

## THE EXTRA-URBAN CULTURAL DISTRICT: AN EMERGING LOCAL PRODUCTION SYSTEM. THREE ITALIAN CASE STUDIES

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# THE EXTRA-URBAN CULTURAL DISTRICT: AN EMERGING LOCAL PRODUCTION SYSTEM. THREE ITALIAN CASE STUDIES

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## Abstract

This paper seeks to identify the distinctive variables of a particular type of local production system: the extra-urban cultural district.

Although cultural districts are becoming an important field of investigation, most of the literature has concentrated on urban clusters, cities of art and cities of culture. Nevertheless, also place-based policies for rural development are increasingly focusing on the need to valorise natural and cultural amenities.

This paper contributes to the developing body of theory on cultural districts in extra-urban areas. The three levers whose valorisation determines the success of the extra-urban cultural district development are identified. Each issue is discussed in theory and in practice, drawing on research on the three Italian case studies of Cinque Terre, Val d'Orcia and Ravello.

## Keywords

Cultural district, extra-urban, rural, integration, governance, local development

## 1. INTRODUCTION

Throsby (2001), in his *Economics and Culture*, suggests two possible definitions of culture. In the first, the word is intended in a broad sense as “a set of attitudes, beliefs, mores, customs, values and practices which are common to or shared by any group” (Throsby, 2001). The second identifies cultural goods and services as those that “involve creativity in their production, embody some degree of intellectual property and convey symbolic meaning” (Throsby, 2001).

In the last twenty years culture has acquired a fundamental role in the modern economy. On the one hand, in fact, cultural goods and products *strictu sensu* have gained a large market; on the other, cultural value, creativity and symbolic meaning have also acquired importance in “traditional” manufacturing goods.

As stated by Scott (2000), in fact, “capitalism itself is moving into a phase in which the cultural forms and meanings of its outputs are becoming critical if not dominating elements of productive strategy”. This results in a sort of overlap between the sign value and utilitarian value of cultural products. For this reason it is useful to adopt a broad definition of cultural economy, following the taxonomy proposed by Scott (2004), which includes an extremely heterogeneous spectrum of products and industries, from theatres and museums to furniture, from clothing and jewellery to specialised design services, to media, to eno-gastronomic products. These share some common features (Scott, 2000; 2004):

- they are concerned with the creation of aesthetic and semiotic content;
- technologies and labour processes usually entail considerable amounts of direct human involvement;
- they are generally subject to the effects of Engels' Law;
- the products circulate with increasing ease on global markets;
- production is almost always organised in dense networks of small and medium-sized establishments strongly dependent on one another for specialised inputs and services;

- agglomeration gives rise to external economies and facilitates the emergence of different kinds of institutional infrastructures that can ease the functioning of the local economy.

These features suggest that cultural production is strictly linked to the territorial dimension and thus the cultural district has emerged as unit of analysis in recent literature as a particular type of local production system, “defined by the production of idiosyncratic goods based on creativity, culture and intellectual property” (Santagata, 2004) and characterised by the cultural link with the local community of origin.

This paper contributes to the developing body of theory on cultural districts as development model, where the term district does not refer to a part of a city (as in Frost Kumpf, 1998 and in a large part of the Anglo-Saxon literature), but to a production system based on interdependencies among firms supported by physical and socio-cultural proximity and the term cultural to the presence of cultural capital (Throsby, 2001) and the production of culture-based goods (Santagata, 2004).

Valentino (2003) has underlined that the model of development of cultural districts depends on:

- the creation of a diversified mix of cultural products, competitive in the external market, able to satisfy the need of the local demand, and to become input for other productive processes;
- the capacity of generating and attracting a sufficient demand to guarantee adequate returns on investments for private entrepreneurs;
- high integration, both horizontal and vertical, of the cultural industries with the other productive sectors of the area.

Although Valentino has stressed on the necessity of integration, most of the studies on cultural districts have used an industry-based approach, focusing in particular on cultural tourism and destination management, or have stressed on the introduction of *collective property rights* in a certain area or over a certain product<sup>1</sup>.

The key factor of the cultural district, instead, is just in the ability of local actors to valorise the whole set of territorial cultural goods and services in a complementary way.

This feature characterises especially the extra-urban cultural district (from here on E-UCD), which constitutes the focus of the present paper.

The extra-urban cultural district is a development model diffused above all in Mediterranean Countries, such as Italy, Spain, and France. It is not exclusively rural, since it contains small towns, usually significant in terms of heritage and tradition. Nevertheless the countryside distinguishes itself for the valuable landscapes and hosts traditional agricultural or eno-gastronomic productions often covered by a protected designation of origin. Furthermore, in recent years E-UCDs have been discovered as destinations by cultural tourists, interested in a holiday experience able to guarantee entertainment, culture, relax, fine cuisine. For this reason the local supply has usually developed towards tourism services and organisation of events.

The most similar models to the E-UCD are the creative tourist district (Russo and Segre, 2009) and the institutional cultural district (Santagata, 2004). Despite the many similarities, though, the first model suffers for a sectoral view focusing almost exclusively on tourism; the latter is based on collective property rights but doesn't stress enough the crucial element of integration among different sectors. The E-UCD is not exclusively touristic or exclusively specialised in one production covered by collective intellectual property rights. On the contrary these features, usually both present, are interdependent, together with the exploitation of other cultural resources.

The aims of this paper are 1) defining the conceptual model of cultural district in extra-urban areas and identifying the levers of development of this specific type and 2) discussing the significance of these levers in three Italian districts selected as case studies.

The reasons for focusing on extra-urban areas are the followings.

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<sup>1</sup> See the EBLA CENTER Working Paper Series of the University of Turin for elaborations on this topic.

Firstly, although cultural districts are becoming an important field of investigation, most of the literature has concentrated on urban clusters, cities of art and cities of culture (Richards and Wilson, 2007; Cooke and Lazzeretti, 2008).

Moreover, rural and cultural resources are increasingly recognised as intertwined. In the last decades, although many rural areas have faced with the vicious circle of rural decline, a differentiation has occurred among different “ruralities”. In some areas, in fact, there has been a phenomenon of counter-urbanisation, thanks to improved transport links and infrastructures, coupled with amenities and other assets of rural regions. In Italy, as well as in other European Countries characterised by diffused architectural heritage, small historic towns, notable landscapes and distinguished quality productions, rural areas have become increasingly significant in the (re)production of tourism (Cloke, 2007) and in the supply of idiosyncratic goods protected by intellectual property rights (Santagata, Russo and Segre, 2007). Thus the E-UCD model is spreading and reaching aims of local development, population and investments attraction.

This is the reason why OECD countries have recognised the need of transforming their policies, shifting from a sectoral orientation towards a territorial approach and the key pillar of place-based policies for rural development is the increasing focus on the need to identify and valorise natural and cultural amenities (Ward and Brown, 2009).

The paper is structured as follows. After a presentation of the methodology used, the three levers whose valorisation determines the factors of success of the E-UCD development are identified and discussed through the use of three case studies. Each issue is discussed in theory (presenting a summary of the literature and theoretic elaborations on the topic) and in practice (using case studies to show how the three levers of development impact on the success of the district).

## 2. METHODS

The fieldwork has been done in the three Italian areas over almost three years (2006-2008) and has consisted of a combination of interviews and documentary analysis. The interviews have involved 60 among policy makers, farmers, entrepreneurs and local leaders and have dealt with the reconstruction of the local development processes, strategies and actors. Documentary analysis has involved examining the policy and planning documents as well as the census data.

The first case is that of Cinque Terre, in the Liguria Region. The National Park, created in 1999, comprehends the three municipalities of Monterosso, Vernazza and Riomaggiore and the two villages of Corniglia and Manarola and counts 4,464 inhabitants over a surface of 3,860 hectares.

The second case is Val d’Orcia, a Regional Park located in the Tuscany Region, recognised by UNESCO as a World Heritage Site, originating from the agreement of the five Municipalities of Montalcino, Pienza, Castiglione d’Orcia, San Quirico d’Orcia and Radicofani to create a partnership in order to protect the cultural landscape and promote the sustainable development of their territory, which covers a surface of 66,848 hectares and counts 13,541 inhabitants.

The third case regards the municipality of Ravello, a territory of 800 hectares in the Costiera Amalfitana, inhabited by 2,508 people. The town is internationally known for its Performing Arts Festival.

The three areas share some common features that characterise the E-UCD. All of them are peripheral areas of low demographic density, which in the Seventies have been subject to a progressive depopulation and abandonment of the agricultural activities, but where this trend has been inverted by the implementation of a strategy of valorisation of culture-based goods and services linked to the local history or the traditional local *savoir faire*. Yet, their development paths present some differences which will be elucidated in the case studies sections.

Thus, the multiple case studies method (Yin, 2003) has been chosen because it allows 1) to highlight that the E-UCD is a quite diffused model, although the resources and relationships characterising each district can vary from one case to another, 2) to compare the three experiences

in order to isolate the critical success factors for reaching a more sustainable development goal, as well as in order to expand the external generalisability of findings.

### 3. CRITICAL SUCCESS FACTORS

#### 3.1 *The presence of specific resources*

##### 3.1.1 *In theory*

The first variable characterising the model is the presence of idiosyncratic resources (Santagata, 2004) or *cultural and territorial capital*, “an asset which embodies, stores or provides cultural value in addition to whatever economic value it may possess. It may be *tangible*, occurring in the form of buildings, locations, sites, precincts, artworks such as paintings and sculptures, artefacts and so on”, or “*intangible*, occurring as intellectual capital in the form of ideas, practices, beliefs and values which are shared by a group” (Throsby, 2001).

While the potential of tangible cultural resources for local development is broadly recognised, some considerations on intangible capital may be worthwhile.

Intangible capital occurs in many forms in the E-UCD. The first is that of local knowledge (Nosvelli, 2006), whose relational character is at the basis of the distinctive *savoir faire* which differentiate one system from another and is source of competitive advantage. Knowledge can be tacit or codified and is improved not only through standard educational paths, but mostly thanks to *learning by doing* (Arrow, 1962), *learning by using* (Rosenberg, 1982), *learning by interacting* (Lipparini and Lorenzoni, 1996) and *collective learning* (Capello and Camagni, 2002).

The importance of the intangible capital in terms of specific knowledge and *savoir faire* is in that it is hardly reproducible outside the territory of origin. It is noteworthy that in the last twenty years the shift from handicraft to industrial production has determined a relevant phenomenon of standardisation and loss of *savoir faire* and tacit knowledge that are fundamental assets for the differentiation of territorial productions in global markets. Cultural districts are places where the reproduction of these factors is favoured, because of the combination of quality production and tourism development which helps unique products to reach niche markets.

Furthermore, Santagata (2004) notes that, while the non-dematerialised part of the product is involved in a process of economic runaway, the intangible capital cannot be delocalised. It should be added that also the most part of the tangible capital (land, monuments, landscapes, but also the climate and soil which have a strong link with the agricultural production characterising most of the E-UCD) is not movable. Moreover, the growing demand for traceability pushes local actors to keep also the rest of the local production inside the territory. Thus the cultural district formula is a way to keep sustainable the economic development of places.

Among the intangible factors, we include also the culture of *savoir vivre* (Santagata, 2004), which is one of the main attractions for tourists and consumers.

The approach to resources used here is in line with the institutional and territorial approaches as in Kebir and Crevoisier (2008), according to which a resource is understood as a relational process between an object and a production system, the place where the resources are identified, actualised, used, transformed and applied. Following this approach, the resource is a dynamic concept, where innovation plays a central role, since objects can be destroyed or created, via the implementation process, according to the identification of new needs in the society, thus opening up the field of possibilities. The case studies will highlight the importance of innovation in E-UCDs.

##### 3.1.2 *In practice*

All the three areas have been declared World Heritage Sites by UNESCO and possess remarkable tangible cultural resources. To cite but a few, Val d’Orcia is famous for its churches, fortresses and

palaces, as well as for its landscape characterised by hills covered by vines and wheat fields. Its museums belong to the Museum System of the Province of Siena.

The Cinque Terre are five remarkable villages on a terraced land above the sea. Ravello possesses valuable palaces and a Romanic church over a striking square and is located in the high of the Costiera Amalfitana.

The local contexts analysed are rich also in intangible capital.

First of all a distinctive *savoir faire* in terms of agri-food production is mentionable.

The specific competencies of the inhabitants of Val d'Orcia, constitute the strategic factor for the success of its products such as Brunello di Montalcino, the ORCIA DOC wine, the olive oil, the honey, the wheat. From the farmers' interviews it emerges a deep knowledge of the agricultural techniques, as well as of the times and rhythms of the nature, a tacit knowledge deriving from long years of field work and the contact with experienced people.

This knowledge is present also in the Cinque Terre with its famous wines, liqueurs (*sciacchetra*) and lemons and in Ravello, as well famous for its wines and lemons. What distinguishes Ravello from Val d'Orcia and Cinque Terre, yet, is the scarce propensity of its inhabitants to keep up with the times in agricultural activities.

In the latter two cases, in fact, young generations have found interesting the agricultural work thanks to some changes happened in the last decade. First of all, the new status gained by some certified products (one example for all is the Brunello wine), also thanks to the use of collective brands, has resulted in a sense of pride for the producer, who is no more an isolated actor in the countryside, but a businessman in the global value chain. The increasing markets' interest in traditional local products, the appeal of a certain culture of *savoir vivre* and the link with a notable territory have contributed to change the opinion about the farmer's work.

Furthermore, in Val d'Orcia the spread of agri-tourism has brought to a diversification in the farmers' activities which have attracted young people and have convinced them to stay in the countryside.

Likewise in the Cinque Terre the local *savoir faire* has been recuperated and the two products that symbolise the area, the sardines of Monterosso and the *sciacchetra* (a typical liqueur) have obtained the "presidium Slow food" certification.

A further process occurred in the Cinque Terre is that young local people have started to emulate their countrymen which had acquired pride in the agricultural production. Another way to improve the young people's pride has been the attraction of experts and students from specialised universities. Working side by side with local people, they have gained in practical expertise, while the local system has benefited of new knowledge brought by students and researchers.

Moreover, the local Municipalities and National Park have activated important educational projects (19 in three years financed by the European Social Fund) aimed at strengthening the agricultural competences of local people as well as to reinforce the tourism services competences, which were not eradicated in the area before the 80s. This has contributed to improve a lot the quality of tourism services and new job opportunities are born.

Ravello, instead is characterised by a problematic situation as far as agriculture is concerned, due to a fragmented organisation and a lack of entrepreneurial spirit of farmers. On the contrary the local community shows a great dynamicity in the service sector, in part due to the tangible and intangible capital inherited in the cultural and hospitality field, in part solicited by new opportunities.

Throughout its history the small village of Ravello, known as the "City of the music", has been distinguished from all the surrounding towns through the presence of important people. In the Middle Age it was the resort of the nobles of the Costiera Amalfitana; at the end of the XIX Century it was discovered by two British intellectuals who each bought palaces and made them the meeting place of literary clubs like the Bloomsbury group. In 1880 Wagner visited Ravello and, in his honour, in 1932, in the presence of the Savoia Royal Family, the "Rievocazioni Wagneriane" Festival was held for the first time. This was the forerunner of the Ravello Festival of Performing Arts, the most excellent product of Ravello's rich cultural offer. In 2002 the Municipal Council,

together with other public authorities and a Bank Foundation, established the Ravello Foundation in order to coordinate, manage and improve the quality level of this offer. In the meanwhile other things took place. The presence of intellectuals and managers attracted to Ravello for its unique cultural climate, landscape and position, had determined an improvement in the quality of the hotel supply. Notwithstanding the long tradition of hospitality matured around the “courts” of the British nobles, the work of animation of some local leaders, together with the arrival of two international hotel chains in the small village, compelled hoteliers to improve their supply to face competition. Its high level tourism system, associated with its excellent cultural offer and remarkable landscape, make Ravello a unique destination in the world. A further result of the activity promoted by local leaders is the new Auditorium designed by one of the most famous living architects, Oscar Niemeyer. This building not only constitutes a tourist attraction in itself, but also allows the programming of the cultural offer to be prolonged throughout the winter season, when there was previously a stop in economic activity.

Recently a further intangible type of capital, specifically educational, has been accumulated in the town, which now hosts a school of arts and culture management and the European University Centre for Cultural Heritage (CUEBC). Thanks to these initiatives, a specialisation in cultural events management and related services is spreading in the area.

### *3.2 An economic structure characterised by agglomeration and integration*

#### *3.2.1 In theory*

##### *Firms' agglomeration*

The particular type of local production system which is the E-UCD is characterised by the presence of an agglomeration of enterprises developed around the idiosyncratic resources.

Their core business is mainly related to the valorisation of cultural capital, for instance through tourism services, that are frequently the first thrust to development, as happened in the Cinque Terre district. Tourism development could also come as the result of specialisation in wine and food production as in Val d'Orcia. In Ravello, tourism development and cultural productions combined with one another.

After the first step the process of valorisation can involve different complementary sectors and new activities contribute to make the economic structure more complete and widen the opportunities for development.

##### *Productive integration*

Productive integration has been identified in this paper as the main feature that distinguishes a mature extra-urban cultural local production system. It is also the characteristic that presents greater variability in the three cases, but the same processes have occurred in all the areas, albeit in different forms.

Integration as usually understood in regional studies literature, where the upstream and downstream linkages and multiplier effects are under consideration, is just one kind of integration interesting cultural district.

As far as inter-business vertical ties are concerned, there are few examples in the analyzed cultural districts. This type of integration, in fact, characterises especially industrial production, while it is less usual in small scale agriculture and tourism sector, or in cultural production.

On the contrary, integration which is fundamental in cultural district is of other types. Firstly, integration can occur within the same sector and concerns the relationship between enterprises, such as the capacity of the firms to network, to create relationships and reach dynamic gains.

There are cases of strong cooperation, in particular in the storage and distribution phases of agricultural production. The predominance of firms of small dimensions requires the development of cooperatives and consortia in Val d'Orcia and in the Cinque Terre. In Ravello, where the social

capital is weaker, cooperative behaviour is less frequent and this is one of the reasons for the depressed condition of farming.

Cooperation in other sectors is unusual, although some experiences with positive results can be mentioned: in the tourism sector, establishment of five cooperatives providing tourism services for the Cinque Terre area, and, in Ravello, the constitution of a consortium of all the entrepreneurs involved in the tourism supply.

Secondly, integration occurs as the capacity of the system to start up activities in different but complementary sectors. This second kind of integration is the most relevant for the local development of cultural districts, as will be shown in the practical examples.

In this regard, it should be noted that this kind of integration should turn to be dangerous for E-UCDs, when it regards the attraction on the territory of firms which should damage the competitive assets in terms of natural amenities. For instance the attraction of firms producing barrels, bottles and corks in Val d'Orcia, although linked to wine production and potentially useful in terms of employment, would risk disfiguring the landscape and producing pollution. This means that the E-UCD strategy must define in which kind of development to invest, and which kind of complementary activities it is useful to attract.

The activities developed in the examined cases, however, have turned to be complementary and compatible from the supply side, as well as from the demand side, targeting the same consumers and generating scope economies in the local system.

#### *Is integration always desirable?*

Integration can be negative also when it reproduce system inefficiencies.

Although the local development literature has considered integration as a way to foster local economies thanks to multipliers' effects, in fact, it must be noted that sometimes integration characterises instead contexts of underdevelopment. A recent comparative study (Courtney et al., 2008) on production linkages on the context of Europe's small towns and rural surroundings demonstrate, for instance, that less productive firms and those employing a greater proportion of unskilled labour, are more integrated into the local sales markets. Likewise, firms that spent a greater proportion of their turnover on inputs tend to source more of them locally. A further finding is that firms which exhibit the strongest degree of integration into their locality are traditional rural firms, broadly characterised by being small, old, run by local managers, employing unskilled labour and achieving relatively low levels of productivity. These results suggest that rural firms like those present in the E-UCD risk to present a high degree of integration but of unproductive type. The "traditional" connotation of those firms, though, that in the cited study has a negative connotation, can assume also a positive meaning, depending from the local context in which these firms are inserted. While in some cases the features described are synonymous with backwardness, in other cases, such as in the E-UCDs, small and old farms, run by local managers, are one of the most important components of the economic system. Spending a great proportion of turnover in inputs is not always uncompetitive since E-UCD firms compete on quality rather than on prices. Their productivity is usually increased thanks to the premium price achieved by traditional products. Furthermore the discrimination skilled/unskilled labour is not always appropriate in the case of E-UCD. Unskilled labour is conceived as less educated, but the importance of learning by using, by doing and by interacting is here sometimes more relevant than high education rates.

What matters, thus, is the ability to intercept the market needs and the economic opportunities deriving for the local system. Nevertheless, the E-UCD is the place where also skilled human capital can find opportunities of employment, as the cases of Ravello with the arts management school or the cultural services and Cinque Terre with the cosmetics laboratory, show.

Furthermore, the gap of innovation caused by the absence of skilled human capital can be overcome making recourse to the support of external experts, as the case of Brunello, where farmers recourse to oenologists' consultancies, demonstrates.



### *The relationship between integration and quality*

Quality and traceability are at the roots of the image and reputation of the E-UCD and of its products. In cultural districts the idea of quality is strictly related to integration. The main territorial product can be considered a “total cultural experience”, which is the result of the combination of cultural services and products, tourism services, local-product tasting, availability of typical products, effective transportation system. The quality of each of these elements affects the perceived quality of the “total cultural experience” and the reputation of a product depends on the quality of all its components as well as of the territory where it is produced.

Therefore, integration causes three other effects:

- Strengthening of quality and reputation, both of the individual product or service and of the territory as a whole, owing to the virtuous circle generated by the reciprocal link;
- Consumer’s loyalty. The more the district is able to produce quality goods, the more visitors will come back not only for holidays but also to buy typical products;
- Repeated consumption of typical products not only during the holiday but also in the places of residence. This will also allow expansion of the classical distribution channels and the identification of new ways to reach clients, for instance through e-commerce.

### *3.2.2 In practice*

Val d’Orcia has experienced a high rate of inter-sectoral integration and many linkages have occurred in the last twenty years between tourism, agriculture, handicrafts, the construction industry, and services. The system is thus able to produce a good part of the inputs necessary for satisfying the needs of tourism services and the community, as well as for exporting.

Tracing a summary of the history can be useful to understand how integration is occurred.

In the Eighties Castiglion d’Orcia, San Quirico and Radicofani were underdeveloped rural areas, while Pienza was already known as “the perfect city” and benefited from niche tourism. Montalcino was at the beginning of the valorisation of Brunello di Montalcino, the important wine that owes its worldwide diffusion to the American firm Banfi. Before the settlement of Banfi, Brunello was a prestigious wine, but its market was very limited and the small quantity produced determined high sales prices. Banfi acquired 1,500 hectares of land (nowadays the enterprise owns almost 3,000 hectares) in an area where the average extension of a firm was a couple of hectares and started to produce a high quality Brunello and distribute it all over the world, through its powerful distribution channels, principally in the United States. Banfi also bought the Castle of Poggio alle Mura where it began a hospitality activity, one of the first of the area. Today wine tourism is at the basis of the local economy, together with agricultural and service activities. The Banfi effect has spread not only in the Montalcino area, but also in the surrounding areas. The farms’ owners who had not previously abandoned their activities, followed the Banfi example and increased the production of wine (Brunello in Montalcino and Orcia in the other municipalities that obtained the DOC label in 2000) and transformed their rural annexes into holiday farms. The arrival of flows of international tourists has encouraged the supply and the local community has created new services for tourism. The holiday farms have required qualified restructuring and furniture which has stimulated the local firms; craftsman have found a market for their products in tourists and the agricultural products have found a relevant market in the many restaurants, inns, wine bars which have sprung up with tourism development.

In the Cinque Terre district, integration is a phenomenon leaded by the institutions and it is an interesting example of innovation based on tradition that allows the widening of the supply of local goods and services, job creation and the activation of the creativity and project capacity of the local community.

In the Seventies the Cinque Terre district, like the Val d’Orcia, was an area where subsistence farming was the sole activity; at the same time in Monterosso, the only village of the five to have a beach, fishing was practiced. These communities were subject to progressive depopulation. In the

Eighties the first “post-modern” tourists discovered this uncontaminated land and, since then, visitors began to be attracted from everywhere. Many bed & breakfasts spread in the area and now, together with many small farms, they constitute the economic specialisation of the area.

The main feature in the development of the Cinque Terre is the presence of the National Park, created in 1999. Since its establishment, this institution has been promoting a development based simultaneously on both innovation and tradition. The local *savoir faire* has been recuperated and the two products that symbolize the area, the sardines of Monterosso and the *sciacchetra* (a liqueur) have obtained the “presidium Slow food” certification.

The Park functions as a destination management organization: it manages the tourism offices located in the train stations and in other strategic points; handles promotion; supplies transportation services for tourists using small ecological buses with minimum environmental impact; has promoted a Card that allows tourists to visit the main attractions and to use public transportation available in the park during their visit.

The Park’s activity has supported integration and innovation acting both at the strategic and operative levels. The destination management activity is strictly coordinated with support to agricultural activity, conceived as strategic for environmental balance. The Cinque Terre are a terraced land sustained by dry-stone walls. Without farming it would be impossible to keep the soil intact. Thereof, the maintenance of agriculture activity is an advantage for environmental equilibrium but also for tourism development. The Cinque Terre are based on the maintenance of the dry-stone walls, an expensive activity but necessary for soil conservation and environmental equilibrium. Since viticulture is based on dry-stone walls as well, producers find necessary their maintenance, thus contributing to environmental protection. What’s more they contribute to tourism development since the terraced land is also a tourist attraction. In turn, the tourist flows have a positive effect on the local products increasing their demand, the direct selling and the value per unit of production. Moreover, half of the revenues from the Card are used to support agricultural activities.

The Park has as well supported the start up of laboratories of transformation of agricultural products. The cosmetics line is a good example of product innovation, which has also attracted the presence of skilled workers in the area. Also the traditional activity of sardines salting has been recuperated and the sardines sold, together with the other products, in the shops and tourism offices of the Park.

The Park’s flexible operational structure is based on five cooperatives of residents who offer their services to the Park. One of the cooperatives deals with agricultural activities, the others with tourism services. The cooperatives also manage five restaurants, opened to counterbalance a lack of quality eating services, as well as to provide support in the diffusion of local products and to create competition in order to control the prices’ boost.

Many efforts have been done to encourage the restaurants to prefer the use and sell of territorial goods. An example in this sense is a project promoted by the Municipality of Vernazza in partnership with some local restaurants which have agreed in promoting a “local menu” at a discounted fix price for tourists. This project, together with other initiatives, contributes to the strengthening of the short supply chains, in order to keep the added value inside the territory.

In Ravello integration in the service sector is high, while there is still much to work to develop and integrate agricultural productions into the cultural local production system.

Although Ravello, like the whole Costiera Amalfitana, is the land of origin of typical products such as the lemon “sfusato”, *limoncino* and a variety of good wines, agricultural activities are facing some difficulties. The characteristics of Ravello are very similar to those of the Cinque Terre: but whilst in the latter cooperation between landowners and the technical and organisational coordination of the Park has led to the development of new ways of organising production, in the Costiera, the lack of cooperative attitudes is resulting in a loss of typical products and in danger for the environmental equilibrium.

A further missing link in the value chain is the integration between local producers and restaurants and wine bars. For instance, it has been remarked that many local restaurants don't propose the local wines.

On the contrary a good integration exists between cultural activities and service sector. Some new service provider companies are born in the area, linked to the needs of the Ravello Foundation. The CUEBC has drawn up agreements with local accommodation structures and service providers to favour the students who arrive in the town often in winter season when many hotels and bed & breakfasts would be closed. Many of the hoteliers are sponsors of the Festival and offer free accommodation for artists during the performing period. Villa Cimbrone, a 5 star hotel, is also a location of the festival. These linkages demonstrate that, although usually cultural activities in themselves are not economically self-sustainable, they are a strong development activator.

Among hoteliers and taxi drivers as well a strong collaboration is born. The latter have also established a cooperative which helps them to better answer the formers requests.

Furthermore, a Consortium among the hoteliers and the businesses involved in tourism activities has recently been established after years of efforts, demonstrating that the local society is moving the first steps in the direction of the creation of trust and social capital.

### *3.3 Governance, institutional leadership, participatory planning and collective action.*

#### *3.3.1 In theory*

Integration is not an aim in itself, but is a means for providing an opportunity of total cultural experience. The involvement of the local community is crucial for reaching this aim, as well as the presence of a coordination body.

Some cultural district strategies are the product of a top-down local authorities' intervention in the local environment. Some experiences, instead, start as spontaneous forms of local development, while others are a combination of the spontaneous district and the top-down structure (Le Blanc, 2010). Whichever origin cultural districts have, institutional leadership is crucial to address a development path based on quality, integration and sustainability. At the same time, stakeholders participation is as well decisive, at least to implement the development strategy, if not to plan it. Participation has become a worldwide trend by the early 1990s. As pointed out by Gedikli (2009) the United Nations Rio Conference was a milestone in this regard.

Nevertheless it is easier to advocate participation than to achieve it. In many cases a participatory approach is coordinated top down by public authorities, especially in peripheral localities with low socio-economic conditions, where voluntary action is uncommon (Gedikli, 2009). Though, in many rural areas, trends towards more decentralised and territorial modes of governance are registered, in which policy networks – or partnerships – of governmental and societal actors work together at a local or regional level to foster development (Derksen, 2010), as suggested by the European Conference on Rural Development (1996).

Intermediate institutions, such as local development agencies, consortiums, and other public-private entities, also play a decisive role in sustaining and supporting the governance of the territorial systems, fostering sustainable development and innovation.

This new way of understanding governance can lead to what Courlet (2008) calls "public action", when territorial stakeholders are jointly involved and can contribute with their own capabilities and resources to the socio-economic development.

The participatory governance is facilitated by the presence of social capital, a territorially rooted immobile relational asset that underwrites the existence of networks, collaborative relations and institutional capacities which are of increasing importance in providing competitive advantage (Amin and Thrift, 1994; Cooke and Morgan, 1998; Storper, 1995; all cited in Evans and Syrett, 2007).

Social capital favours local development by stimulating the exchange and diffusion of knowledge and trust inside the firm and among firms, through the creation of networks between local public

governments and intermediate institutions and acting as a source of attraction for firms in search of localisation advantages (Trigilia, 2001).

In E-UCD, a special concern of public and intermediate institutions should be in favouring the accumulation of a “culture for quality” (Santagata, 2004), also through the use of collective intellectual property right (CIPRs) and territorial brands as a means to strengthen quality, reputation and sustainable development (Lorenzini, 2010).

### *3.3.2 In practice*

The importance of the coordination of the National Park in the Cinque Terre district has already been introduced in the paragraph regarding integration. The Park has also other important merits in the governance of the area, for instance, in the fight against high prices, in the support toward territorial certifications and in the pursuit of quality in the whole set of territorial products. Most of these aims are reached through Local Agenda 21 projects, such as the “Pact of transparency”, which foresees that the shops which decide to adhere must respect certain rules, including fixed prices, the use of local products, transparency on the origin of the products and discounts for residents. Furthermore they are required to stay open in off-season periods, unless otherwise authorized by a public act. In exchange, they can benefit from tax reductions for the occupation of public soil.

Another project is the quality label for environment, a tool of voluntary certification granted by the Park to those accommodation structures that choose to improve their services according to the aims of quality and environmental impact identified and proposed by the Park. Those who agree gain, in exchange, both the advice of experts to reach the goals and free promotion on the official web site of the Park. The project aims at an upgrading in the level of service and quality of the structures, but also to a strengthening of the good image of the whole territory and to diminishing the ecological impact of the tourism services (cfr. Lorenzini, 2010 for a review of territorial brands in the Cinque Terre districts and their results).

The recourse of the Local Agenda 21 Programme is also symptomatic of the method used in the Cinque Terre. This method is based on community participation and consensus reaching around a common development strategy based on sustainability. The several projects implemented make extensive use of the forums method, which have created commitment of the local and entrepreneurial community and strengthened the leadership role of the National Park.

Social capital is a basic ingredient of the development of the Cinque Terre. Readiness to cooperate has been fundamental both for agriculture survival and for the creation of the cooperatives for tourism services. Furthermore, the community’s and entrepreneurs’ trust in the Park leaders have facilitated the adoption of a shared vision of the possible development of the area and provided the opportunity for the district to act as a local system in a coordinated way.

Also in the Val d’Orcia case, institutions have played a role in promoting development, in particular the Region which financed the holiday farms and the five municipalities which have created an integrated identity for Val d’Orcia and promoted it. This has happened through the establishment of a local development agency, the Val d’Orcia srl. The private actors, nevertheless, complain about the limited involvement of the agency with the productive system stakeholders. Some initiatives have been realised with tourism entrepreneurs in 2004-05, aimed at creating a common concept for the development strategy, but participation has not been high. Nevertheless collective action and public private partnerships would be useful to face with some systemic problems. For instance there has been, on the one hand, an uncontrolled increase in the number of holiday farms, with inadequate controls over quality standards, which can damage the image of the territory. On the other hand, the room occupancy rate is low, but the prices of rentals for residents and real estate values in general are very high. Possible reasons for the lack of participatory planning are: excessive centralist traditions, inefficiency of the public sector in public-private partnerships, absence of measures to encourage meaningful participation (Gedikli, 2009). On the contrary, organisations of the civil society such as Cooperatives, Consortia and professional associations play a decisive role in

supporting the private sector interests. They are responsible also of the management of territorial brands such as the DOCG and DOC for the wines, whose relevance in the local economy is noteworthy (cfr. Lorenzini, 2010 for a review of territorial brands in the Cinque Terre districts and their results).

As previously told, Ravello is a tourism destination since the 70s. Nevertheless in the last decades the Municipality has played a key role in fostering the already undertaken culture-based strategy, with the advice of some experts who frequented the place for holidays and had foreseen the emerging market for this kind of tourism. Thanks to their intervention, the territory has gained in accumulation of project capability. The choice of acting on the cultural and touristic sector with consecutive and coordinated investments has created critical mass and multiplied the development opportunities.

The shift in the local administrators occurred after the 2006 election has provoked a change in the previously undertaken path. The present administration, with the aim of favouring the local involvement in the development process, is less inclined than the previous one in promoting the Ravello Foundation method, which foresees a notable strategy-making contribution from experts coming from outside the territory. It should be noted, nonetheless, that the external commitment had not frustrated the internal involvement. On the contrary, it had acted as a push and an activator of internal resources and had attracted interest and investments from outside.

Furthermore, the present situation entails lack of coordination and leadership. The Municipality seems not to be in a position to play a governing role, while the Ravello Foundation suffers from a sectoral orientation which doesn't allow it to act as a governance structure. For this reason, many problems remain without solution. Many of the interviewed, for instance, have underlined the need for coordination of the systems in terms of a shift plan for public services, hotels and restaurants, in order to guarantee the service all around the years.

An additional necessity is the coordinated promotion of the whole destination towards the different target markets.

These tasks should not necessarily be implemented by a public body, but also a private organisation could deal with it, such as the Consortium established among the tourism enterprises of the area.

Using a comparative perspective, the main difference in terms of governance between Cinque Terre on the one hand and Ravello and Val d'Orcia on the other is that, after an initial spontaneous development led by private actors, in the former the National Park has gained the role of destination management organisation and coordination structure, assuring cooperation among the various stakeholders and inter-sectoral integration. In the latter, conversely, the development process seems more ungoverned.

A further difference regards the integration among territories. Both Cinque Terre and Val d'Orcia are super-local districts. The capacity of the local stakeholders to establish long term horizontal public partnerships has led to a collective strategy-making process which has positively improved the possibilities of the single government and community, helped the local authorities in making agreements about the joint provisions of public services and in facing with similar problems. The positive externalities brought by the collaboration pact have driven Val d'Orcia and Cinque Terre to take into account the possibility of further expanding the public partnership to surrounding municipalities, starting from the sharing of few services or activities (like co-marketing). In Ravello, where the willingness of autonomy is predominant, horizontal public partnerships are present but in name only. Recently the Ravello Foundation has moved some steps in the direction of a stronger territorial integration, by creating a similar Festival also for the nearby town of Positano. This allows as well a consideration about the size issue. Someone has denounced that a minimum size is necessary for a successful district. Actually the three cases demonstrate that even small areas can succeed in implementing a good strategy. Nevertheless in the long period, a collaboration pact among municipalities makes development more sustainable, since it allows the local supply to

become more attractive, the portfolio of products and services more complete and allows the redistribution of tourist flows, expanding the carrying capacity of the area.

What the three areas have in common is the effectiveness in the vertical public partnerships. All the different levels of government, sharing the vision of the development path, have participated in the support of the projects.

A further common feature of the three cases is the attitude towards the accumulation of bridging social capital (Bagnasco, 2006), creating linkages with similar territories and external actors, which provide the area with qualified advice, best practices exchange, client exchange and productive partnerships.

#### 4. CONCLUSION

Drawing on research on three Italian case studies the paper has outlined the main features of the E-UCD development model. Requier-Desjardin (2007), reporting on the specificities of the agro-food local production system, poses a question which can be pertinent also to the case of the E-UCD local production system. Is it a mere declination of the local production system model, resulting from the application to rural territories of the framework of analysis tested for urban and industrial systems, or it possesses some specificities which allow to examine the territorial notion under a new light?

The cases analysed allow answering that question: the main specificity of E-UCDs with respect to the other kinds of local production systems is the centrality of integration among sectors for the development process. Other critical success factors have been discussed in the paper. In particular, it has been highlighted that a process of valorisation is based on specific resources of tangible and intangible kind. It often begins as the result of a spontaneous agglomeration but the initiative of one or more local leaders is crucial to elaborate a strategy and win the consensus of other stakeholders. The development process is sustainable when based on community involvement, business attraction and start-up, innovation, integration among sectors, quality. Public authorities, agencies and super-local bodies, can influence the path of development of their territories with their policies and intervention.

The case studies have also demonstrated the importance of social capital in strengthening institutions' authority and the importance of institutions in strengthening social capital.

It is also important that local leaders and community abandon "localism" and understand that, on the one hand, individual municipalities need to cooperate with nearby communities to reach critical mass to become attractive and create synergies; on the other hand, establishing partnerships with external actors sharing the same development path is a way to become familiar with best practices of development, create production partnerships and generate client exchange.

The analysis has made it possible to demonstrate that the extra-urban cultural district is a model of sustainable development and an emerging destination for tourists, assuring at the same time a good quality of life for citizens and the promotion of quality products.

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