrated multi-scalar approach, grounded on the notion of spatial disparity, is therefore connected with a 'place-based' approach to policy design.
The breakthrough experience of the Italian programme on Inner Areas is an opportunity to broaden the reflection on inner peripheries and policies that are most apt to reconnect them. A more comprehensive analytical framework is proposed here, which looks at the foundational economy, spatial justice and territorial cohesion. The framework deals with both the 'condition' of peripherality and the 'process' by which endogenous and exogenous drivers determine the marginalisation of specific territories. Such tenets are fleshed out in the development of an original approach bridging theory and practice, analysis and policy, crucially assuming multi-scale governance design as the enabling framework for greater coherence between top-down and community-led initiatives.

INTRODUCTION

One of the outstanding EU objectives is the reduction of territorial unbalances, as specified in the EU founding treaties. This goal has been given new strength with the implementation of the European Territorial Agenda 2020 (TA2020: HP, 2011), which specifically targets regions that have been 'left behind', either as a result of natural territorial trends, or as a side-effect of development strategies targeting 'competitiveness areas' throughout the EU space or within national systems. These regions experience the typical processes of peripheral areas, with institutional marginalisation and a progressive depletion of resources needed for recovery.

The notion of peripherality in regional studies has been seen mainly as a result of a process of 'marginalisation' that characterises areas along national frontiers. In the former Eastern-bloc countries, border areas used to serve as heavily guarded buffer zone (against both western 'imperialist' activity and internal struggles): the so-called 'iron curtain' was a realistic representation of a geographical breach extending well beyond the border itself. At the same time, and not much dissimilarly, both eastern and western border regions were somehow eschewed by major investments in production and services – with few exceptions –, and generally kept for agricultural production and forestry. These areas have then become the main target of the EU cross-border cooperation agenda (i.e. INTERREG program), one of the most successful spatial planning and development initiatives directly addressed by the EU (Perkmann, 2007).

Similarly, Inner Peripheries (IPs throughout the rest of this paper) have been traditionally identified as areas around inner frontiers. Their marginality is however not primarily related to the presence of

administrative sub-national administrative levels (e.g. the regions), but rather to socio-economic and cultural frontiers. IPs tend to be remote from regional centres or capitals; often they are rural or mountain areas including small urban centres (small towns), functionally autonomous rather than embedded in larger urban systems (Servillo *et al.*, 2014). Such areas generally present low or negative job creation rates, both in the primary sector and in manufacturing and tertiary sectors, which concentrate in major urban centres or in areas which are functionally connected to them. The progressively loss of their role as employment centres has been followed by a decline in the provision of services, for which their population has to commute to larger urban centres. IPs tend to offer lower levels of life quality also in relation to educational and cultural amenities. These processes affect especially the younger population cohorts, who are more likely to substitute commuting for out-migration, seeking for jobs and better services in larger urban areas, thus producing an ageing of the population and further undermining their labour supply potential (Servillo *et al.*, 2014).

The recognition of this uneven territorial dynamics and of the long-standing difficulties to address structural problems has prompted in recent years a revival of the debate about IP. It was especially during the Italian presidency of the EU Council (July-December 2014) that a recognition of this issue at EU level was pursued, based on the successful experience of the Italian government with its breakthrough programme addressing 'inner areas' since 2012.

The Italian programme pays specific attention to the potential for development and 'reconnection' provided by the (endogenous) mobilization of local place-based assets. The supported strategies have mostly focused on tourism and recreation and on the 'smarting

up' of agro–food production sectors. This is in line with most EU policy initiatives (e.g. Community-Led Local Development (CLLD) program) leveraging local economic development through investments in tourism and mobility infrastructure and in labour force qualification.

This paper argues that, however, the translation of the Italian 'inner areas' philosophy to the whole European space needs to take into account the full variety of historical factors and local specificities behind the marginalisation of inner areas and their different characterisation. Thus the precondition for reducing territorial unbalance is a careful identification of (actual and potential) factors which characterise the peripheral status on any region and/or may pushing the marginalisation process. This should draw from the current theoretical and methodological debate, but then translate this into a research programme that would lead to the design of appropriate strategies to tackle inner peripherality consistently throughout Europe according to a place-based approach.

In this perspective, a detailed and comprehensive knowledge of the driving forces of peripheralisation as well as of local potentials and development capabilities is arguably still incomplete. To this purpose, the paper proposes a methodological framework by which such knowledge is generated and transferred to the policy spectrum, looking at the interrelations between the factors, drivers, and policy contexts which push or reduce territorial peripherality. Hence, the paper proposes a 'model' that could serve two objectives:

- an interpretative objective: to understand why different areas have responded in different ways to endogenous trends or exogenous shocks;

- a normative objective: to steer policy efforts – what should be done in the face of certain type or context of IP taking into account the full range of actors involved (thus the territorial governance structure) and instruments available, with a particular emphasis on community-led (bottom-up) initiatives and the channelling of cohesion funds (top-down approach filtering from the EU to local governments).

The first section of the paper looks at relevant theoretical approaches and normative values, such as the foundational economy, spatial justice, and the place-based approach. It contributes critically to revise objectives and 'policy spaces' which need to be set when addressing the issue of IP within the territorial cohesion debate. The second section discusses the existing efforts to identify IP in Italy through the National Strategy for Inner Areas. In the last section, the paper proposes a methodological and interpretative approach for European Inner Peripheries, based on the insights developed in the previous sections.

INNER PERIPHERY: NORMATIVE VALUES

Since the financial tsunami of 2007, regional disparities in growth and employment have widened, as underlined by the Sixth Report on Economic, Social and Territorial Cohesion (CEC, 2014). The convergence that had characterised the previous years and that was arguably a result of successful regional policy by the EC, has been reverted. Though "inner peripheries" are not mentioned as such (this topic is supposed to be dealt explicitly in the Seventh Report, to be published in 2017), that document gave indirect legitimacy to the notion. It shows contrasting dynamics between the western and the eastern countries and sharp differences between rural and urban/metropolitan areas. Negative trends can be detected in two thirds of the Member States since 2008 (CEC, 2014, p. 54), with severe hotspots in some rural areas and border regions, especially in the eastern side.

Several factors can be pointed as possible causes. On the one hand, on-going economic restructuring, changes to social protection systems, and the shifting structures of governance have deeply affected weaker areas in particular. On the other hand, the "global beauty contest" in which core cities and regions have engaged for the attraction of inward investments has strengthened their brand and accumulation capacity, but often at the expenses of other places. The combination of these two agendas has contributed to a further fragmentation of the territorial structure, widening the gap between the more and less favoured regions (Russo *et al*., 2012).

Moreover, and increasingly, global and regional centres tend to have factual power in influencing the policy debate and agendas (Moisio & Paasi, 2013). A restricted circle of self-perpetuating urban-centred decision makers has ended up reducing the diversity of policy frames,

thus promoting homogeneous, error-prone and unlearning public agendas (Hadjimichalis, 2011). This, in fact, has become crystal clear in the perpetration of austerity packages as the cure for regional gaps, in spite of the need for policy alternatives advocated by experts and international institutions (Kitson *et al.*, 2011).

These dynamics contradict the fundamental cohesion principle of the EU, which aims at the reduction of regional disparities, and stand in direct opposition to the idea of a cohesive Europe of citizens. The focus on the territorial cohesion principle in the first decade of 2000 (CEC, 2008) gave formal recognition to an explicit attention to territorial factors in determining marginalized places and hampering their development potentiality (Servillo, 2010).

A normative approach to IP needs to provide a stronger basis to the concept of territorial cohesion, whose original meaning has arguably been progressively debunked by the contingencies of the crisis. In this sense we propose to take in also concepts such as spatial justice (Soja, 2010) and the foundational economy (Bowman *et al.*, 2014).

Spatial justice calls for an explicit consideration of space as an agent of social inequality, reproduced by socioeconomic mechanisms that organise society in space (Nel.lo & Blanco, 2015; Watt, 2009). At the same time, the foundational economy invites to 'shelter' those sectors of the economy that supply essential goods and services (Bowman *et al.*, 2014), as for instance the services of general interests (CEC, 2004), whose location in space can be a driver factor of territorial unbalances.

The sectors that are included in the Foundational Economy produce mostly mundane and sometimes taken-for-granted goods and services that have three inter-related characteristics: first, they are necessary to

everyday life; second, they are consumed by all citizens regardless of income; and third, they are distributed according to population through branches and networks[1]. Therefore, the distance from these basic infrastructures can be assumed as a main dimension of spatial discrimination. The higher it is the more it represents a factor of spatial injustice. It correlates to demographic decline and economic and social marginality, pointing at waning market power and less protected citizens' rights.

The idea of Foundational Economy in association with spatial justice supports a new policy imaginary for IPs, evoking the satisfaction of daily life needs and the empowerment of community-led governance systems (Barbera *et al*., 2016). Mundane economic sectors, as previously defined, are (at least in principle) locally manageable through innovation in the forms and mechanisms of community governance as in the case of the "community co-operatives", which provide for shared ownership and control of services or assets, such as shops or utilities. This view inspires alternative discourses and strategies for reconnecting and activating socially innovative paths (Moulaert, 2000).

Several policy documents put emphasis on the potential role of integrated regional policy initiatives that go in this direction. For instance, the Sixth Report suggested that the EU Cohesion Policy should be linked with the Europe 2020 strategy on smart, inclusive

[1] "The list of such activities includes: the privatised pipe and cable utilities together with transport; some traditionally private activities such as retail banking, supermarket food retailing, and food processing; and some traditionally state-provided activities including health, education, and welfare or social care, which are now increasingly outsourced". (Bowman *et al*., 2014, p. 119).

and sustainable growth and should nurture collaborative forms of economic growth.

At the same time, and despite its principles, the mainstream models of regional policy have been widely criticized for their top-down and universal nature. In particular the "one size fits all' approach (Morgan, 2016) also clashes with an institutional paradox: the areas with a greater need for innovation-related investment also have a lower capacity to absorb public funds, compared to more economically advanced areas (Morgan & Nauwelaers, 2000). Thus initiatives aiming at more inclusive forms of regional governance to address critical situations often get stuck in local inefficiencies and institutional obduracy.

The place-based approach advocated by the 'Barca Report' (Barca, 2009) has been welcomed as particularly apt to fight the dominant space-blind approach, and tackle regional development issues through the 'territorialization' of sectoral policies (McCann, 2015). The place-based approach advocates the use of public spending to trigger strategic innovation through a cognitive productive chain and a new social/economic coalition involving local innovators (Moulaert et al., 2007). It pursues the trigger of new strategic alliances between various levels of governments and civil actors that will lead to inclusion of new practices in the local organizational field: bring out the subjective and objective needs through the entrance into local policy arenas of people that have usually no place in the decision-making and policy mechanisms.

Such an approach views integration as part of a process in which the environmental, social, political and economic context is scrutinised in order to understand limits and potentials of specific areas. It aims at

identifying local systems in which integration, supported by spatial proximity, becomes a crucial driver of development.

Yet, while integration is a central precondition for a place-based approach, it is not in itself sufficient to guarantee a successful outcome. To focus purely on the 'integrative aspects' runs the risk of merely relying on a managerial or technical fix rather than addressing the issue of territorial marginalization in political terms.

A central part of this approach is thus the understating of limits and potentials of IPs, as well as the early recognition of areas that are at risk of marginalisation.

THE ITALIAN APPROACH TO INNER AREAS

An important contribution to the EU debate on territorial marginalisation has been provided by the Italian government's innovative approach. The DPS (Department for Development and Economic Cohesion) of the Presidency of the Council of Ministers has developed in the last 5 years a dedicated policy agenda to 'inner areas': the report 'A strategy for Inner Areas in Italy: Definition, objectives, tools and Governance' (MUVAL, 2014) has introduced a specific methodology to identify inner peripheries and fleshes out a number of guidelines to address the structural factors of peripherality.

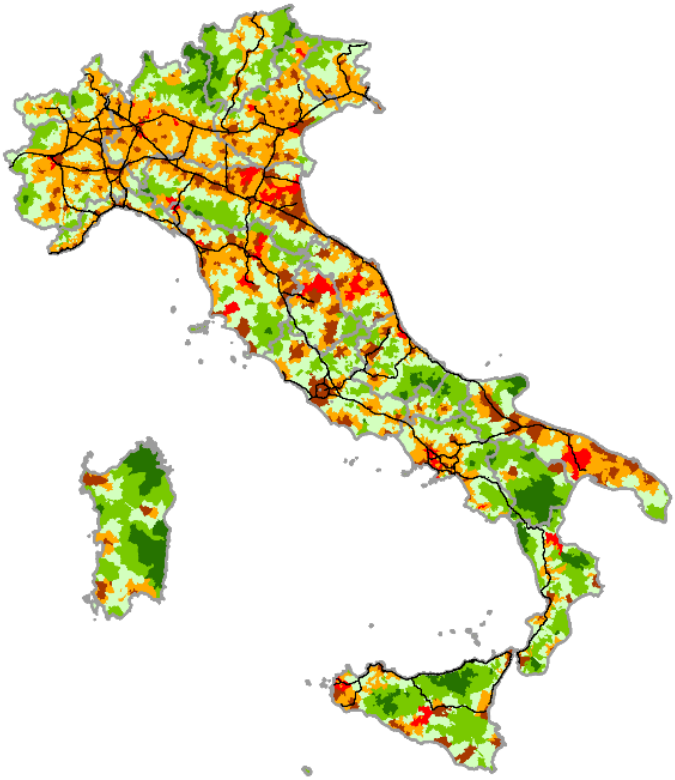
Interpretative and Methodological Challenges

The identification of inner areas derives originally from research on welfare. The starting point has been a mapping of all municipalities, categorized according to their degree of remoteness from services that

the debate on Foundational Economy indicates as key factors of spatial (in)justice.

The assumption behind the peripherality indicator is that the Italian territory is characterised by a network of municipalities, or aggregations of them which function as gravity hubs for areas characterised by different degrees of spatial remoteness. This is defined according to the distance from the first nearest Service Provision Centre (SPC). A SPC is identified as a municipality or cluster of neighbouring municipalities able to provide simultaneously: (1) the full range of secondary education services; (2) at least one grade-1 emergency care hospital (DEA); (3) and at least one 'regional category' railway station. The latter criterion derives from the crucial value attributed to mobility in Italy when determining the access to services that are central in defining 'citizenship'.

Figure 1. Classification of municipalities according to degree of remoteness.



Source: Authors' elaboration on Lucatelli et al. (2013).

The identification of SPCs was followed by a classification the remaining municipalities into bands: outlying areas; intermediate areas; peripheral areas and ultra-peripheral areas. This was carried out using an accessibility indicator calculated in terms of the travel time to the nearest hub. The categories were delimited on the basis on the quartiles of the distribution of the distance in minutes from the nearest hub, equal to approximately 20 and 40 minutes. A fourth band

of over 75 minutes was then introduced, equal to the 95th percentile, to identify ultra-peripheral territories. Thus all Italian areas (excluding the service centres themselves) have been classified as one of four types (MUVAL, 2014). These are:

• Belt Areas - up to 20 minutes away from the service centre

• Intermediate Areas – from 20 to 40 minutes

• Remote (Peripheral) Areas – from 40 to 75 minutes

• Ultra-remote (Ultra-peripheral) Areas – above 75 minutes.

Table 1 – Statistical outlook and performance of Italian Inner Area types.

Municipalities	Number	%	Population	%	Variation % 1971-2011
Provision Centre-SPC	219	2,7	21.223.562	35,7	-6,8
Intercomunal SPC	104	1,3	2.466.455	4,1	22,7
Belt areas	3508	43,4	22.202.203	37,4	35,8
Intermediate areas	2377	29,4	8.953.282	15,1	11,6
Peripheral areas	1526	18,9	3.671.372	6,2	-8,1
Ultra-peripheral areas	358	4,4	916.870	1,5	-5,3
TOTALE	8092	100,0	59.433.744	100,0	9,8

Source: UVAL-UVER based on Istat data – Population census in 1971 and 2011

The results can be visualized on a thematic map (Figure 1), where the Inner Areas are highlighted in shades of green. The darker shades indicate a higher degree of peripherality.

The emerging picture offers a polycentric connotation of the Italian territory. The geography of the inner peripheries includes some mountain areas, some coastal areas, some hilly and lowland areas, but

provides no conclusive evidence to establish correlations between morphological conditions and degree of remoteness. The areas resulting from the sum of intermediate areas, peripheral areas and ultra-peripheral areas, make up for 53 per cent of the Italian municipalities (4,261). They host 23 per cent of the Italian population, according to the latest census, equal to more than 13 million inhabitants resident in over 60 per cent of the territory (see Table 1).

Policy approach in brief

In addition to the statistical methodology (remoteness based on the distance from the services), an additional qualitative reading of the causes of socio-economic marginalization of the inner areas was deployed. The National Strategy for Inner Areas (SNAI in its Italian acronym) associates marginalization mostly to the rooted presence of extractive elites and institutions, which regulate "a slow and quiet decadence of local systems" (DPS, 2013). These processes arguably hinder the access to full rights of citizenship, public goods and economic resources to those who might regenerate them. Extractive institutions have been consolidated over decades of population decline and have remarkable endurance in the implementation of the development policy.

With this assumption, the SNAI piloted a set of policy measures in a limited number of areas, selected on the basis of quantitative and qualitative indicators.

Consistently with a place-based approach, the National Strategy for Inner Areas envisages a multilevel governance system that involves different institutional actors working closely with local stakeholders

in order to sketch a tailored development strategy. It brings together on the one hand the National Government (represented by the National Department for Development Policies), the involved region, and local institutions; on the other hands, it gather local stakeholders of the Project Areas, such as economic and cultural actors.

In the project areas, SNAI promotes simultaneously service improvement (mainly through national policy and national funds) and investments in selected development factors (regional policy and European funds) mobilising local stakeholders both in the identification of strategic leverages and in its policy implementation.

The process presents five major innovations in line with place-based approach:

- *Participatory process for defining the area strategy*. The identification of boundaries of project-areas is neither top-down nor bottom-up but rather a mix of the two processes. The process does not start from development projects but from local actors' expression of needs and their participation in conceiving a shared vision. The participatory approach advocated in the experimental areas became open, informed and reasonable, apt for the involvement for innovative actors and the cracking of conservative local forces.
- *Balance between local ownership and centralised support*. Responsibility has been entrusted to coalitions of mayors in the project areas, with an appointed leader. The national team was highly pro-active, taking part to all stages of strategy-building on the field, providing information, promoting working methods, and often acting as a "destabilising force" vis-à-vis the local conservative elites. The interventions were finally approved in an

Agreement signed by the project-area's leader, the Region and the National team.

- *Territorialisation and integration of sectorial policies*. The National team was made by functionaries of all sectoral administrations, as well as embedded territorial units, and selected external experts in different fields. One of the tasks of the National team was to collect the specific territorial needs and bring them to the national level, in order to territorialise sectoral policies at regional and national levels (school, health, mobility…).
- *Use of indicators and measurable expected results*. The endorsed area strategy had to develop a series of expected results measurable by indicators. The outcome indicators were produced by the interaction between local actors and the national team to sharpen their vision and related actions. Specific resources have been allocated for cyclical measurement and evaluation;
- *Democratic experimentalism*. The "rules of the game" have been written as amendable steering principles. They can be adjusted as long as more evidence comes on board (avoiding procedural traps). The whole Strategy is conceived by its actors as a learning process.

Despite its early stage of implementation, it is already possible to point at some critical issues. A major concern is to find a balance between, on the one hand, the necessity to dialogue with existing local conservative elites as the only available institutional actors, and the consequent risk of re-legitimising opaque practices; and, on the other hand, the risk of disrupting the local order with no chances to rebuild it, especially considering the fragility of the institutional structures.

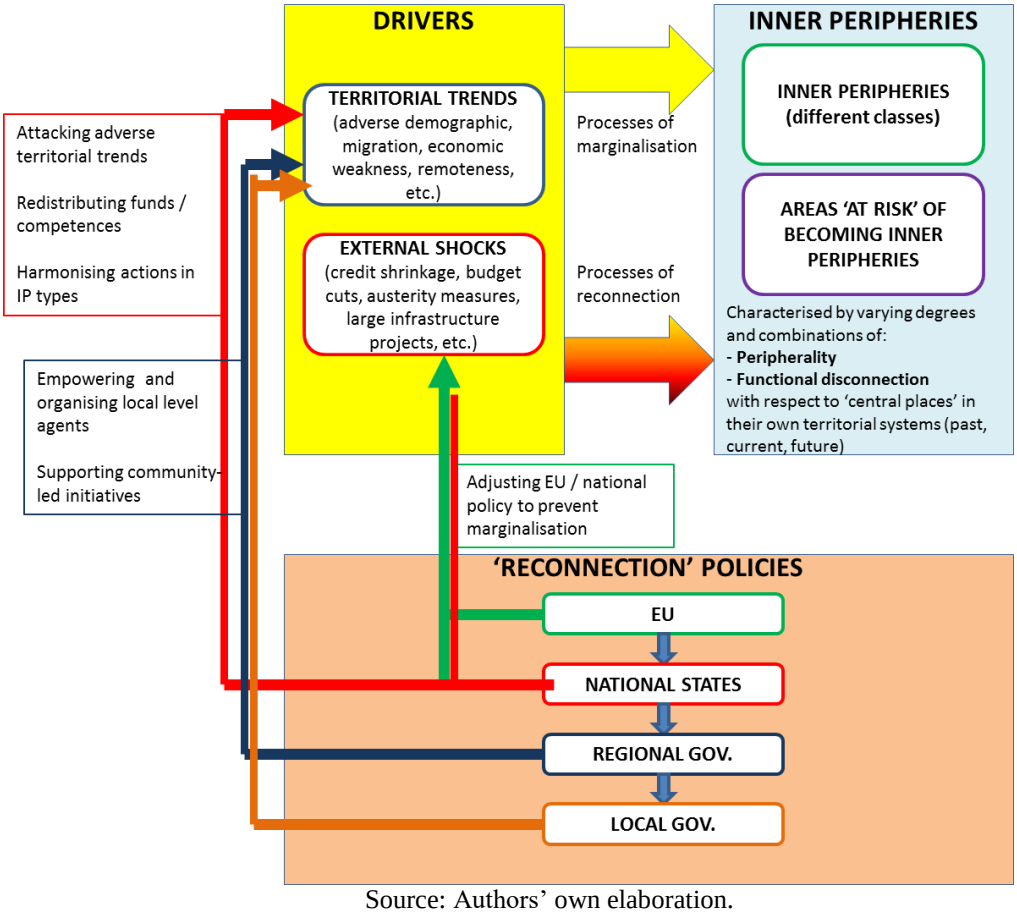
Moreover, the financial architecture of these initiatives represents a further constraint. The pressure for quick-fix, even at national level, puts such a long-term strategy at risk of being hurried or disrupting. Moreover, it is difficult to convince the regions to territorialise their macro-development objectives and their financial instruments for local development (mainly European Investment Funds) only in a selected number of areas.

A NEW FRAME FOR ANALYSIS AND POLICY APPROACH

In this last section we propose a coherent framework for a broader EU strategic agenda for Inner Peripheries, connecting methodological concerns to policy design. Our proposal fully endorses the philosophy of place-based approach, shown to be relevant both in dealing with regional cohesion at the EU level and for addressing the development of 'inner areas' in the Italian experience. This framework (represented in Figure 2) includes three 'blocks' which should be the object of specific research leading to the design of optimal solutions:

- An interpretative framework for identification and characterisation of IP and areas at risk of becoming IP in the near future (in blue);
- The consideration and analysis of drivers of peripheralisation and reconnection, of different nature (endogenous and exogenous, for the sake of simplicity) (in yellow);
- The identification of the policy space for IP in a multi-scale perspective, ordering policy and territorial governance design that stand the best chances of overcoming marginalisation. The place-based strategies should identify the what, who and how in relation to the different situations or types of IP (in orange).

Figure 2. An analytic framework for policy design addressing Inner Peripheries.



Source: Authors' own elaboration.

The design of this analytic framework suggests that IP are characterised and typified through statistical research 'clustering' areas with similar combinations of dimensions of peripherality and territorial disconnection (blue block); potential drivers of marginalisation (yellow block) are also analysed, typified and their effect on marginalisation analysed through geo-analytical techniques as well as case study-based research on specific processes of

reconnection; finally in the orange block policy is ‘designed’ analytically, in a multilevel framework, in order to reduce the agency of territorial trends and exogenous shocks and foster governance adjustments as a tool for endogenously overcoming marginalisation.

Identification and inventorying of IP types

Established methods to identify IP for policy purposes and in particular the Italian experience have been almost completely relaying on ‘distance’ from centres of provision of Services of General Interest. Only as secondary parameters, indicators were conceived to address accessibility, administrative rank, and socio-economic trends. However, the discussion in the previous sections has highlighted that physical marginality is not necessarily synonymous with weakness. The same can be said about ‘rurality’ or low demographic density, which is the opposite of what the overall approach of the Italian Inner Areas Strategy seems to suggest. IP can indeed be found in rural areas and sparely populated regions; in regions that are ‘peripheral’ in a physical sense (close to borders) or even remote (at the border of the European space), but also in core areas, or in specific areas within wider metropolitan regions. They can be weak or strong in economic terms, showing either positive or negative demographic trends, and their marginality can be influenced by both endogenous and exogenous factors.

Thus a more comprehensive approach has to integrate the pure accessibility criteria with a more integral analysis of ‘disconnection’, looking primarily at the territorial trends of specific areas (clusters of municipalities) within the wider regional context. The following structural socio-spatial elements should be highlighted: the socio-demographic structure of the population and its educational skills, the

local performance (in terms of employment creation and sectorial composition); and other elements of socio-economic dynamism, as new housing construction activity, service provision, and cultural amenities.

The combination of 'potential' disconnection (measured by distance from SGI) and 'realised' disconnection (as captured by divergence in the territorial trends nuanced above) would lead to the identification of different typologies of IP, characterised by:

- their geographical connotation (territorial types: mountain, rural, border, etc.),
- their status with respect to larger urban centres and urban systems (e.g. within or in the proximity of larger urban areas or polycentric metropolitan regions, part of a network of smaller settlements, isolated or remote);
- the strength of key variables defining disconnection within the full spectrum of parameters considered: demographic, sociocultural, administrative, functional, etc.

Hence, an area characterised, for instance, by a sharp ageing of population with respect to its regional context can be considered as peripheral as one affected by a strong incidence of poorly educated workforce contingents, by a scarcity of services of general interest, or of cultural amenities. However, the reversal of unfavourable trends may demand radically different policy responses and approaches.

Identification of peripheralisation drivers

In the beginning of this paper it was made clear that processes of marginalisation could be driven by endogenous (physical peripherality within a given territorial context, lack of critical population mass, climatic and resource availability conditions, etc.) or

by exogenous factors such as development policy initiatives taken in other places and by-producing uneven territorial development. Yet there is always a strong component of 'agency' in the territorial structure of governance which may amplify or reduce marginalisation. As an example of specific processes driving marginalisation, we could refer to:

- the effects of austerity packages implemented at national level (in compliance with EU targets) which have fostered the marginalisation of IP through cuts in the provision and the quality of services of general interest and/or further triggered processes of population mobility (Kitson *et al.*, 2011).
- EU infrastructure programmes and 'reindustrialisation' strategies, with important potential implications for the reconnection of peripheral areas within a metropolitan context but generally driven by the agenda of metropolitan core areas and national governments (see for instance López *et al.*, 2008);
- tertiarisation and global attraction processes which have triggered processes of selective migration from peripheral areas into larger cities (Russo et al., 2014);
- tourism development initiatives at local level which follow an 'imitative' pattern instead on focusing on local idiosyncrasies, with the result of fostering intraregional competition to attract tourists instead of bringing forward an harmonic development of a diversified regional offer (Russo & Romagosa, 2010).

Hence, factors that are conceived as drivers of marginalisation should be differentiated, and two groups could be depicted. The first set of factors refers to *territorial trends*. They include the processes of ageing, concentration of jobs and services provision into major cities, as well as rural migration into cities. The second set of factors refers

to *territorial shocks*. We could expect to include the endorsement of austerity measures, the role of EU funding, or the presence/realization of high-volume transport infrastructure (HST connections and airports) in their proximity.

Finally, having identified and measured potential drivers of marginalisation, interesting cases could be highlighted in order to extrapolate policy lessons. Advanced statistical techniques[2] would support the analysis of the respective influence of the above mentioned factors on the status of IP (basic and refined). The implementation of such statistical procedures would also allow the identification of outliers: areas that do not fit in their expected category, or areas for which the IP classification does not match with the considered drivers.

Outliers offer on the one hand a good base for the identification of special cases that have potential to represent a 'good practice'. They might have overcome marginalisation thanks to specific policy initiatives. On the other hand, they allow a reconsideration of trends and phenomena that could be considered drivers of marginalisation.

To sum up, this procedure should yield a matrix of typologies of marginalised regions and influencing drivers of each class. The availability of time-series data on driver variables could yield

[2] These may include Discriminant Function Analysis (DFA), which is used to predict membership to a category based on a set of independent factors, measuring the 'strength' of the relation between categories and factors. To control for (possible) multicollinearity in some of the factors, it could also be necessary to deploy a Principal Component analysis (PCA) to verify that drivers are explaining different aspects of data variability in the outcome. Hence, DFA can be performed both using the full set of covariates above discussed, and the extracted principal components.

development scenarios, identifying areas that are 'at risk' of marginalisation according to foreseeable developments in European and national policies (i.e. 2020 as 'policy horizon'). This analysis could also identify a number of IP which are in the stage of overcoming peripherality as a result of territorial trends, and will highlight the existence of a certain number of areas for which reconnection can only be potentially achieved through specific and targeted policy initiatives, either at the local or at superior levels of government.

POLICY DESIGN FOR INNER PERIPHERIES AND FINAL REFLECTIONS

Consistently with the arguments provided in previous sections, we argue that policy design targeting IP need to consider consistently the following aspects:

1) *the what*: which territorial trends and external shocks should be the object of policy initiatives aiming at reducing their impact in terms of marginalization of specific areas;
2) *the who*: which actors or coalitions of actors within a multi-scale governance perspective stand the better chances of an effective and coherent intervention;
3) *the how*: which instruments and strategies are more likely to achieve such results, within the continuum of various approaches, which go from endogenous growth strategies standing on community-led mobilisation of territorial capital resources to top-down strategies basically channelling regional, national and EU development funds towards specific areas.

Regarding the *what*, the technical approach outlined in this paper should aim at the identification of the following aspects:

- a multidimensional typology of IP;
- drivers of peripheralisation;
- areas 'at risk' of becoming peripheral given the current and future territorial trends;
- outlier cases standing out as a potential showcase of success in addressing peripheralisation.

A successful deployment of the procedures and techniques will identify a wide range of 'exemplary' cases for specific policy developments in a multi-level perspective.

Regarding the *who*, there is no point in establishing an ideal list of actors that should be involved in development strategies. Depending on the territorial context and the issues to be addressed, the actors can vary. As often argued (e.g. Doucet *et al*., 2014), there is no uniform methodology to implement a place-based approach across Europe. It depends on the institutional specificity of each place. In some European countries, local authorities have competence in regulating important issues such as local public transport, building regulations and urban planning as well as some social services. In others, countries central and intermediate levels of governments share competences in many areas that are relevant to economic development, such as infrastructure human resources, productive environment and social services. Dialogue and adaptation in governance design turn out to be in these circumstances a more common practice than a compartmentalised approach delimiting policy implementation to formal territorial typologies and acquired legal tools.

This leads us to highlight the need for a strong relationship between local and external actors to improve the effectiveness of local institutions in development strategies. Within the new EU Cohesion Policy, a major effort is made to address and monitor local institutions, with the EU as a provider of methodology and as a reference point. Hence, high levels of interaction between local and non-local institutions, as well as mutual awareness of being involved in a common strategy, are keys to effective territorial policy.

Besides, the basic principle of the Community-led local development (CLLD) approach warns that "compared to other classical local approaches, the people who were previously the passive 'beneficiaries' of a policy become active partners and drivers of its development" (Soto & Ramsden, 2014: 9). This is a crucial dimension of the place-based approach. Developing a strategy should thus be seen as a performative process through which varied stakeholders 'get on stage' and become committed to a shared goal.

This process involves a broad reflection on the capacity of any given coalition of actors to contribute to a strategy aiming at reducing the marginalization of an IP. This can be expressed by the notion of institutional thickness (Amin & Thrift, 1995), which aims at identifying institutional key preconditions which increase the opportunities for places to improve local (economic) development in the context of wider territorial dynamics.

Moreover, the Italian Strategy suggests the importance of the central level, and how it should work as enabler of innovation. It should identify at the local level the innovative actors with whom to ally, and should promote new local coalitions for open and innovative development strategies.

Regarding the *how*, a place-based approach should combine the practical evidence provided by successful cases with a broad review of instruments channelling (EU) development funds that were effectively used in strategies fighting the marginalisation of IP across Europe. The degree of success of such initiatives should be considered as much as their pitfalls, which may lie for instance in the lack of consistent political and economic support at higher territorial levels. At the same time, these explorations should support new case-specific policy design.

Place-based strategies should take into account issues such as:

- The territorial visions and strategies nuanced in existing policy documents;
- The available sources of territorial capital and the extent to which such endogenous resources are made sense of, as well as the ways through which they can be mobilised (Servillo *et al*., 2012);
- The nature of local horizontal and vertical governance relations (taking into account the territorial dimension, i.e. not limited to administrative units);
- The articulation of such local governance systems with wider multi-level systems of governance (regional, national and European);
- The identification of policies designed to support services of general interest, enhance local human and social capital and support local production systems through territorialisation of national sectoral policies.

Thus, 'critical cases' (the what) should be addressed considering the incumbent governance structures and within a spectrum of place-

based policy options that would look at elements of Foundational Economy and spatial (in)justice. These may include the alleviation of a situation of marginality and its social, economic and environmental consequences, or the regulation of marginalisation drivers for greater territorial resilience in areas 'at risk' of becoming IP; the empowerment of bottom-up, endogenously bred initiatives breaking down the vicious circle of peripherality; or the re-engineering of higher-scale territorial relations to 'reconnect' functionally peripheries and cores.

Depending on the full deployment of the analytic steps described in this section, strategies with the potential to reconnect inner peripheries in specific contexts could be for instance some of the following ones:

- 'Smart development' initiatives in rural areas which may have varying degrees of success depending on the functional connection of such areas to regional networks and trans-regional transport networks;
- Community-based tourism development based on a proactive mobilisation and engagement of local communities around tacit knowledge, idiosyncratic territorial resources and heritage;
- Re-design of systems of provision of SGI across administrative boundaries;
- Innovation plans in energy production and environmental management.

To be effective, these strategies need to consider that IP are often cut off from their regional social and economic context, but linked to supra-national commercial networks of values and skills. It is at national level, however, that the obstacles to local development can

be removed. The complexity of the issue of IP and the various attempts to tackle it (from various research projects to the National Strategy for Inner Areas) suggest that a 'national outlook' (and by extension, an EU approach) and the 'local outlook' should intersect. At the same time, a 'European outlook' to IP could integrate to the Italian experience the approaches, methods and objectives developed in other countries according to 'national schools', which have dealt with the issue of territorial marginalisation.

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