

# Institutional action and local development

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# What is *Development*?

Generally speaking, **development** is an uneven process in terms of both *territory* and *time*, since it occurs sooner in some places and later in others.

**Development** can take many different forms in relation to the way *society*, *economy* and *institutions* are locally embedded and they are able to interact with the "rest of the world".

## ...and *Local Development*?

The concept of **local development** refers to a particular form of social and economic development that takes place in a **specific territory** in which “local” factors are the principal bases for economic and social growth.

From a sociological point of view, by “local factors” we mean the *socio-cultural and behavioural attributes of the local population related to the development process*.

The boundaries of the territory are not established (it is not necessarily a municipality, a county, a province or a region), but they are the result of a system of actors that carries out a development strategy together.



Generally speaking, **central institutions** carry out *three* types of *interventions*.

- 1. Stabilization**, i.e. reduction of uncertainty in the economic system, seen, for example, in the stabilization of prices, salaries, public expenditure, etc...
- 2. Regulation** through the elaboration of corporate law, legislation related to the market and labor relations and every other type of normative intervention.
- 3. Promotion** of initiatives and projects that require mobilization of major resources (eg: R&D, education, etc.). These actions create generally diffused benefits through large enterprises.





But, what happen at local level?

Theoretically, thanks to direct contact with the local community, **local institutions** are responsible for *promoting* and *stimulating* local level activities and *ensuring* the participation of various local actors.

The action of **local institutions** must not be limited to providing 'rules of behavior', but must also provide direct support to economic activity.

**Local institutions** must create *cooperation* between local actors and *support* innovation processes that experience, technological change and markets constantly require.

## E.g. of local institutions:

- *Local Public Administration;*
- *Educational structures of the area:* thanks to their proximity to the local economy, are able to bridge the gap between schools and the world of work;
- *Trade unions:* that address the requests and expectations of their own members;
- *Local financial institutions:* which provide small enterprises ready access to capital thanks to trusting relationships within the local community.;
- *Non-profit Organizations, Not-for-profit organizations,* which aim to produce goods and services of general interest

In order to produce **economic** and **social development**, *local institutions* must:

- 1) spread *knowledge*, encourage *trust* and create *coordination* and *cooperation* among different local actors, through a continuous adaptation to economic and social changes of the environment;
- 2) provide “rules of behavior” and enforce “formal” rules in order to coordinate individual actions;
- 3) offer direct support to economic activity, create public collective goods, both immaterial (i.e. education) and material (infrastructures and services) according to the demands of the local system and preserve the historic and socio-cultural heritage of the local community.



*Local institutions* must to be able to establish a new type of relationship between the center and periphery, that produces transparency and the possibility of systematic learning

*Local actors* (residents, associations, private organizations, local administrative institutions) must use their specific knowledge for planning suitable solutions to the necessities of the local reality.

It is important to strengthens the responsibility of the local system through the participation of citizens in decision-making processes



## **Local institutions** must to

- promote professional training,
- foster processes of learning by doing,
- extend the division of labor between enterprises
- have the ability to promote and to sustain processes of collective action.

The emergence of a specific socio-institutional environment is the result of a long-term cumulative process with *historical*, *cultural*, and *traditional* specificities, but it is also the result of recent history and political factors

The **development** of local areas, despite being influenced by the local culture and by the local environment, is not necessarily conditioned by them.

Although **local actors**, through the culmination of decades of local history and traditions, have internalized particular strategies, behaviors and ways of relating to one another, **they** are still able to act to change the local reality.

**Local Actors** are not passive spectators, but rather, **they** purposefully act, communicate, interpret and manage situations to overcome *path dependence* and influence the future institutional framework.



The **local development** depends not only on the presence of local *economic resources*, but also on *social* and *institutional factors*, such as:

- propensity to entrepreneurship;
- level of human capital;
- existence of social networks;
- quality of public policy.

The **local development** depends on the ability of **local actors** to implement initiatives aimed at recognizing the economic value of the local resources and on the ability of **local institutions** to build **cooperation** among the different local actors.

There are many reasons to **cooperate**:

- to reduce *risk* (Aloysius, 1999);
- to reduce *collusion* (van Wegberg, 1995);
- to reduce production, transaction and coordination costs (Williamson, 1985, 1987 e 1998; North, 1994);
- to *strengthen* the network economy (Katz&Shapiro, 1986; Economides, 1996);

Cooperation is also influenced by **exogenous factors** such as *public policies* and the presence of *institutional incentives* that change “the rules of the game” (e.g. LEADER initiative)





**Cooperation** and **collective action** are considered important elements in **local development**, however, problems emerge when identifying the instruments through which it is possible to generate or renew

«bottom-up cooperation between partners who are initially **distrustful** and hesitant to collaborate due to the risk of **opportunistic behaviours**, in this way serving as catalysts of a process of convergence that makes reciprocal recognition between actors and transition towards organizations built upon the realistic pursuit of shared outcomes possible»

**Local development** may be guided by *local institutions* (both public and private) and targeted *public policies*, as long as these are able

- to inspire *participation* from the local population and different local actors and to encourage *cooperation* and build *trust* within the local community;
- to promote *cooperative ventures* that rely upon agreement between actors in return for some positive outcome for each participant, which could be some economic or social goal or potential for synergy;
- to mobilize a *coalition of interests* that integrate the different sectors present in the territory in order to improve the economic and social quality of a local area or a under-privileged groups in the area.

# The Cooperative Movement in Trentino



**Market shares**

90% agriculture,  
65% credit (Casse Rurali),  
38% consumption (Famiglie Cooperative)

## Some Consortiums

### Agricultural sector



### Consumer sector



### Credit sector



### Labour sector



### Housing sector



### Social sector



## AGRICULTURAL COOPERATIVES

• Fruit and vegetables

32

• Dairy

18

• Services

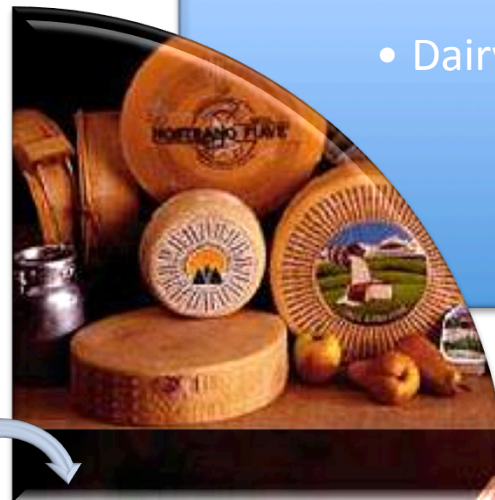
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• Zootechnical

2

• Wine producing




19



90%

91 Coops



-  Dairy
-  Wine prod.
-  Fruit & Veg.



## Numbers of firm and surface

Classe di SAU	Provincia di Trento			
	Aziende	%	SAU	%
< di 1 ettaro	11.703	56,38	5.042	3,57
1 -2	3.231	15,57	4.281	3,03
2-5	3.641	17,54	11.193	7,93
5-10	1.110	5,35	7.520	5,33
10-20	427	2,06	5.676	4,02
20-50	357	1,72	10.946	7,76
oltre 50	288	1,39	96.471	68,36
<b>TOTALE</b>	<b>20.757</b>		<b>141.129</b>	

*Fonte: Database ISTAT*

(SAU: utilized agricultural surface)



## ORTOFRUTTICOLO

### CONFERIMENTO

500 milioni di kg. mele +  
11 milioni di kg. piccoli frutti,  
ortaggi, patate, mais

**511 milioni**  
di kg di ortofrutta

### LIQUIDATO MEDIO

Settore mele

**0,35**  
euro/kg

su 2011

**-24%**



## LATTIERO

### CONFERIMENTO

**115 milioni**  
di litri di latte

### LIQUIDATO MEDIO

Produzione a grana

**0,63**  
euro/litro

su 2011

**-5%**



## VITIVINICOLO

### CONFERIMENTO

**1,14 milioni**  
di quintali di uva

### LIQUIDATO MEDIO

**85,12**  
euro/quintale

su 2011

**+8%**

## SOCI

**7.187**

Vitivinicolo

**5.084**

Altre  
cooperative

**20.321**  
(-322)

**911**

Lattiero

**7.139**

Ortofrutticolo

Tra parentesi la differenza con il 2011

## DIPENDENTI

**930**

Vitivinicolo

**137**

Altre  
cooperative

**2.726**  
(-51)

**333**

Lattiero

**1.326**

Ortofrutticolo

## FATTURATO

**410 mln**

Vitivinicolo

**61 mln**

Altre  
cooperative

**983 mln**  
(-2,5%)

**121 mln**

Lattiero

**391 mln**

Ortofrutticolo

centimetri





FRUIT & VEGETABLE



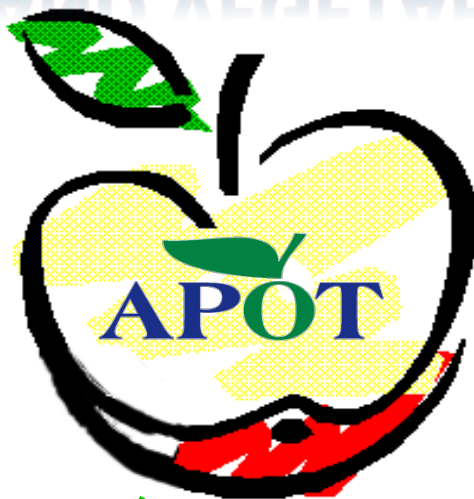
# FRUIT AND VEGETABLES



*Consorzio Melinda*

C.F.C.	S.C.A.F.
C.O.B.A.	S.F.C.
C.O.L.	U.F. COREDO
C.O.CE.A.	U.F. RALLO
CO.F.S.A.C.	UNIFRUTTA
CONS.DEL CONTA'	
COOP. A.V.N.	
CONS. TERZA SPONDA	
F.A.T.	
S.A.B.A.C.	
S.A.R.C.	

***n.16 cooperatives***



*A.P.A. Sant'Orsola*

***n.1.375 members***



*Consorzio La Trentina*

CO.F.A.V.  
S.F.T.  
ALPEFRUTTA  
VALLI DEL SARCA

***n. 5 cooperatives***

# DAIRY SECTOR





# DAIRY

## GRUPPO FORMAGGI del TRENTINO

*Gustatevi il nostro mondo*

  
**TRENTINGRANA**

  
**PUZZONE di MOENA**

  
**VEZZENA di LAVARONE**

  
**CASOLET VAL di SOLE**

  
**FONTAL di CAVALESE**



  
**CUOR di FASSA**

  
**TOSELA di PRIMIERO**

  
**AFFOGATO di SABBIONARA**

  
**latt Trento**





# WINE SECTOR

# WINE PRODUCING





Carne



Legname



**B-TIMBER**

Vino



MEZZACORONA



Barbafelle



Trota



Fragole  
e piccoli frutti



Formaggio grana



Fondazioni speciali



Olio extravergine



Filo zincato



Software



Canada



Stati Uniti



NordAfrica



Algeria



Tunisi



Libia



Egitto



Arabia Saudita



Cile



Brasile



