Emerging topics in Italy: The Territorial Capital value

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| 1  | COHESION         |
| 2  | COMPETITIVENESS |
| 3  | SUSTAINIBILITY  |
| 4  | TERRITORIAL DIVERSITY |
| 5  | INCLUSION       |
| 6  | EQUITY          |
| 7  | **TIA**         |
| 8  | SOCIAL INCLUSION|
| 9  | TERRITORIAL COHESION |
| 10 | **INNER AREAS, INTERNAL AREAS** |
| 11 | TERRITORIAL CAPITAL |
| 12 | GREEN ECONOMY   |
| 13 | PRODUCTIVITY    |

**Organization chart of the CONCEPTS**

- **General TARGET/OBJECTIVE**
- **starting conditions**
  - territorial diversity
- **inspiring principles**
  - sustainability
  - green economy
- **cohesion condition**
  - equity
  - inclusion
  - social inclusion
- **territorial capacity**
  - competitiveness
  - productivity
- **strategic approach**
  - territorial cohesion
  - ... place based

analyzed by **TIA model**

inner areas

internal areas
General TARGET/OBJECTIVE

COHESION

starting conditions
- territorial diversity

inspiring principles
- sustainability
- green economy

cohesion condition
- equity
- inclusion
- social inclusion

territorial capacity
- competitiveness
- productivity

strategic approach
- territorial cohesion
- place based

analyzed by TIA model

inner areas
internal areas
1 the Territorial Capital concept
   • in literature
   • in programming documents

2 an own definition of the concept

3 for a measure of territorial capital

4 identification and selection of indicators (by the local unit)
   and verification of their measurability

5 examples of regional ex ante data by some maps
THE TERRITORIAL CAPITAL CONCEPT: A SYNTHETIC REVIEW

in literature
- in economic studies
- in territorial studies («territorialist» approach)

in programming documents
- at international scale
- at national scale
- at local scale
Studies on endogenous development (milieux innovateurs, industrial districts, production clusters) have paid great attention to the intangible components of what was subsequently called territorial capital, investigating in particular:

- social capital (Bourdieu, 1984; Coleman, 1988; Putnam, 1993; Gidwani, 2009),
- relational capital (Camagni, 2004; Fratesi e Senn, 2008),
- cognitive capital (Foray, 2000; Storper, 2003; Camagni e Capello, 2002).

The broader concept of territorial capital made its appearance in economic studies, starting from the second half of the 2000s (Camagni, 2008, 2009; Capello, Caragliu and Nijkamp 2009; Affuso and Camagni, 2010; Fratesi U., Perucca G., 2014), after the first statements elaborated by the OECD (2001) and the European Union (Farrell et al, 1999; Ec, 2005).

Territorial capital is read, in this context, as a localized system of economic and technological externalities, of production activities, of knowledge, skills, traditions; of relations of proximity, of cultural elements and local identity values, of rules and practices of governance. A concept therefore that «unifies all those diversified assets that can guarantee attractiveness and well-being competitiveness to a territory» (Camagni and Dotti, 2010).
The authors consider territorial capital as «a localized set of common goods that produce collective advantages that are not divisible and cannot be appropriated privately» (ibidem, p. 27).

The components of this set have three joint characteristics:

- **Immobility**: they are permanently incorporated in certain places
- **Specificity**: they are difficult to find elsewhere
- **Assets**: they accumulate and settle only in the medium-long term.

Also grouped into four classes that represent the local endowment of common goods:

1) **Passive endowment** (1-2-3)
   - Conditions and resources of the natural environment, including geographical location;
   - Historical-cultural heritage, both material (monuments, landscapes, etc., and immaterial (languages and dialects, traditional knowledge, etc.)
2) **Active endowment** (4)
   - Fixed capital accumulated in infrastructures and plants, considered as a whole for the externalities deriving from it;
   - Relational goods (Storper, 1997) incorporated into local human capital, such as local cognitive capital, social capital, cultural variety, institutional capacity
She proposes replacing the concept of T.C. that suffers from utilitarian vision of the territory and its resources with the concept of **TERRITORIAL HERITAGE** «a useful fertilization between the terms of heritage (Choay 1995), territorial capital (Oecd 2001) and territorial resource (Corrado 2005; Gumuchian, Pecquer, 2007)».

In this perspective the territorial heritage is recognized, «a value of existence in itself, because it includes the non-negotiable identity values and the intrinsic rules of building an asset that the inconsistent use could destroy» (*ibid*, p. 128).

According to the Author, the territorial heritage, although existing beyond the start of capitalization processes, «can be the basis and at the same time the driving force for the strengthening of the identity and the economy of a local context» (*ibid.*, p. 129). To this end, a «proactive capitalization» is needed that does not end with the use and economic enhancement of the territorial resource, but relates the binomial territorial resource - territorial identity and, in doing so, it creates territorial added value and new opportunities for the local community.
According to Farrell (1999), «the territorial capital represents all of the elements available to the area, both tangible and intangible, which in some respects constitute assets and in others constraints. Each area endeavours to find its place by focusing on access to markets, its image, its potential to attract people and businesses, its ability to renew its governance» (ibidem, p. 19)

It is a dynamic concept related to the bid for territorial competitiveness and to the territorial project concept (the area’s capital depends on how people see their future).
The concept of territorial capital refers to the set of territorialized resources - unique assets -, which can be used to initiate endogenous development paths and reach higher levels of productivity, competitiveness and well-being.

Three main categories of assets (OECD, 2001, p. 15):

1. **tangible assets**
   - such as the area’s geographical location, size, endowment, climate, traditions, natural resources, quality of life, agglomeration economies, industrial districts, business networks

2. **no market interdependencies**
   - such as understandings, customs and informal rules enabling actors working together, solidarity, mutual assistance

3. **intangible factors**
   - something in the air” which is the outcome of a combination of institutions, rules, practices, producers, researchers and policy-makers that make a certain creativity and innovation possible
In the document the Commission recognizes that «each region has a specific territorial capital that is distinct from that of other areas and generates a higher return for certain kinds of investments than for others, since these are better suited to the area and use its assets and potential more effectively. (...) Public policies aimed at promoting territorial development and limiting disparities should first and foremost help areas to develop their territorial capital and to maximize their competitive advantage» (ibid., 2005, p. 3)
In the report there is no explicit reference to territorial capital, but the new place based paradigm proposed by Barca focuses on the recognition of the specificity of places («one size does not fit all», (ibid., p. 25) and on the need to direct public action towards targeted interventions, aimed «at tackling persistent underutilisation of potential and reducing persistent social exclusion in specific places» (ibid., p. VII).

«Places – according to Agenda (ibid., p. 5) can utilize their territorial capital to realise optimal solutions for long-term development, and contribute in this way to the achievement of the Europe 2020 Strategy objectives».
The document refers to the «unused territorial capital» present in the internal areas, read as a «measure of the development potential» of these territories.

The following components are included: «natural, cultural and cognitive capital, the social energy of the local population and of potential residents, the productive systems (agricultural, tourism, manufacturing) » (ibidem, p. 11).
### Analyzed documents

<table>
<thead>
<tr>
<th>Programming and planning documents</th>
<th>Territorial area</th>
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<tbody>
<tr>
<td>RDP (Rural Development Program) Basilicata ERDF 2014/2020</td>
<td>Basilicata Region</td>
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<td>Provincia Potenza</td>
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<td>Cosenza Provincia</td>
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<tr>
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TERRITORIAL CAPITAL:
OUR DEFINITION
Towards a shared definition of Territorial Capital

Territorial conditions / specificities that must be usefully activated to implement territorialized and place-based policies
For a MEASURE OF TERRITORIAL CAPITAL: the analytical dimensions
For a measure of territorial capital: the analytical dimensions

**Farrell et al., 1999**

Eight components identified
1. physical resources
2. human capital
3. cultural and identity
4. competence and know-how,
5. management of public affairs and financial resources
6. activities and companies,
7. markets and foreign relations,
8. image and perception

**Franzato, 2009**

The analytical components of the territorial capital are traced back to 4 pillars
1. environmental components
2. economic components
3. social components
4. symbolic cultural and identity components

**Camagni e Dotti, 2010**

Seven components considered
1. productive component
2. cognitive component
3. social component
4. relational component
5. environmental component
6. settlement component
7. infrastructural component

**RegiosS Report, 2012 (Brasili)**

1. productive capital
2. cognitive capital
3. share capital
4. relational capital
5. environmental capital
6. settlement capital
7. infrastructural capital
8. human capital
IDENTIFICATION AND SELECTION OF INDICATORS by the local unit

and

VERIFICATION OF THEIR MEASURABILITY
This phase was characterized by the search for specific indicators able to:

be **useful** in relation of the 4 selected **DETERMINANTS** (in PRIN model)

*but..most of all*

be **MEASURED** at the level of NUTS2 and NUTS3
interesting indicators for the measurement of territorial capital

but..

not (adequately) measurable

Example:
index of centrality of the cultural heritage of the municipalities
(Provincial structural Plan of Potenza, 2013)

\[ \Sigma (Pc \times 100/p) \]

\(Pc\) = number of elements by type of cultural heritage present in single municipality

\(P\) = provincial total for each province

expressed in 4 classes (high, medium high, medium low, low)
<table>
<thead>
<tr>
<th>Cod.</th>
<th>Indicatore</th>
<th>Struttura indicatore (metodo di calcolo e/o specificazioni)</th>
<th>Nome fonte</th>
<th>Note</th>
<th>Scala geografica</th>
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<tbody>
<tr>
<td>82</td>
<td>Map 22</td>
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<td>Print 2012</td>
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**Note:**
- code
- indicator
- indicator structure (calculation method and / or specifications)
- map number
- data source
- note
- geographical scale
- year
5

Regional ex ante date: maps and comments
Involvement of all public and private actors in research and innovation processes

**Technological Nazional Cluster**

1. Aerospazio
2. Agrifood
3. Chimica verde
4. Fabbrika intelligente
5. Mezzi e sistemi per la mobilità di superficie terrestre e marina
6. Scienze della Vita
7. Tecnologie per gli ambienti di vita
8. Tecnologie per le Smart Communities

**MODELS OF PUBLIC-PRIVATE COLLABORATION**

Characterized by a high level of internationalization
IG23 Abbandono scolastico

school dropout

represents a strategic indicator for

- assessing the quality of human resources in a territory
- promoting inclusive growth

the Europe 2020 Strategy on education has among its objectives the reduction of ELET (18-24 years) below the threshold value of 10%
Sug23 Imprese *manifatturiere*

*manufacturing companies*

measures the proactivity of the local system

*(number of local units of manufacturing enterprises in reference to the active population)*
Conclusions and some policy suggestions

poor \textit{(institutional)} awareness of the theme detected in:

- poor presence in the programmatic documents
- little reference to measurability

need to provide a cognitive framework to support policy makers towards policies suited to territorial need and place based oriented
Thank you

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