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Regional strategic development planning: The Sicilian case

Salvo Creaco – University of Catania, Italy \*

Giulio Querini – University “La Sapienza”, Roma, Italy

*Abstract.* In Sicily, the regional planning issue is not only linked to its Special Statute in financial matters. The essential economic, social and territorial features of the Sicilian reality within both the Italian and the Mediterranean context also determine the exigency that resource allocation should rely on planning methods. The Sicilian decentralised decision-making process introduced since 1978 is consistent enough, from a theoretical point of view, with the appropriate procedures of project appraisal and planning outlined in the prevailing literature. As we look at the practical application of such a process, the conclusions that can be drawn from the acquired experience are less encouraging. If the failure of efficient regional planning is linked to a variety of political, institutional, legislative, administrative, financial and economic reasons, one must take into consideration these knots if the intention is to make the new planning procedures benefit from the previous experience.

e-mail: [creaco@mbox.unict.it](mailto:creaco@mbox.unict.it)

## 1. Introduction

1.1 In mixed economies, frequently characterised by sharp movements towards complex and articulated paths of developments, the rational allocation of scarce resources among competing uses has become one of the major concerns of regional policy. Thus, in one country after another, in an attempt to alter the allocation of resources in favour of patterns deemed to be more desirable than those which result from market forces in the prevailing institutional setting, regional planning has introduced a whole range of analytical instruments aimed at achieving what have been defined as the “conditions of efficiency”.

In Sicily, the planning issue assumes a very important role for two reasons at least. The first motive is associated with the provisions of the Regional Special Statute in the financial field. With reference to the expenditure side of the budget, the Statute establishes that the financing of the Region is ensured through both “own” receipts and State transfers. With regard to “own” receipts of a tax nature, the principle adopted is that of source separation between central and regional finance. According to this financing system, with the exception of those taxes expressed by the second codicil of article 36 of the Statute, the Region replaces the State as active subject of tax relations. The Statute, therefore, attributes a wide and sovereign fiscal power to the region in conjunction with both the normative, administrative and tax profile and the individuation of the tax base. Moreover, the financing system outlined by the Statute introduces a grant from the Italian state aimed at a gradually more equal distribution of income and living standards compared with the national average, with the only generic constraint of resource utilisation according to a plan in the public works field. The financing system of the Sicilian region is completed by the statutory regulations that attribute the power of issuing internal loans (article 41) and that define the competencies regarding the customs regime (article 39) to the Regional Government. Finally, since the financing tools expressed by the Statute are not deemed to be exhaustive, Sicily also benefits of other revenues that are common to other Italian regions as well. So, the Region takes part in the distribution of: the Fund for the financing of regional development plans; the Fund concerning health assistance; other numerous financial allotments from the Italian State and other institutions.

As regards to the receipts of exclusive competency of single entities, the differences between the Sicilian financing system and that of other regions, of both ordinary and special statute, are relevant. For instance only Sicily benefits from almost all tax receipts yields. Moreover, only Sicily benefits from the Fund of National Solidarity, which represents an additional State transfer. Particularly, with respect to special statute regions, the main differences lie in the tax field in relation to both the allotment of competencies and the distribution of tax yield. As far as the differences between the Sicilian financing system and that of ordinary statute regions, it is sufficient to remember that these diversities are relevant to both a formal and a substantial point of view. The above normative and institutional differences largely affect both the quality and quantity of the financial resources made available to Sicily. In fact, the Region, having a surface of 8,53% and a population of around 9% of the national total, in terms of competence, during 1998 obtained receipts which were equal to about 12% of all receipts received by Italian regions, with a slightly larger percentage (around 12,50%) of the corresponding expenditure. From the expenditure budget side, this peculiarity assumes a still greater relevance, if we take into account the fact that the Special Statute assigns the responsibility of a wider set of functions of the plan's overall economic and social strategy to Sicily than to other Italian regions.

1.2 In Sicily, the regional planning issue is not only linked to its Special Statute in financial matters. The essential economic, social and territorial features of the Sicilian reality within both the Italian and the Mediterranean context also determine the exigency that resource allocation should rely on planning methods. In fact, studies of development processes throughout the continent reveal that the promotion of regional development in the South, and especially of those regions, which even during the expansion period proved to be unable to establish autonomous development mechanisms, still remains the most serious problem for Italian society and its economy. Just like all the rest of the Mediterranean region, Sicily is afflicted by the shortage of three fundamental types of service infrastructure: economic development, quality of life, and public government, which are all crucial if economic and social growth in a post-industrial society have to be guaranteed and European economic and social cohesion favoured. The evolution of the Sicilian economy in the nineties shows a return to the dualistic character of the national system with a clear

accentuation of internal disparities, so pointing out the principal elements of its structural weakness (Ars 1999).

The first evident aspect of this structural weakness regards the rate of the growth of the gross internal product. Even though, until 1991, this rate had been in line with both national and southern evolution, since that year it seems to have registered the negative effects of the economic crisis in a wider measure, so appearing to be much more vulnerable to the different contingencies both of an institutional and an economic type. Because of these dynamics, the difference between the Sicilian per-capita product level and that of the rest of the Country is greatly worsened, dropping from 69% in 1991 to 64,1% in 1996, showing a slight improvement only until 1998 (65,2%). In comparison with the Southern average, the recovery of the recent years led the difference at the level registered at the beginnings of the nineties (98,2%). The modest dimension of the productive structure represents the second element of weakness in the regional macro-economic context. During 1990-1995, investment registers a cut of -24,5% in Sicily, when compared to -8,6% in Italy and -21,4% in the South. The rate of regional accumulation, given by the share of fixed gross investment vis-à-vis the gross internal product, has dropped to lower levels since 1994, after a ten-year period of constant superiority. A third negative aspect is constituted by the sectorial specialisation. In fact, Sicily manifests a modest presence of the industrial sector in a strict sense and an excessive incidence on the share of both product and employment of the public sector. On the other hand, the percentages of the agricultural and building sectors and the growing diffusion of sale services, which contribute to almost half of the whole regional gross product, are in line with national trends. The unbalance of the labour market represents the fourth weak point of the Sicilian macro-economic context. During the nineties the rate of regional activity, given by the percentage between the labour-force and the population older than 14 years, registers levels lower than both the national and the southern average, so giving credibility to the hypothesis of a conspicuous hidden and black work. Sicily's dependence on foreign countries represents another weak point of the regional structural framework

On the contrary, in recent years the anagraphical dynamics of firms show positive signs. This aspect is however linked to the modest average dimension of firms, equal to 4.3

workers for each local unit within the service sector. With respect to this figure it is helpful to remember that the corresponding national and southern average values are, respectively, 8.4 within the industrial sector in strict sense and 2.2 and 2.7 within the service sector. Sicilian firms also register an average of total sales, which is lower than the national one, the latter being lower than the average total sales registered by firms in the rest of Europe. An immediate consequence of such a reduced dimension of the firms is a relevant gap in productivity. In 1995, the value added per capita of the working force in industrial transformation products was higher than that of the national average only in 4 sectors (chemical and pharmaceutical, means of transport, food and the publishing trade) placing itself at an average level of 88.5% on the national scale. The productivity gap is even greater in the services sectors standing at a level of 70.8% on the national total and inferior in all these sectors to an 80% level in all the principal divisions of the tertiary sectors with the exception of banking and insurance (which reach a level of 86%).

1.3 Since Sicilian planning must not only face the challenges presented by the complexities of any regional system, but also those which arise from the specific complexity of its own development problems, a relevant question thus is the one which asks for an explanation of how the problem of regional planning arose and why it has remained a critical issue in Sicily. Before stating the main aspects of this matter, it should be made clear that the “regional space” considered here does not refer to any empirically determined subdivision of the national territory, but is rather the present geopolitical component of the Italian Republic, which according to its constitution is subdivided into Regions, Provinces, and Communes. The Sicilian region, since its foundation in 1946, is a Special Statute Region, furnished with a juridical personality, within the political unity of the Italian State. The organs of the Region are the Regional Assembly, the Executive Board, and the President of the Region. The Assembly practices the legislative functions, which are attributed to the Region. The President of the Region and the Executive Board constitute the Regional Government. The President is the Head of the Regional Government and represents the Region; he also represents the national government in the Region.

## 2. Regional planning in Sicily: The first experiences

2.1 The debate on regional planning precedes and accompanies the birth of the “autonomist” period. During the period, 1943-1947 of the experience of autonomy, the “First five year draft of a five year (1946-1950) plan” (*La Loggia Plan*) was prepared by taking into account the utilisation of the funds of article 38 of the Statute. The next was the “Five-year plan for Sicilian economic and social development 1956-60” (*Alessi Plan*), which was aimed at creating in the Region a point of reference for two big planning strategies which were then being carried out on a national level: the “*Vanoni Plan*”, whose principal purpose was to point out possible ways and means for solving the sectorial and regional unbalances of the national economy, and the public works Programme of the Southern Italy Development Agency (*Cassa per il Mezzogiorno*). The indefiniteness of the *Alessi Plan* led to the drawing up of the “Plan for Sicilian industrial development” between 1958 and 1959 (*Battelle Plan*) which had the intent of becoming a means to accomplish the suggestions found in the previous planning document and to bring about a sectorial specification of the latter.

2.2 Starting from 1962 the Region felt the need to gear itself in the best way possible to be able to run a planning policy and, to reach this aim, it instituted the “Councillorship for economic development” as an integral part of its government and of its functioning order. This Councillorship was attributed with all those functions related to both economic and territorial planning. It follows that, this new interest towards planning methods, which is strictly linked to the growing consensus on the need of the implementation of a planning strategy at a national level aimed at the elimination of regional unbalance, has given rise to the formulation of planning documents (not always and not all of which are transferred to official schemes), labelled through the names of the Councillors responsible for the regional economy. For this reason the “Project for an economic development plan of the Sicilian region for the five-year period 1966-1970”, which was drafted twice: in 1965 (*Grimaldi Project*) and in 1967 (*Mangione Project*); and subsequently the 1974-1977 development plan (*Tepedino Plan*) came to life.

The overall logic of these planning documents is essentially of a macro-economic nature; they established at source the variations of the regional income and made this objective the focal point around which sectorial politics as well as those linked to the

utilisation of the territory would rotate so taking for granted the evolution of a number of variables on which the Region could more often exert no influence whatsoever. The comparison between the quantitative targets of the regional plans and the actual performance of the Sicilian economy during that period is a paramount example of the futility of such planning exercises. On the whole, in the first thirty years of its autonomist experience the Sicilian region distinguishes itself for the formulation of numerous planning documents. Even though the latter were sometimes worthy of praise as far as regards a methodological and scientific effort, they never matured to reach a conclusive legislative approval, ending up in a merely simple exercise of an academic nature. The suppression of the Councillorship responsible for the regional economic development and the creation of the Regional Direction for Planning as a technical support organism of the Presidency Councillorship put an end to the first stage of the regional planning design in the wider perspective of the medium term.

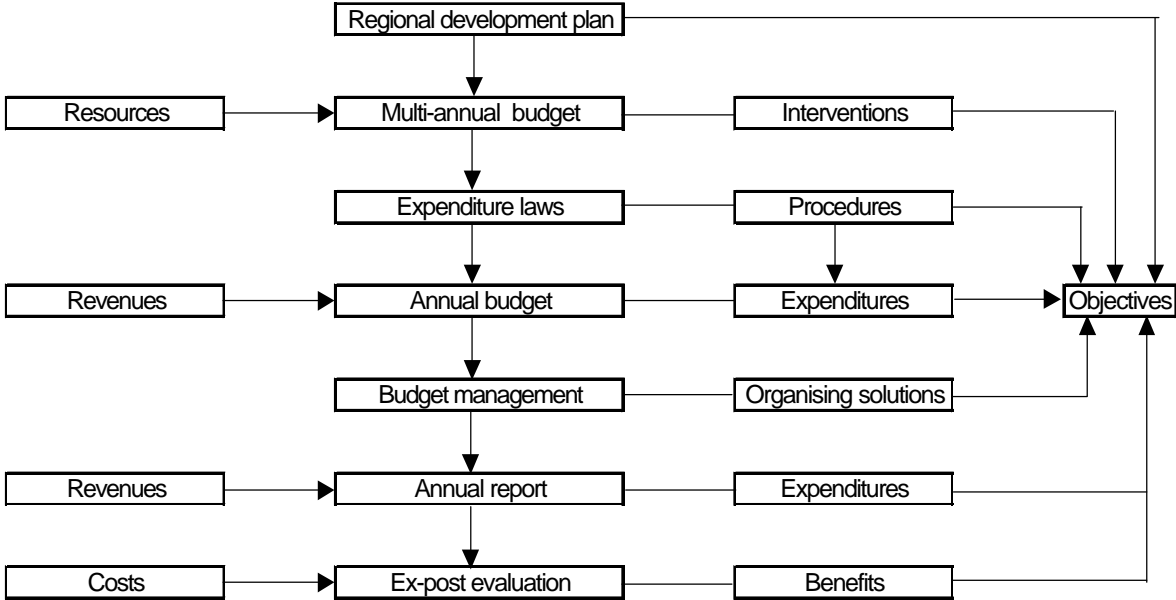
### 3. The second stage of regional planning in Sicily

3.1 In the mid seventies, due to the failure of the attempt at a global programming which had characterised the previous experiences, the most note-worthy tasks of intervention in the socio-economic field were assigned to sectorial planning. A typical expression of this new approach of economic policy is the enacting of a wide-ranging group of measures which, though being of a sectorial nature and not being endowed with an immediate link between one another they all refer to the planning activity of the Region.

During the same period in which this general relaunching of this sectorial, regional programming takes place even the reform of the local government in Italy is started off. The regional model which results from law 382/1975, and the corresponding implementation decrees of 1977 are also significant in so far as they introduce planning as a systematic method of economy government. Added to the generic reference to planning as a method of the development of political-administrative activity we find the introduction of a new body of legislation as far as the budget and the accounting for the bodies of the public sector is concerned. The institutional modifications in the procedures and in the tools of public administration of the economy outline, in fact, a functional link between budget projections

and planning goals, which represents in itself the paramount example of the attempt of applying, within our institutional context, a system of programme budgeting, which seeks to establish the goal and the objectives for each major area of an organisation’s operations. As far as the regional level of government is concerned, the national law 335/1976, called “General principles and co-ordination rules of regional budget and accounting” introduces a rational model based on a strict linkage between the economic and social development plan and the multi-annual budget. This link is illustrated in Figure 1.

Figure 1 The rational model of Italian regional planning



In this model, the regional plan for economic and social development establishes the general goals of regional activity in the short and medium term, and therefore the fundamental choices of regional economic and social policy. The multi-annual budget, linked to the regional development plan according both to content and expiry date, provides the quantification of the financial resources to be obtained and spent on the basis of both the actual State and regional law provisions and the foreseen new legislative measures. Every year the multi-annual budget integrates the annual budget, of which it represents an attachment, so renewing and extending its financial projections in order to restore the multi-annual horizon of reference according to a principle, which is of a “flowing” type from year to year. Expenditure laws are defined in such a manner so as to reduce the formation of



expenditure arrears and to improve the process of resource allocation. The annual budget, in its more complete and complex formulation, drawn up not only in terms of credits and debts incurred in the fiscal year (*competence budget*) but also in terms of receipts and payments (*cash budget*), while taking into account the resource shares that the multi-annual budget foresees for that financial year, provides for the quantification of the expenditures to be realised within a particular financial period. The management of the annual budget permits the individual spending subjects to be directly responsible in ensuring not only that the obligations they incur, are legal according to authorising and appropriations' legislation but also that the most effective and efficient projects are selected, integrated into a comprehensive programme, and implemented, so relating the total cost of each project to the total benefits that would be derived from their implementation. The control of the state of progress and the results of the projects make it possible to adjust general goals, objectives, budgets and programs, according to a circular flow model of the political decision-making process.

3.2 Since law 335/1976 is a framework law, ordinary statute regions should have assimilated the expected optimised model of allocation and then adapted it to the specific institutional situation. As far as the Sicilian Region is concerned since it has an exclusive legislation on budget-matter it was not obliged to assimilate the fundamental principles introduced by law 335/1976 in its financial system. While acknowledging, however, the serious limitations of its own legislative body, the Region had, nevertheless expressed the wish that a great part of the principles expressed in the national law be assimilated in its own system (Ars 1977). In fact the Sicilian Region enacted the regional law 47/1977 on budget-matter inspired by the principles which underlie the national one.

The planning design of the regional law reproduces the framework outlined by the national discipline quite substantially; it detaches itself from it, however, especially with regards to some significant elements. This detachment is evident, among other things, in the regulations which introduce even the *cash budget* next to the *competence budget*, just as in the fact that severe regulations are not provided for as regards to the control and the auditing of the economical-financial aspect of plans and projects started off in conjunction with the aims to be pursued. The model of the allocation of resources was completed by the

enacting of the regional law 16/1978, entitled “Regulations for regional planning”, which controlled those aspects which are linked to social-economic planning

3.3 Since 1978, therefore, Sicily has started the first “official” attempt of public intervention in the field of resource allocation aimed at ensuring strict links between planning objectives and budgetary management. Key subject of this planning mechanism is a new organism, the Regional Committee for Planning, formed by 27 members: 15 nominated by the Regional Government, after a proposal of the President of the region, among experts in disciplines of economic planning; 6 nominated by trade unions; 3 nominated by employers’ associations of the industrial sector; 3 nominated by employers’ associations of the agricultural sector. In fact, the Committee’s main task is the formulation of both the Regional Development Plan and all other “outlines” of annual and multi-year regional planning which are catered for by the legislation in force and by national and Community prescriptions. For this purpose, before the formulation of the “outline” of the regional plan, the Committee also prepares a “document” containing both lines, principles, objectives and frameworks of land limits, that is transmitted to territorial local entities (Communes and Provinces), which can then transmit their comments to the Committee. As regards the term of office, it is foreseen that the members of the Committee elected in the first enforcement of the law remain in office not for a period of five years but only until the end of the legislation existing at the time of the enactment of the law itself. Other subjects of the planning mechanism are the Regional Assembly, that approves the Plan by means of a law; the Regional Government that deliberates on the Plan on the base of the “outline” formulated by the Regional Committee for Planning; the President of the Region, that presents the Plan to the Assembly; and the Regional Direction for Planning, that carries out technical functions, administrative and support activities, while also ensuring the accomplishments that are indispensable for the correct running of its tasks.

From an institutional point of view, the relations between the Regional Committee for Planning and the Regional Government are both original and new. But why did this different way of resource allocation only start in the second half of the Seventies? Both at national (*historic compromise*) and regional (*autonomist solidarity*) level a period of deep changes occurs, characterised by both the Communist Party’s support of the Government and the

growing awareness that only a wide consensus on the necessity of a planning strategy implementation aimed at the elimination of territorial unbalances could guarantee the acceptance of new procedures for the management and control of public expenditure. In Sicily, the quest for new mechanisms aimed at favouring wider parliamentary majorities, including not only political subjects but also social and productive forces, just led to the introduction of the Regional Committee for Planning, with its extremely varied composition, within the whole process of resource allocation.

However, when compared to national events, the regional law was enacted in Sicily just at the time in which the political equilibrium that should have been aimed at giving it support and concreteness had already been shaken and was showing worrying signs of laceration. That is why the Regional Committee for Planning, which is also chaired by the President of the Region, ends up by expressing a different political majority. It often issues strategies and goals that are not in line with those expressed by the Executive Body. As a result, the Regional Government tends to consider the Committee more and more not only as a technical support organism but rather as a political counterpart, which has different interests and objectives from those expressed by the government coalition. The withdrawal of the Communist Party from the government majority concluded the “autonomist solidarity” stage. A short time after, the legislature that had enacted the regional law 16/1978 ended as well (April 1981). The changed political context didn't allow the constitution of a new Regional Committee for Planning. The absence of the key subject of the whole design aimed at a more effective regional development policy had an unavoidable outcome: in the next period there is no trace of the foreseen link between planning objectives and budgetary management.

#### 4. The re-emergence of the planning question

4.1 The failure of the planning design outlined by the regional law, on one hand, and the confirmed indispensability of planning methods in the execution of its political and administrative activities, on the other, led ten years later to the enacting of the regional law 6/1988, containing “Planning implementation in Sicily and institution of the Regional Council for Economy and Employment”. The main objective of this discipline was to

introduce adequate changes within previous regional planning, in order to permit an effective formulation of both the regional development plan and other planning tools aimed at the implementation of sound projects and interventions.

Linked to the above-mentioned objectives, the initiative and the deliberation of the planning instruments are deemed to be the competence and the responsibility of the Regional Government so as it may also ensure the intervention between the two phases of an organ endowed with its own institutional attributes (Regional Council for Economy and Employment), with the aim of allowing a functional and appropriate moment of reflection for an organism made up of such a heterogeneous group, and therefore, apt at expressing the judgement of the different components of the situation on the island, when considered from its social and economic point of view. At the same time the power of the Regional Assembly is reaffirmed as far as political control is concerned and, it concludes with the final judgement on the planning tools. Another result at which the new regulation aims, which is also instrumental as regards those mentioned previously, is to endow the Regional Direction for Planning with the indispensable equipment of personnel and professional experience and, in a more general manner, even scientific ones, which are all necessary and advisable so that its action could be put into practise in an efficient manner. Finally, it is worth noting that through the participation of the territorial bodies in the drafting of the Plan, the regulations give a major role to the new Regional Provinces which have been instituted in the mean time. The Regional Development Plan is in fact transmitted to such bodies, who have to send their proposals and remarks, after having taken into consideration the views expressed by the Communes included in their territory.

4.2 In terms of both form and content, the logical structure of regional planning policy outlined by the regional law 6/1988 conforms to a decentralised participatory programming, in which the formulation of the budget, the ex-ante and ex-post assessment of the interventions, and therefore the checking of the state of progress and results play a meaningful role (Creaco 1998). The methodology of this approach derives from the recognition that there is an important lesson to be learnt from previous planning experience, at both national and regional level, which in general has been structurally weak in its instrumentation. The decision-making part of the Regional Development Plan (RDP) is

organised through Realisation Projects (RPs), Budgetary Policy (BP) and Annual Programme (AP) is perfectly in line with this approach.

RPs are the instruments entrusted with pursuing objectives of regional planning, and for which the RDP contains guidelines and directions to which the projects must adhere. They are to meet the approval of the Regional Assembly by including provisions for financial support, procedural methods and time limits, as well as indicating the essential legal guidelines needed for their realisation. BP is the means by which the extent of and criteria for expenditure in sectors not subject to priority programmes are defined. Given that the task of the RDP is to clarify the bodies and the expenditure criteria in those sectors which are not already subject to specific programmes, BP covers the range of policies and actions (sectorial, factorial, and social) which are not already the concern of the RPs. AP ensures the links between objectives and budgetary management, making the provisions of the RDP operational through the Annual Budget (AB), which quantifies spending on the exercise, within the limits of the resources assigned by the MB for that year.

If the AP must ensure the link between planning objectives and budget management, it is essential to identify and organise adequate actions for its formation in order to allow the joining up of institutional pluralism with the optimal, and timely use of financial resources. This exigency is satisfied by means of an information flow concerning all relevant aspects of the projects. This information flow comes from a “Form” compiled by the promoting bodies (regional administration, local bodies, and other public bodies indicated by the RPs) according to a sample model prepared by the Region. The investigation and assessment of the proposed interventions are carried out by the Evaluation Nucleus. At the conclusion of its assessment and investigation activity, the Evaluation Nucleus drafts a report on the technical support for the selection of intervention. The selection is made by the President of the Region, who requests the examination and the approval of the Regional Assembly for the outline of the AP.

4.3 In the analysis of the Sicilian decentralised planning mechanism we referred to an “Outline” (Regione siciliana 1991). This circumstance betrays the fact that the outlined planning project has stopped only an intentional level of the regional legislator, since the law with the draft of the plan does not follow. The fact that in the analysis there is a reference to

an “Outline” of RDP which deals with the three-year period 1992-94 shows that after this document, which had been catered for in 1991, no other documents had been drafted. This method of action by the regional administration mustn't seem too surprising. It follows a consolidated model of the process of resource allocation. Once again, in fact, one encounters a substantial gap between the choice of planning as a methodology and content of the government's action and the effective will to define a system of strategies and projects which are able to steer the regional policy towards those priority development objectives, safeguarding it from the influence of emergencies and contingencies.

The lack of a precise framework of reference for the allocation of resources has had remarkable negative effects. Firstly, this lack has triggered off a situation where the regional budget still represents a document which is essentially a legal and accounting one, aimed at the control of legitimacy of the activity of withdrawal and expenditure, and not a document with a wider horizon in a position to ensure a control on the efficiency and effectiveness of the activity carried out by the regional administration with regards to the objectives to be achieved. Secondly, it has favoured a vast network of acts and planning documents (at present surely more than 50) of a different origin and uncertain destination, all of them spread on a large territorial basis that, because of the undeniable difficulty to bring about an organic framework, has prohibited the achievement of the necessary link between tools of a different matrix. Last, but not least, from such an unsatisfactory state of regional programming the planning activity established by inferior levels of government was seriously prejudiced.

4.4 In financial and economic planning the allocation mechanisms prefigured by regional laws 16/1978 e 6/1988 have therefore never been implemented with the result that the largest determining factor of the size and content of this year's budget has been the last year's budget. Budgeting, therefore, has been incremental, not comprehensive, with special attention given to a narrow range of increases or decreases to an existing base, according to both the resource availability and the prevailing of some spending subjects over others.

The regional legislator has acknowledged the failure of the planning design defined by the previous regulations. In fact, article 9 of the regional law 5/1998 establishes that the Regional Government presents an economic-financial planning document to the Regional

Assembly as a substitute of the Regional Development Plan foreseen by the regional law 6/1988. Such document constitutes the reference framework of regional planning and the general policy platform for the fulfilment of communitarian policies, in conjunction with the European Union and the State.

Particularly, in the new planning procedure, the tools of negotiated programming (territorial pacts, programme agreements, programme contracts, area contracts), are all an expression of a different methodology, of a growing transformation of relationships between institutions and organisms, aimed at favouring stricter forms of collaboration between Central Government and Region for the realisation of complex interventions involving a multiplicity of subjects. In this framework, the Region recognises and favours such a planning procedure and its various tools, that, though differing in relation to the subjects which participate in it and also because of the specific diversity of the effect on the territory, contribute to create favourable conditions for economic and social development, ensuring at the same time large falls on the employment side. Therefore, substantially, the economic-financial planning document intends to represent a turning point in the manner of conception of regional economic policy in its entirety, in so far as it seeks to represent the ideal *container* of organic development strategies.

The short time elapsed does not permit an adequate evaluation of the new planning procedure, above all with reference to its capability in overcoming the limits of the previous experience. It is helpful to point out two aspects at least. The first, undoubtedly positive, concerns the adoption, at least at a theoretical level, of an intervention model highlighting the urgent need for a fundamental shift towards sustainable forms of development, which means economic and social development for current and future generations which ensures the continuity of ecosystems. The second aspect, having an opposite sign, refers to the difficulties of linking the objectives expressed by the economic-financial planning document to regional budget projections, given the overlapping times of approval of both documents.

## 5. The knots in Sicilian regional planning

5.1 The Sicilian decentralised decision-making process introduced by regional laws 16/1978 and 6/1988 is consistent enough, from a theoretical point of view, with the

appropriate procedures of project appraisal and planning outlined in the prevailing literature. As we look at the practical application of such a process, in the light of the problems that have frequently hampered its correct functioning, however, the conclusions that can be drawn from the acquired experience are less encouraging. If the failure of efficient regional planning is linked to a variety of political, institutional, legislative, administrative, financial and economic reasons, one must take into consideration these knots if the intention is to make the new planning procedures benefit from the previous experience. From this point of view there doesn't seem to be any great difference from that which had been emphasised by the Region itself in the past (Regione siciliana 1991).

With reference to institutional knots, the main exigency is to achieve the full applicability of the autonomist principles. The Special Statute assigns a great level of autonomy to Sicily, but this has still not been applied in many fields, so that, today, an ordinary statute region, in many intervention fields, enjoys wider power and responsibility. Moreover, even article 38 of the Statute, concerning the Fund of National Solidarity, has in time been reduced both in terms of its political significance and in the quantification of destined resources, giving origin to a kind of *statutory recession*. This argument is strictly linked to the more general one of the inadequacy of the discipline regulating the distribution of the fiscal receipts between the Italian State and the Region, which ends up in a loss of revenue for the Region itself. The considerable dimension of this loss of revenue becomes immediately perceivable if we consider the fact that presently the deposits made at localised financial offices outside its territory do not flow into the Region's budget.

The absence of a system of quantitative and qualitative information makes the coordination of decisions and the integration of activities extremely difficult: this is another administrative knot which has to be disentangled in order to make regional planning efficient and effective, given that the intervention capacity of any economic and social policy is directly linked to an improvement in the administration's cognitive potential. More than a real lack of statistical information one perceives the need of the availability of a coherent system of collection and processing of data coming from both the various branches of public regional administration and other entities involved at various levels in the implementation of regional planning.



A further obstacle to the implementation of regional planning is the sectorialism, which currently characterises the administrative organisation of the Region. Article 20 of the Sicilian Special Statute assigns important competencies to the Councillors, each of whom has a precise individual responsibility with respect to the Assembly and it is on this principle that the Councillors' system as a non-communicating structure was built. The problem of an effective implementation of planning strategies cannot therefore do without the introduction, within the regional administration, of suitable co-ordination mechanisms aimed at reducing the autonomy of each Councillor in order to co-ordinate, in an effective manner, the different activities which need to be directed by planning choices.

The difficulty of implementing sound projects at a decentralised level is the fourth knot needing strong priority intervention. Decentralisation of spending responsibility assumes an adequate technical organisation and instrumentation, but it is still hindered by the shortage of personnel both in regional and peripheral entities and their lack of activity programming and managerial expertise (especially in the area of public works). In the same perspective, there is a need to identify new organisational figures that guarantee the implementation of planning directions.

5.2 In the immediate future, therefore, regional action must focus on the commitment of the introduction, as far as possible, of the instrumental preconditions described above into current planning procedure. The role of the "political" knot in the definition and implementation of regional planning remains still unsolved. In fact, previous planning experience shows that the Regional government was always unable (or even unwilling) to present the general targets towards which the planning process should strive, so that the problem of harmonising conflicting objectives found its solution probably through some methodology that is very dissimilar from those optimal methods required for the derivation of operational criteria in the choice of projects.

Understanding the reasons of the persistence in this political knot goes beyond the purpose of this paper. Here it is sufficient to point out the role of the complex electoral events in the Plan's economic strategy. With respect to this argument, we refer to a five-stage subdivision of the Sicilian electoral process (Anastasi 1993; Raniolo 2000): the growth and success of the Christian Democratic Party (1947-1959); the parenthesis of the

“milazzismo” (1959-1963); the centre-leftist stage (1963-1976); the new-centre stage of the five parties (1979-1992); the stage of the dominating party’s crisis (since 1996). Within these phases 12 legislatures have occurred, with 53 regional governments. In these governments, a single party, the Christian Democratic Party, has held the office of the Presidency of the region (till the early sixties paired with that of Vice-presidency) for not less than 43 times; besides, the same party has controlled usually half of the Councillors of the Executive Board. If the phase of the governments following the national turning point of 1994 had to be excluded (Morlino 1998), it is only during the period of the social and political protest of the “milazzismo”, that the governing hegemony of the Christian Democratic was seriously hampered.

In conjunction to this political stability there has not been, as it was said earlier on, an economic policy which had the capability of transforming the aims indicated by the proposals of the plans which, drawn up from time to time, were formulated in specification of strategies which have a legal force in their own right. This result seems to be surprising, since political stability usually permits government authority a greater opportunity to make aims and objectives meet with the temporal horizon in the mid term. And this is essential in order to ensure the credibility needed for an open dialogue between the institutional and social interlocutors of regional planning. The same result is, among other things, understandable if considered in the light of a particular aspect of the stability of the political trend itself. Inside this stability, the government has assumed, above all, a fragmented character, with rather weak coalitions that, because of this weakness, it has been obliged to find the necessary support through an ample distribution of decisional discretions in the utilisation of the resources available. The result of this situation is the predomination of intervention policies activated outside a relationship between an overall planning strategy and its budgetary implications in terms of accounting methods and financial allocations. This conscious political choice has been still more convenient in the light of another main aspect of the political process, concerning the average term of any regional government. Throughout the twelve legislatures there have been regional governments, which have had a term of office for extremely variable periods of time. Next to those which lasted for only one morning or one week there are others with a longer life span; and, only in one legislature

(the second one) one government ruled the Region. On the whole, comparing the total number of days of regional government activity (17338) and the number of governments in the same period of time (53) results in an average duration period of government inferior to a year (322.91 days).

5.3 The presence of such lack of adoption of planning procedures when frequent changes in regional government prevail, the latter also being of a short duration, is perfectly in line with the theoretical and empirical results obtained by the public choice theory, whose techniques are typically drawn from the economist's tool-box (Buchanan 1983).

When key neo-classical assumptions about human behaviour have been extended to cover the activities of the different agents involved in the political process, thus the decision-maker will seek to maximise his own utility, not that of some public institution, in whatever situations he finds himself, within certain institutional limits. The consequences of this can easily be imagined: it is impossible for politicians to implement a long-term planning policy as long as voters are geared to the short term and the actual system of representative democracy will have the tendency for the government's policy horizon to be not longer than the period between two governments reasonably expected. Obviously, space does not allow me to go into details here in the analysis of the political. The relevance of the research theme has already stimulated important work and interesting theoretical and empirical results have been obtained. Further inquiry in the field is expected, particularly focusing on the so called political business cycle aimed at formalising the interaction between public decision-making and the functioning of the economy (Paldam 1997).

## 6. Concluding remarks

The experience, which Sicily has acquired up to the present day in regional planning, shows significant negative elements, in spite of the fact that the Region has frequently geared itself with a whole range of analytical tools (models and methods). The exigency of a planning strategy has been recently confirmed by the introduction of new allocation mechanisms aimed at ensuring that objectives do not remain a mere statement of good intent.

In this different model of regional planning, similarly to what has been suggested by the most advanced philosophies of intervention for development in depressed areas, great emphasis is made on the strategy which starts from the bottom (*bottom-up approach*) and privilege is given to planning and co-ordination processes at a local level. In such an approach, one has to set off a planning process whereby priorities of intervention, the operating role of the various bodies and subjects and the financial sources which have to be activated are established and, therefore, supply a framework of certainties in which those decision-making elements which want to participate in such a planning policy could be able to locate and evaluate the functions (as well as the resources) which have been attributed to them and the responsibilities which they would have to shoulder. On the other hand, this planning approach which is adopted by the mechanism of structural funds for the implementation of the regional policy, is aimed at ensuring economic and social cohesion within the European Community. As far as economic and social cohesion is concerned, the Community has reformed and strengthened the structural funds, channelling, in particular, considerable resources towards the peripheral regions. This strategy is highly interesting for Sicily, which is one of the most eligible regions for Community financial support.

This argument has to be taken into account absolutely. From a more general point of view, it serves to identify the ties and opportunities around which the Region must formulate its overall planning strategy, in terms of it being a political interlocutor for governing institutional subjects with whom appropriate economic and social development policies can be fruitfully negotiated. The absence of this logical link will once more determine the poor workability of regional economic planning, with the outcome that development objectives will remain a mere statement of intent rather than strategies that are immediately and concretely feasible.

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