

# **Sustainable Economic Growth, Development and Social Cohesion: The Lazio Case Study. An Application of STeMA Methodology.**

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The Lisbon Declaration (2000, 2003, 2005, 2007) and Gothenburg Summit (2001) focused the attention on the idea that the Union should become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion. Italy is characterized by localism. Each region has his own history, capabilities, capital skill, and knowledge. The policy makers sometimes ignore this differences using and applying the same policy for all the different regions. As result we obtain different levels of development and growth. Italian's region have different cultural identities, different history and different kind of human capital. The same policies applied in different areas can not have the same effects. A methodology able to consider the context in which the policies are applied and developed is very useful because is able to use different policies for different context and maximize the effectiveness.

The aim of the paper is analyze, using STeMa methodology a way to obtain a Sustainable Economic Growth in The Lazio Region.

STeMA (Sustainable Territorial environmental Management Approach) is a model used for calculating the territorial capability to be competitive in sustainability and it presents a standardized methodological approach that can be applied at the national (macro), regional (meso) and sub-regional (micro) scales target by the Lisbon/Gothenburg Strategy.

Lazio is an interesting case study because it is characterized by a dual development. If we look at NUTS 2 level Lazio appears as a very dynamic and developing region and it appears to be able to catch growth opportunity. Analyzing NUTS 3 we find that the growth is not equal everywhere. Rome is a very dynamic and growing city but looking at the other cities in the region are characterized very low level of competitiveness, growth and internationalization.

The context in which the policy are done is not neutral. We are not talking about sustainable development alone, but also about its spatial understanding. The territorialization is very important and the policies have to take in account the differences between different areas otherwise they are not effective.

*Keywords:* Competitiveness; Social Cohesion; Territorial Policy.

JEL Classification: R1; R5

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## **Introduction**

The aim of the paper is analyze the effect of policies, consistent with the Lisbon Gothenburg strategies, on the Lazio Region using an original and *ad hoc* built methodology named STeMA: Sustainable Territorial environmental Management Approach. The approach is based on the idea that the same policy applied in different places has different effects. The concept of territorialization is very important.

Lazio is an interesting case for several reason. First all the results find for Lazio (NUT2) are not still valid if we look at the provincial level (NUTS3). This means that policies that seems to be effective at regional level are not applicable at provincial level.

Moreover Lazio is characterized by a centre periphery model in which Rome is the centre and the others provinces are peripheries. Roma collected all the resources, economic and human, and the rest of Lazio can not compete with Rome. It is therefore necessary to apply a set of different policies to maximize the results and trying to improve not only Rome but all the provinces.

The paper is organized as follows. The first part is a description of the Lisbon Gothenburg strategies. The second part focalized on the Italian structure and is an attempt to draw some historical line for try to explain the reason why Italy is not yet able to act as a cohesive system on the international scenario. The third part is an explanation of the STeMA methodology. The forth part is a case study in which some Lisbon Gothenburg policies are applied and we will look at the effects of these strategies at provincial level. Finally we well draw some conclusion.

### **1. The Lisbon European Treaty: development, cohesion and competitiveness**

The Lisbon European Council, met in Spring 2000 for the first time, aimed to enact a series of reforms able to consolidate the internal market through the increase of research, innovation and instruction investments, so to let the European Union becoming “most competitive and dynamic knowledge economy of the world”, by the end of 2010.

To reach this aim, it is requested, to all States members, the realization of a global strategy able to create a favourable context through policies which could both increase human capital investments and to reduce the social exclusion. It was also requested to help to complete the internal market and the modernisation of the social European model, through rules.

Policies couldn't be enacted without strategies on economic and social cohesion with the aim of narrowing the existent gap, in terms of development, growth, infrastructure levels and human capital, between different European regions.

One cohesion policy's particularity is the capability to adequate itself to necessities and specifics of territorial contexts. In this field, the geography is a very important factor and States and regions

should pay a particular attention to the territorial dimension, when they have to programme and to concentrate sources on fundamental priorities, because it help to develop sustainable communities and to avoid disparities in regional development.

The territorial cohesion represents, on the territory, the translation of the balanced and sustainable development goal, attributed by the Union, intended as balanced division of human activities on the territory and forming the natural complementation of economic and social cohesion concepts.

In this context, the territorial dimension of the cohesion policy becomes very relevant, because it considers both starting gaps, inside all Community's areas, actually highlighted by the entrance of new States, and where to develop as a goal, a balanced and sustainable development aimed to the social inclusion. So, policies need a territorial contextualisation, without this it is possible to enlarge gaps already existent, instead of decreasing them; it is possible to not reach the expected results, because decisions made weren't the best ones for that environmental, social, economic and cultural context.

The effective actions' realisation, with the aim of promoting a territorial cohesion, requires actuation's mechanisms able to help an equal treatment for all territories, in respect of their own capabilities and keeping in mind their histories, cultures and institutional assets.

So, good governance is important to face successfully the territorial dimension aspect. The cohesion policy should most focus on knowledge, research, innovation and human capital through the increase of financial sources, allocated in favour of these sectors of interventions and through synergies development between economic, social and environmental dimensions.

## **2. The origin of the local culture in Italy**

Differently by European States, a united Italian history is very recent: from the decline of the West Roman Empire, 476 B.C., our peninsula found again a stable unit, only in 1861.

This paragraph aims to briefly trace fundamental stages of the Italian history, trying to highlight how the actual economic and social situation and the productivity and organisational structure of the "Italy System" are results of historical events happened in our country.

For a long period of time, the Italian political organization is based on Communes, a local government form originated by the necessity of new urban classes to get free from feudal limits creating a new political reality carrying interests of the middle-class, formed by hand makers and entrepreneur favourable to the commerce and so, to development and richness. In this context, based on localisms and corporatism, with the aim of guarantee interests of a determined area, through also duties and fees, limiting changes and commerce with other zones, where, probably, should be find origins of the actual Italian productivity structure.

At the beginning of 1500, Italy was politically divided: the Sforza family, the Venice republic, the Medici family, the Pontifical State, the reign of Naples. The rest of Europe, instead, was characterized by births of big National States, with one market, legal uniformity and unique coin. Big Italian cities based their activities on external commerce, creating a big competitive spirit. The absence of a unique internal market, costumes, duties and protectionism policies continued to increase a situation already present in nuce at Communes time, slowing down the commerce and the structural incapability of being a system that, today, makes enterprises scarcely competitive on an international scenario.

The political division made Italy easy prey for closer States. At the beginning of the XVI century, some Italian states were occupied or were under the French or Spanish supremacies; both of them used Italy as a territory for battles and they continued to exploit the place through strong fiscal policies. This caused a low economic development tax and a withdrawn and prevalently rural economy remained.

In '30 years of the XVIII century, a small increase of the Italian economy arose and it was more evident in the South, in the following years. Austria, substituting Spain as hegemonic supremacy in Italy, was governed by same very capable monarchs, who declared new reforms in Lombardy, in Trentino and in the Trieste's region, encouraging the territorial social economic growth. But the economic backwardness persisted: in 1700 the nobility and clerk were owners of the North of Italy; it means the 2/3 of all arable lands. The agriculture used very primitive techniques with a very unbalanced rapport between work and capital, in favour of labour. Commerce was quite inexistent: North-European countries were very competitive and also industry stagnated. Privileged classes didn't pay taxes, rested on other's laurels, were the highest military charges.

To have same shy development signals, it is necessary to wait the second half of '700, where a development phase started, due to a long peace period, both in rural production field and in textile sector.

The economic situation, associated to new French Enlightenment current of thinking, pushed Italy towards a unifying policy, very advantageous in an economic point of view. But, unfortunately, the Italian *intelligentsia* wasn't able to formulate bottom-up proposals, consolidating the *status quo*.

With the Congress of Vienna, Italy was divided between Austria (governing directly the North and indirectly the Centre), the Bourbons in the South in the "Regno delle Due Sicilie", the Pontifical State in the Centre and the Savoy family in Piedmont and Sardine.

The political division has important negative effects on the Italian economic development, because it limits foreign exchanges, not allowing the use of a unique coin and weight, damaging it with customers' fees. So the base for a new national conscience could be found between middle-classes and more advanced economically areas, above all.

At the end of the II independence war, Italy was divided into: the Savoy family in the Centre and in the North, the Pope in the Centre and the Bourbons family in the South. After the enlargement to the South regions through popular plebiscites, the Reign of Sardine became officially Reign of Italy: it was 1861.

In this contest province born, having their origins in the pre-Unitarian Savoy State (Rattazzi's Decretory), which organised the territory on the base of the French model, where provinces were guided by Governors (then named Prefect) and he was very similar both in the form and in powers to prefects of Napoleonic departments, but differing in kind of powers: the piedmont prefect had public order's powers. Following a series of historical events, provinces were changes in number, denomination and territorial field.

The law n°81, 25 mars 1993, established the direct popular election of Italian provinces' presidents. The duration of the President's office is 5 years. The whole normative system is consolidated in the Unique Text on Local Entities Ordainment D.Lg. n°267 in 2000.

As shown in this short historical excursus, the origin of actual problems and limits of Italian enterprises is very old. Big National States faced the political European scene only in 1400. Italy is four centuries late; this delay forbid and hindered the systemic capability's growth inside the country itself, encouraging localisms and corporative behaviours. Territorial culture and traditions are very hard to overcome, above all thinking that Italian regions act without geographical proximity because the territory is longer than bigger.

The advanced hypothesis in this contest is to start considering the diversity as a value. Different cultures and different traditions, opportunely convoyed through the use of cohesion policies, could represent an enormous richness, able to make Italy more competitive. To develop adequate cohesion, economic and territorial policies, it is necessary to select a geographical scale able to catch the historical, cultural and entrepreneurial diversities of territories in exam.

In this work, the right observation scale for phenomena studies is the provincial level, NUTS3.

### 3<sup>2</sup>. The methodology used: the STeM Approach

Using applicative possibilities offered by the System General Theory, STeMA (Sustainable Territorial environmental/economic Management Approach) studies each phenomenon territorializing it at different geographical scales, as a system that is an elements' ensemble, answering to one or more rules, to an ordinate criteria, having or not common characteristics.

Reduced to 10 simplified hypotheses to allow the standardisation, also environment and economy could be assimilate to systems; territory, environment and economy merge into a unique system: the territory – STeMA work in a closed cycle inside (cultural, physical, scientific-disciplinary, etc.) limits, which delimit itself; inside an open cycle when a system interact with another system. So, the territorial system could be studied inside administrative or sectoral limits (NUTs) that delimit it (a region or infrastructures' system) or inside interactions between entities (the cooperation between two provinces or the interaction between hydro-sphere, geo-sphere and atom-sphere).

In STeMA, a system is always different from another and to know the whole territorial system, it is necessary to know the process, which links elements to each other (vulnerability) and the status (critics or status quo) for each element forming it.

Starting from here, settings give to the index lecture and levels of territorial system elements usually called indicators. Establishing in  $t_0$  the starting analysis and territorial system study moment (in this case, the data year), its position is now considered as a partial equilibrium and its state as processes results (historical too), determining the state. That state is called initial system configuration and could be measured. The initial configuration is named *Initial Territorialized Value* (VTI) of determinants/components.

In Lisbon/Gothenburg case, new four system determinants (Innovation & Research, Global/Locale Interaction, Quality and Sources & Funds) have been formed ex novo, able to represent the VTI or the Italian region/province start up, facing the challenge of competitiveness in sustainability, wanted by the Union.

Organised into indicators and indexes' sub-systems – representing subsidiary geographical scales of the territorial dimension of Lisbon/Gothenburg – Italian provincial VTIs are measured and classified (into class breaks) following scales of ordinal and cardinal values, responding to precise matrices.

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<sup>2</sup>This paragraph is a summary of a paper written by Maria Prezioso and published on Prezioso, M. (2009) par 4 in "Global Environmental policies: impact, management and effects" Columbus editore. The part is throughout attributable to her.

Each provincial system or sub-system has been studied under external change pressures. These solicitations, representing Lisbon/Gothenburg Strategies' policies to be applied, allowed regional "experts" to evaluate incremental pertinence of choices in confront of expected goals. Briefly: to evaluate how and when each province, each region could assume a new partial balanced position inside limits allowed by the capability of actively generate again sources whose elements are expression in the development phase of the system. A system will become another system loosing its capability to be sustainable, if it overcomes limits of its own reproducibility and active conservation of sources at its disposal, to be more competitive.

System reproducibility's limits represent the threshold of its being competitive in sustainability. This final configuration is named Final Territorial Value (VTF).

The measure dividing the initial partial balanced state of the system (VTI) from the competitive in sustainability threshold is defined *carrying capacity* of the system/territory. It represents both demand and offer admissible in a plan, in a programme, in a policy; over it, the system would be transformed in another system generating the development paradox: an offer that should employ more sources than those available, to realize itself.

Now a lot of considerations could be done. Here only the principals will follow:

- The sustainable development could effectively generate competitiveness;
- The sustainable development creates new typologies of competitiveness and productivity, market and new prices both at macro and micro levels;
- Each territorial context will be configured for a different development market potential, so for a different competitive capability.

STeMA creates basis to know the competitive possibility (plan, policy or programme demand) to develop each single economic-territorial system; this possibility depends on capabilities systems show in solving problems with appropriate offers because inside system development limits (sustainable subsidiary offer), but also on the starting performance, on the innovation grade and on the risk component they could run.

The methodology applied in a big series of measure indicators (116), divided into four themes of Lisbon and Gothenburg: Innovation and Research, Global/Locale Interaction, Quality, Sources and Funds.

Indicators, selected to answer to precise questions, help in advance involve the theme of territorial cohesion in the renewed strategy of Lisbon/Gothenburg, facing regional differences' complexity and suggesting possible integrations into plans/programmes for the use of Structural Funds 2007-2013.

#### **4. The Case of Lazio**

The Case of Lazio is very interesting because there is not a real correspondence between the scenario described at regional level (NUTS2) and the one obtained at provincial level (NUTS3). The latter seem to be completely different. Moreover Lazio is characterized by the presence of Rome that in some way is very polarizing specially for what concerns the economic and human resources. Moreover from a deeper analysis is possible to find that Latina and Frosinone are the Viterbo e Rieti vice versa seem to be characterized by their own history, with different skills, characteristics with different and autonomuos peculiarity ideal continuation of Rome and they can be treated and considered as two satellites of the capital. Viterbo e Rieti *vice versa* seem to be characterized by autonomous characteristics with different peculiarity, history and productive structure. STeMA seems to be the best way for capture this difference and for studying the impact of different kind of Lisbon Gothenburg policies on the different provinces of Lazio.

##### **4.1 Territorial urban system and territorial policies**

Following the idea already presented during this work we think that there is not only one Italy but a lots of Italy, “the country of one hundred belltowers” each of them characterized by a history, a culture and a way of thinking and we think that Nuts 3 is the right level for capture this kind of differences. The Espon project called “Polycentrism” e “Economy” (Prezioso, 2006) underlie the importance of the differences, from the cultural, economic and from the social point of view, in developing territorial policies.

Lazio, mainly for the Rome’s presence, focuses the economic activities in the tertiary sector, in which the Government sector is predominant and very important. For this reasons we observe an underdevelopment of industrial sector characterized by very small firms with less than 9 employees.

Tourism, principally the religious one, is a very important because Rome present a very high density of cultural heritage. Unfortunately the economic exploitation of this resource is not organic and organized. It is possible to do more and better. There are a lots of lost opportunities that are going to promote a low profile level of tourism that doesn’t create development in the area.

The regional policies are trying to stimulate some different and more profitable ways of improvement the tourism connecting Rome, big, important and interesting, with the others provinces for develop a network able to improve the supply of tourism and increase the demand. This idea could be a big opportunity for develop some regional areas but is very difficult to be realized because Lazio is not yet able to offer this kind of supply.



The region has an high level of average income compared with the rest of Italy but there is a very high variance. Moreover we have a direct correlation between municipality dimension and income distribution: bigger is the municipality dimension higher is the average income.

Research and development are quite well development but there is not enough technological transfer between firms and university. The presence of a big number of university and research centers does not combine with the opportunity to create synergies between different actors. Moreover there is a very low number of patent and a low propensity to innovate.

The programmatic guidelines of the region (Docup, 2007) are converging to the target of increasing the competitiveness of the Lazio system in a sustainable and competitive way. The focus is posed, mainly, on the job market and on the training considering very important for the development process the human capital, the small and medium firms, and the diffusion of advanced technologies. The POR (operative regional program) 2007-2013 will be based on the improvement of innovation, economic sustainability and accessibility.

#### **4.2 Policies choices**

The analysis of the policies effects on the territory specially at provincial level can provide some solution that appears more effective and efficient and that are able to generate cohesion, competitiveness and sustainability in agreement with the Lisbon Gothenburg strategy.

It is very important the choice of the level of work, Nuts2 and Nuts3 do not offer the same results and they describe different scenarios. At regional level Lazio has a good level of employment, very skilled population, good level of literacy and high level of income. Looking at provincial level the scenario is completely different. Lazio is a mix of different local characteristics not connected with each other. This situation is worsed by the transportation system that connect Roma with the other provinces but not the provinces with each others.

Looking at the regional level and applying policies at that level can be not effective because the policies impact can not be the one desired. The aim of the study is trying to study policies impact of the Lisbon Gothenburg strategies at provincial level. The policies, in this contest, can take in account the local structure and reach the best of effectiveness.

#### **4.3 Innovation & research (I&R)**

*Innovation & Research* are the focal point for the development of a competitive process in a given territorial part. The process is strictly connected with the firm localization. University, firms and tacit knowledge, embedded in the human capital, can be seen as different side of the same virtuous

process. The policies and the policy makers, connected with the local institution, should be able to enforce this process connecting different actors with each other for generating a network able to create a virtual process.

Analyzing the ex ante situation we see that Lazio has a good score (B) with respect the IR indicator. Rome is well performing (A) and Viterbo has the lowest level of indicator (D).

Lazio has a good level of technologies well localized on the territory and easily accessible. There is also a great number of people, firms and institution using internet.

The human capital education is not mighty despite the presence of an high numbers of university and research centre. Probably the reason is in the high level of immigration, involving mainly Rome, characterized by low skill. In fact, if we include in the analysis the educational structure we find out that the indicator performs better. This result depends on the presence of the universities on the territory.

We would like to underline the low level of the *Innovation Status Quo* (ISQ) that means weak level of development of infrastructures in R&D an telecommunication.

We study, fist, the policy impact of the innovation policies, based on bridging digital divided, technological\innovative dissemination for the enterprises and institutions, support to transregional cooperative projects and use/development of environmental friendly technologies.

The results shows that indicators do not have a substantial improvement. We have to underline that the innovation process need time to be realized so we have some lags.

Policies that increase the R&D structures, as R&D infrastructures and development of recycling technologies of waste improve the IR general indicator and we have a generalized improvement of all the provincial indicators except for Rieti. In this case the indicator get worse. Somethimes an increase of efficiency does not give the expected results. An increase of efficiency can not drive the hoped results. The ex ante situation can be so different from the efficiency that an increased of competition can generate a decreased of efficiency. Rieti's firms are characterized by a local market in which the operate in non competitive situation. This means that they are less efficient and less able to compete on the international market respect with the others. An increase the degree of openness and the degree of competition can create a decrease of wellness of the firms.

Improving investment in human capital generate an improvement in the quality of human capital. Lazio is characterized by a dichotomy in the human capital. In one side we have a very high skill human capital, employed in Rome, and in the other side we have a very low skill human capital coming from the migration flows. For this reason the policy addressed to improve the supply of education and the human capital internationalization generate an improvement for the high skill

human capital. This improvement involved the region and the provinces. Moreover, if we look at policies that support employer mobility and equal opportunities we find a little improvement in the IR indicator but not a substantial one. Lazio productivity structure is not able to transpose policies that create uniform starting level for compete. There is not homogeneity between firms and between firms located in different provinces for this reason competition improvement are not effective.

An improvement of network of telecommunication and an increase of physical accessibility have an ambiguous effect on the I&R indicator. Viterbo e Rieti seems not have a good response whit respect to this policies. Once again this two provinces shows same backwardness in the productive structure and some rigidities with respect the changes. An increase of competitiveness can get worst the situation instead of improve it.

Ex ante situation show the Lazio and provinces are good ranked respect to *Innovation e Research* (IR) indicator with good level of technology embedded in the firms and a human capital characterized by a dichotomy from high skilled, for the presence of a great amount of university, and very low skilled, for the big migration flows.

The policy choose and used seems not have a considerable impact on the territory for several reasons. In one side Lazio has a good position respect to the IR indicator but probably the result is more vitiated from the temporal lag that the innovation policies need to become actual. This results can be not captured from the model.

#### **4.4 Global Local (GL)**

Local dimension in a globalized context did not loose its identity and is not less important than before. We think that there is a necessity to emphasize and reinforce the localism highlighting and enhancing potentiality and inclination and driving all this forces for realizing a winning factor for competitiveness. Territorial competition can be see as the creation a connection between local and global and this connection should be able to transpose the Lisbon strategy and applying it in the best way. This can be a way for valorize province's peculiarities, that characterized Italians productive system and that are able to create value added focusing the attention on an international scenario.

The Global Local determinant seem to describe an homogeneous situation from all the provinces because the ex ante indicator is C.

Looking at the Social interaction Lazio's provinces are not homogeneous passing from a D level of Rome to A level of Viterbo Frosinone and Rieti.

Rome has a very low level of active population. The main reason is probably connected to the migration phenomena that create some difficulties in absorbing all the unskilled labor supply. The other provinces show a good level of social interaction.

Population mobility shows a good level in all the Lazio's provinces and we have the same result for the Cultural Exchange except for Latina e Rieti. Tourism indicator performer well this means that the region is attractive from the touristic point of view.

International Cooperation index shows discrete level. Firms have a good vocation to the international openness but they are not yet able to compete at the international level because they had been for a long time use with a sheltered market so they are not yet efficient using the income position, barriers to entry and geographic localization.

Productivity system indicator shows a good situation for Rome. The result is not surprising if we think that Lazio is an example policies that were able to generate a virtuous development.

Trade integration assume, on average, value C, with low variance while the internalization index for Roma Latina e Rieti is very high. The indicator financial interaction exhibit positive value underlying that is quite easy for the Lazio's firms access to credit.

Fiscal pressure and labor costs show a degree of heterogeneity between provinces. Rome has a very high level of fiscal pressure while the rest show a B level.

Looking at the tourism indicator we can underlying that Lazio is very conditioned from Rome that is, for monuments, museums and works of arts very rich and very interesting. Moreover the Pope presence improve the religious tourism. The other provinces were not able to create or to find their own identity and they did not develop an interesting touristic supply.

Human Capital is well qualified and trained because Lazio has the presence of many university most of them concentrated in Rome. The Capital is a catalyst of the student coming from the South of Italy.

The Mobility indicator is high for Lazio. This confirm the hypothesis that Lazio can be described by a centre periphery model in which Rome is the centre and the others provinces are periphery. Transport system seems to confirm this hypothesis. Rome is connected with the rest of the provinces but the provinces are not connected with ach others. For this reason is impossible to create an alternative model respect to the one described above.

This situation do not help Lazio as a Regione: without connection between provinces Lazio will be dominated by Rome. Rome will catalyze the resources and the skill workers. Moreover firms will be not able to compete at the international level because they are not connected with the other regions. This means that they will remain relegated to operate in the domestic market without competition and without competitiveness. This means inefficiency. The job market is mainly concentrated in Rome with low mobility.

There is a big difference between Rome and the rest of Lazio. This means that probably we should apply differentiated policies for Rome and the others provinces.

Policy for employments exacerbate some social situations specially regarding the local situation of the firms. An improvement of policies for competitiveness and internationalization can generate a decrease of efficiency because the firms are not able to transpose that policies in an efficient way. This is true specially for Rieti and Viterbo that have a more agricultural tradition.

Policies for improve the use of renovable resources, active protection of natural resources, reduction of natural resources consumption, natural hazard prevention, imply an improvement of international cooperation, economic interaction e financial interaction. This kind of policies operate on the Lazio's productive system and create a virtuous development specially because the firms are more appreciate at the international level. The same result is obtained if we consider the climate policies: more the firms take care of the environmental more they are appreciate at the international level more they increase the internationalization level more they have a financial and economic cooperation.

#### **4.5 Quality (Q)**

Quality is an evaluation index that considers different aspects that can be seen as an evaluation index that includes different aspect that can effect attractiveness of places as: environmental quality, productive process quality, quality of life and cohesion (Prezioso, 2006). Particular attention is given to the environmental because there is Rome, a very big urban area creating a lot of pollution. Applying the European norms concerning the environmental is very expensive for the Region but generate a lots of benefits. Quality is a synthetic indicator that consider also some non economic factors as negative externalities for individuals associate with a decrease of the quality life. An analysis that consider only the economic factors generate an undervaluation of the costs and benefits coming from policies. This process involve non only citizen but also firms and institution. For this reason Europe promote firms social responsibility.

The ex ante situation shows that the Region is well positioned respect the Quality variable. This means that policies addressed to an improvement of the quality variable are desirable but not necessary. Lazio highlights a positive result but there is a variance between different provinces. Rome has a very good indicator's level marked by A. lower level have Viterbo Latina e Frosinone. Looking at the differ components we find that the quality of life can be improved in the different provinces. The policies will be ardesed to improve this indicator.

Policies that improve the innovation create a generalized and pervasive improvement of quality. It is not the same for policies that are improving R&D. It is necessary to underline that R&D policies need time to become effective and the model is not able to capture the policies effect with an intertemporal lag effect. Moreover this kind of policies needs a favorable productive system to be effective. Some Lazio's provinces are not so competitive and they can not transpose the policies.

Policies that increase the human capital level can improve the social quality indicator, the risk of social exclusion and the social wellness attitude. This means that there is a cohesion improvement.

Economic development policies generate an improvement of indicators. Entrepreneurial culture and productive identities can create a generalized level of improvement in all the provinces except Latina. Latina can be considered like an integrated system with Rome but an improvement of the internalization level and competitiveness of the firms placed in Roma can be a disadvantage for firms located in Latina because the latter are less efficient and the first will look for other more efficient partners localized in different areas.

Policies for the employments generate a general improvement of regional economic indicators specially for those relating social cohesion and environmental quality.

#### **4.6 Resources and Funds (R&F)**

The sustainable development concept can not be studied without considering the idea that the resources are scarce and that they must be used in the best way so we have to think about the best use of the natural, economic and human resources.

The determinant of R&F is a mix of indicators: Human Capital, Natural Capital and Economic Capital used for evaluating welfare and financial and economic performance following the Lisbon/Gothenburg strategies.

Lazio is well positioned respect the R&F indicators and the provinces too except Viterbo and Rieti that maintain a low position. This result is recurrent in all the study. The study shows that the policies can help to improve the R&F use and destination but we have a disadvantage for the less competitive provinces. Probably before using the resources it should be desirable an improvement of the status quo situation trying to create a more competitive environment in which the firms can operate. Roma is still the catalyst of the regional resources.

#### **5. Conclusion**

The work had as its object the investigation of the policies of Lisbon Gothenburg in Lazio.

The results obtained have shown the importance of the process of territorialization of policies.

The Lazio case also highlighted the importance of working at Nut3 because provinces have different specificities than the region as a whole. The methodology used has been built *ad hoc* and appears to be particularly innovative. The results obtained show a model Lazio mainly focused on Rome catalyst of resources. Furthermore, the analysis has highlighted the need to apply different policies for different specificities of the provinces.

Overall, compared to the four indicators studied, Lazio and its provinces are positioned at a good level, signal that the region is competitive and is following a path of development and growth in line with European strategies. At provincial level there are some differences mainly relating Viterbo and Rieti. These provinces, for historical reasons and geographical location, have developed a protected market and they are not able to develop competitive capabilities. This means that all policies aimed at increasing competitiveness have a negative impact on the indicators under consideration.

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