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## The European fitness of Italian Regions

by

Paolo Bilancia, Francesco Palermo, Ornella Porchia

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## Abstract

What impact did Europeanization have on the governmental capacity of Italian regions? Are the regions successful in addressing the challenges and the opportunities of European integration? Is the participation in the EU a driving factor for decentralization in Italy? The paper, which reproduces a study commissioned by the Bertelsmann Foundation and the Compagnia di San Paolo, provides some answers to these questions. It is argued that the "European fitness" of Italian regions is highly asymmetric and so is their responsiveness to the challenges of multilevel governance. Moreover, while Italian regions have overall benefitted from the opportunities of European integration, there is still much to do in terms of institutional capacity, especially due to the overly complex system of intergovernmental relations.

## Key-words:

Italy, Regionalism, European Union, Intergovernmental Relations, Decentralization, Europeanization



## 1. Background of the national debate on territorial politics and recent changes

The territorial design provided by the Italian Constitution is marked by a high degree of decentralization and is best described as “polycentric” rather than as a proper federal system. Italy was the first country to experiment with devolutionary asymmetry. After World War II, the establishment of a strong subnational level of government was inevitable in at least five territories: Trentino-Alto Adige (Trentino-South Tyrol), Valle d’Aosta (Aosta Valley), Friuli-Venezia Giulia (three relatively small alpine *regioni* (regions) with a relatively substantial population of ethnic minorities), Sicilia (Sicily) and Sardegna (Sardinia). These latter two are the country’s main islands, both facing economic and social problems.

In order to avoid too strong an asymmetry between these territories and the rest of the country, and to experiment with a “third way” between a federal and a unitary system, the establishment of *regioni* was foreseen for the whole country, although others would enjoy a much lesser degree of autonomy than the previously mentioned five.

The development of Italian regionalism can be roughly divided into three stages: the early times (1948 – 1972), the implementation of regional autonomy (1972 – 1999), and the new constitutional frame (from 1999 on), which remains in the process of implementation.

*The early times (1948 – 1972):* In 1948, the democratic constitution established 20 *regioni* (Art. 131 Const.), five of which enjoy a higher degree of autonomy (Art. 116 Const.). These five so-called *regioni a statuto speciale* (special or autonomous regions) each have their own *statuto* (regional basic law), approved as a constitutional law of the *stato* (state). Each received considerably more legislative, administrative and financial autonomy than the other *regioni*, and the ability to negotiate their bylaws directly with the national government, bypassing the national parliament. The remaining 15—the so-called *regioni a statuto ordinario* (ordinary regions)—enjoyed only a limited legislative power in specific fields identified in the national constitution (Art. 117 Const.). They had less ability to develop autonomous *statuti*, as they fell formally under the ordinary law of the *stato*, and all had very similar if not identical governmental structures. Moreover, for complex political reasons, the *regioni a statuto ordinario* were not established before 1970. The first national



laws devolving some legislative power to these regioni a statuto ordinario were enacted only in 1972, and the subsequent process of implementation took another two decades.

*Legislative and judicial implementation (1972 – 1999):* Between 1972 and 1999, the autonomy regime was implemented in a long and complex process. In the early 1970s, the regioni a statuto ordinario were established, and elections to their various bodies were held (1970 – 1972). Effective powers began to be transferred to the regioni a statuto ordinario only in 1977. However, these regioni lacked both political culture and governmental experience. Moreover, no specific instrument of cooperation facilitating interaction between these regioni and the stato was provided. The more active regioni tried to “force” more autonomy from the central government, seeking a more benevolent interpretation of their individual powers, while the weaker were left behind. Thus, the case law of the Corte Costituzionale (Constitutional Court) ultimately became much more relevant in determining the real powers of the regioni than the laws and the wording of the constitution itself.

The political support for creating a system of regional self-government was increasing, but without practical results in terms of constitutional changes. However, many very important laws reforming public administration and the system of self-government have been approved over the last 20 years. Legislative reforms have succeeded in modifying the general administrative structure, thus encouraging the regioni to develop their potential for self-government. The largest set of reforms began with the law on reorganization of the ministerial bureaucracy (Law No. 400/1988, rationalizing decision-making procedures and formalizing the role of the *Conferenza permanente per i rapporti tra lo Stato, le Regioni e le Province autonome* -Standing Conference for Cooperation between the State, the Regions and the Autonomous Provinces; hereinafter *Conferenza Stato-Regioni* (State-Regions Conference)), a cooperative body established to discuss issues of regional interest. This law was followed by a reform of local self-government (Law No. 142/1990), which included a number of groundbreaking provisions aimed at improving the efficiency of the *comuni* (municipalities) and *province* (provinces). Law No. 81/1993 was politically a very significant step toward raising awareness of local self-government, with the introduction of direct elections for *sindaci* (mayors) and *presidenti di provincia* (provincial presidents). With an eye to the political obstacles standing in the way of constitutional reforms, a different alternative was chosen in 1997. Instead of amending the constitution, four ordinary laws (i.e., not requiring a



qualified majority for approval) were passed by the center-left majority, which collectively represented a real revolution in the relationship between the stato and the regioni (the so-called Bassanini laws, in particular Law No. 59/1997). These laws constituted a substantive, if not actually a formal constitutional change, because they redesigned the division of legislative and administrative competences, enumerating the competences of the stato and making the regioni responsible for the remainder.

*The new constitutional framework, and the 1999 – 2009 reforms:* The introduction of a *de facto* federal system by means of parliamentary (and to some extent even governmental) legislation bypassed some political problems, but obviously created legal ones. In particular, the constitutionalization of the new principles was necessary. Giving up—for political reasons—on attempts to effect an organic amendment of the constitution, single constitutional laws have been approved modifying specific aspects of regional self-government.

In 1999, in order to enhance political stability in the regioni a statuto ordinario, the first constitutional reform (Constitutional Law No. 1/1999) introduced direct elections for the *presidenti della giunta regionale* (regional presidents) and changed the procedure for approving regional statuti. All regioni a statuto ordinario now adopt their own statuto by means of a special regional law, approved by the *consiglio regionale* (regional council, essentially a regional parliament) rather than the national parliament, as before. This is done by means of a special procedure which resembles the one governing constitutional laws at the national level: Statuti must be approved twice by the consiglio regionale, each time with an absolute majority, and must go to public referendum if this is requested by a specific number of voters or by one-fifth of consiglio regionale members (Art. 123 Const.). Constitutional Law No. 1/1999 also institutionalized consultation between the regioni and the local authorities; in each regione, a *consiglio delle autonomie locali* (council of local autonomies) is established. This is composed of representatives of municipal authorities, and acts to support regional decision-making.

The second, related, reform was introduced in 2001 (Constitutional Law No. 3/2001), when the division of legislative and administrative powers between stato and regioni was drastically changed: From this time onward, the legislative powers of the stato and the fields of concurrent legislation (i.e., those in which the regioni can legislate only within the framework of general guidelines established in national law) were listed in the constitution



(Art. 117 Const.). All remaining legislation belongs to the regioni, in a way that resembles the typical residual power clause of federal constitutions. The 2001 reform plainly qualifies the regioni as “constituent parts” of the Italian Republic and as “autonomous level of government” (Art. 114 Const.).

The overall outcome of the constitutional reforms was an increase in the powers of the 15 regioni a statuto ordinario, reducing the gap between them and the five special ones. However, the 1999-2001 reform is not yet fully complete, for two main reasons. First, a national strategy for the implementation of the constitutional reform is still lacking; national laws for the implementation of articles 117, 118 and 120 of the constitution were adopted only in 2003 (Law No. 131, the so-called La Loggia law) and in 2005 (Law No. 11, the so-called Buttiglione law), while the financial provisions of the constitution (Art. 119 Const.) were implemented only in 2009 (Law No. 42). This will need to be followed by further *decreti legislativi* (legislative decrees) in coming years. Second, regioni have been slow to adopt their new statuti; as of August 2009, almost eight years after the constitutional reforms, only half of the regioni (11 out of 20) have seen their statuti come into force, with several important regioni still missing.

The constitutional reforms were certainly aimed at strengthening regional autonomy, in part by stressing the role of regional institutions vis-à-vis the central stato, notably by means of the new procedure for the direct election of the presidente della giunta regionale (Art. 122 Const.) and the establishment of new residual competences for the regioni. The election of the regional president by universal and direct suffrage, as well as his/her power to appoint and dismiss members of the regional government, enormously increased the political weight of the regioni and their leaders. Thus, it can be concluded that the role of regional institutions vis-à-vis the stato is certainly much more substantial than in the past.

These changes eventually influenced the Europeanization of the regioni. The constitution, as reformed in 2001, explicitly recognizes that regioni participate in the implementation of EU law and in European policy-making (Art. 117 Const.). In the fields of their legislative competence, the regioni have the power and the duty to implement EU law (Art. 117.5 Const.). Regional participation in European policy-making is provided for by the nation’s ordinary laws (Laws No. 131/2003 and 11/2005).



## 2. Impact of the EU on institutional governance capacities of regions

Overall, the EU always played a remarkable role in shaping the development of Italian regionalism. However, such role is sometimes rather perceived than real. In the political narrative but also in the legal provisions, very often the compliance with EU obligations is identified as the main reason for action. At the same time, especially in the less competitive regions, this proves to be rather a rhetorical exercise, and, for example, often EU funds are not properly used.

## 3. Domestic determinants of regional governance capacities

The institutional structure, the division of powers between the levels of government and the financial arrangements represent the main domestic determinants of regional governance capacities.

### *Scope of territorial autonomy*

After addressing the allocation of basic legislative and executive powers among the stato and the regioni, the distribution of financial resources will be examined. A rather complex picture in a state of flux will emerge.

### *Distribution of powers*

During the 1990s, a number of significant reforms affecting the local government system were enacted. Law No. 59/1997 sought a maximum of decentralization without encroaching on the constitution (the “federalism with unchanged constitution”). A broad decentralization of administrative and legislative competences was thus achieved, while a number of financial resources, civil servants, buildings and other sites were transferred from the stato to regioni, province and comuni to enable them to carry out their new responsibilities.

As a result of the 2001 reform, the constitution reserves exclusively to the stato the power to legislate on a range of specifically enumerated matters (Art. 117.2 Const.). These



include the stato's foreign policy and international relations, stato-EU relations, immigration, defense, currency, public order, citizenship, jurisdiction, determination of the basic level of civil and social benefits to be guaranteed throughout the national territory, protection of the environment and the ecosystem, and the safeguarding of cultural heritage.

In a number of issue areas, the stato and regioni are given concurrent legislative competence (Art. 117.3 Const). These include the regioni's international and EU relations, foreign trade, job protection and safety, education, scientific and technological research, health protection, land and water transportation infrastructures, improvement of the cultural heritage, and improvement of the environment. In these issues, the legislative power of the stato is restricted to the determination of basic principles, while the regioni have full legislative powers within the framework determined by the stato.

Residual competence is vested exclusively in the regioni (Art. 117.4 Const.); thus, all matters not specifically reserved for exclusive legislation by the stato, nor pertaining to the concurrent legislative competence of stato and regioni (as, for instance, commerce and tourism), fall under regional authority.

Limits to legislative power are the same for the stato and the regioni, and consist of compliance with the constitution and with any constraints associated with EU legislation or international obligations (Art. 117.1 Const.). Legal practice and theory have furthermore identified two general kinds of constraints affecting all regional laws.

First, the list of matters in which the stato holds legislative powers includes a number of "cross-cutting" matters (more precisely, they are less "matters" than "general principles" that can have a bearing on each matter). The most notable instance is Art. 117.2, lit. m of the constitution, which provides that the "determination of the basic level of benefits relating to civil and social rights to be guaranteed throughout the national territory pertains to the national legislation." As a consequence, irrespective of the matter at hand, whenever a regional law provides for benefits related to civil or welfare rights, it must be subordinated to the national law that establishes the minimum benefit standards with regard to those rights. Other cross-cutting constraints relate to the protection of competition, of the environment and of cultural heritage.

Second, the Corte Costituzionale has interpreted the distribution of powers broadly: In its seminal Decision No. 303/2003, the court established that the stato can take administrative responsibility away from the regioni on specific issues, even those where



power is vested in the regioni, if it believes that better results can be obtained through stato oversight. This decision was based on the principle of vertical subsidiarity. However, the stato is bound to obtain the assent of the affected regioni, in accordance with the constitutional principles of subsidiarity and good-faith cooperation.

This judgment has had substantial effect on the national political reality. On the one hand, it transforms a rigid catalogue of competences into a flexible one, based on the principle of subsidiarity. On the other, it forces cooperation between the stato and the regioni in some very important areas (such as, for example, in the realization of large transportation infrastructural projects), consequently helping to push stato and regional policies toward convergence.

Regulatory powers (Art. 117.6 Const.) on issues associated with the stato's exclusive legislative powers are vested in the stato (although the stato can delegate regulatory activity to the regional governments). Regulatory powers are vested in the regioni in all other subject matters. Comuni and province have regulatory powers associated with the organization and implementation of the functions attributed to them.

In compliance with the principle of subsidiarity, administrative functions are as a rule given by the constitution (Art. 118 Const.) to the comuni, as the territorial governing bodies closest to the citizens, and thus presumably best capable of implementing such functions. However, these functions can also be vested with the provinces, the regioni or the stato (in this order), pursuant to the constitutional principles of subsidiarity, differentiation and proportionality, if deemed necessary to ensure uniform implementation. It is therefore necessary to consider the various demographic, structural, and territorial characteristics of the individual provincia or regione; to consider its administrative adequacy to perform the function in question; and to privilege, where possible, the lower instead of the higher level of government, because of its "vicinity" to the citizens and their needs.

The regioni and the stato share the power to engage in "international and EU relations" (Art. 117.3 Const.). This external power can be exercised by the regioni in the fields of their internal competence, within the limits determined by stato law and by national foreign policy.

*Allocation of financial resources*

The public finances system established by the constitution as amended in 2001 is characterized by fiscal federalism. Recently, the national parliament approved a general framework law aimed at implementing a coordinated public finance system (Law No. 42/2009) and the principles of fiscal federalism but this law requires the adoption of additional decreti legislativi in the years to come. Therefore, the new system is not yet fully in effect and so far (summer 2010) only a few of those have been adopted and not yet the most important ones.

Today, the constitution's Article 119 grants comuni, province, città metropolitane ("metropolitan cities") and regioni full financial autonomy, both on the income side (by granting the power to set and levy taxes) and on the spending side (by affording them full freedom to decide how to spend available resources).

Local governmental bodies (comuni and province) can thus take part in determining both the make-up and the amount of their own revenues. They can determine both the level of taxation and the way that revenues will be spent. However, the imposition and expenditure of taxes and other revenues by local governmental are required to follow the principles laid out by the coordination of public finances and by the national tax system. These principles, as further defined by Law No. 42/2009, include the following:

- Rather than "historic expenditure" (transfers based on the last year's expenditure), a "standard needs" analysis will cover the essential levels of public services and of fundamental administrative functions (the standard costs of each activity will be presumed);
- The principle of territoriality will be used in allocating financial resources;
- "Double taxation" by different levels of government is prohibited;
- A link between tax levying and public expenses must exist, in order to promote administrative fairness and responsibility;
- Transparency in fiscal databases must be maintained;
- An awards system will be established rewarding regional and local governments that score better than others using their tax and spending power;
- The bureaucracy responsible for levying taxes will be simplified;



- Fair cooperation must be maintained between the different levels of government in the achievement of general financial goals; and
- Consistency in the overall tax system must be maintained.

The regioni can further avail themselves of a share of any revenue tax applicable on their respective territories. The constitution provides for financial aid or transfers from the stato to regioni and local governments, designed to achieve specific national economic and social policy goals. Article 117 of the constitution exclusively entrusts the national legislature with the “equalization of financial resources,” whereas the “harmonization of public accounts and coordination of public finance and the taxation system” is the object of the concurrent legislative power of stato and regioni.

In order to prevent the emergence of glaring financial disparities among territories that could undermine national unity, a balancing fund has been established in national law. This fund will provide areas with relatively low per capita tax revenues with additional resources.

In addition, the new rules aim at reducing debt held by the regioni and local governments. As of 2008, the regioni controlled (and spent) 43 percent of the national GDP and are responsible for, inter alia, the entire health care system (Unione Italiana del Lavoro 2007). This has produced debt amounting to €45 billion, which needs to be covered by the stato budget.<sup>1</sup> Today, local governments and regioni can accumulate debt only in order to finance investment expenditure (as in the case of infrastructure projects), provided that all the loans incurred by local governmental bodies are not secured by the stato.

The decisions of the Corte Costituzionale have played a very significant role with respect to regional finances. A number of decisions can be mentioned in this regard, such as No. 37/2004, concerning tax autonomy, Nos. 320 and 390/2004 (on spending autonomy), Nos. 16 and 19/2004 (on the role of regioni in local finance), and No. 425/2004 (limiting the debt that local governmental bodies can incur).

Table 1: Tax revenues of regions and autonomous provinces, 2007 (in millions of euros)

Regioni / Province Autonome	Own revenues	Transfers from stato	Total
Valle d'Aosta	194	766	1,520
Bolzano	527	3,003	4,409



Trento	471	2,820	3,670
Friuli-Venezia Giulia	933	2,591	4,316
Sicilia	2,220	8,330	14,243
Sardegna	1,038	4,769	8,642
Piemonte	4,934	3,458	11,540
Lombardia	11,021	5,934	21,175
Veneto	4,210	4,194	10,292
Liguria	1,365	1,898	4,637
Emilia-Romagna	4,338	3,792	10,937
Toscana	2,994	3,651	8,092
Umbria	621	1,010	2,366
Marche	1,275	1,588	3,581
Lazio	7,079	4,088	16,962
Abruzzo	1,019	1,542	2,866
Molise	246	456	1,321
Campania	3,170	6,336	13,333
Puglia	2,193	4,389	7,330
Basilicata	307	904	2,762
Calabria	1,045	2,436	4,213
<b>Total</b>	<b>51,202</b>	<b>67,954</b>	<b>157,955</b>
Total Regioni Statuto speciale	5,385	22,278	36,820
Total Regioni Statuto ordinario	45,817	45,676	121,135

Note: Smaller revenues such as mortgages or patrimonial revenues not included in total sums.

Source: Institute for the Study of Regionalism, Federalism and Self-Government (ISSIRFA), Osservatorio finanziario regionale, vol. 30, 2008 (data of 2007).

The amount of revenue originating from taxation (including regional levies and stato taxes that can be associated with the regional territory, and which are subsequently devolved to local authorities) is directly related to the amount of taxed wealth. The wealthier regioni can thus expect access to greater financial resources, whereas the poorest ones can count on relatively meager funds. Moreover, as the table indicates, there is a remarkable gap between special and ordinary regioni as well as between north and south.



For example, Liguria has roughly the same budget as the Provincia Autonoma di Bolzano, but has more than three times more inhabitants. All in all, the special regioni receive four times more revenue than they produce. Most of the industrial regioni in the north (Veneto, Lombardia, Piemonte) produce more revenue than they receive from the stato, while in the south the opposite is the case.

Moreover, most regional competences are inadequately funded: As a rule, the regioni manage to effectively discharge only their public health (which can take up to 70 percent of available financial resources) and transportation responsibilities. Other functions, such as those related to tourism or housing, are generally insufficiently funded or not funded at all, with negative effects in some strategic sectors of regional economies.

If we look at the data on revenues and expenditures, a close correlation can be inferred between the economic success of a regione (as reflected in growth rates, employment level, etc.) and the regional government's control of its finances.

Quite plainly, each regione can change its individual economic policies on the basis of other governmental bodies' experiences and results. Each regione is thus free to adopt what it deems to be the most promising strategies and the best solutions, both in setting taxation levels and in deciding how to use available resources. From this perspective, as a result of the constitutional reform of 2001, regional financial autonomy is markedly greater than in the past, although, as stated above, the increased level of financial autonomy is not yet fully implemented.

#### *Regional interest accommodation in national policy-making*

Traditionally, cooperation between the regioni and the stato and between regioni (interregional cooperation) was not strongly developed in the Italian system. Given the constitutional obstacle represented by the composition of the Senate, which does not perform any role in representing regional interests, coordination between the regioni and the stato has evolved along less institutional lines. Specific coordination procedures, designed to implement the statuti regionali, have been established for the regioni a statuto special; these are based on bilateral committees made up of an equal number of representatives from the regione and the stato. However, the other regioni have no mechanism of coordination provided by the constitution itself, by the regional statuti or



even by ordinary legislation. In 1983, a permanent forum, the Conferenza Stato-Regioni, was established to facilitate communication between the national and the regional governments. The Conferenza, originally vested only with consultative powers, has gradually increased its political importance. In the meantime, the Conferenza evolved into a more complex body, that meets in three different settings: the Conferenza stato-regioni, representing only these two layers of governments; the Conferenza stato-città-autonomie locali (meeting of representatives of the stato with representatives of towns, counties – province – and other local governments of minor importance); and the Conferenza unificata, where the three levels of government (stato, regioni, local government) are represented. Indeed, in a large number of cases, intervention by the Conferenza (in one of its forms) is now actually compulsory, although the group is vested only with advisory powers. The Conferenza provides both a political and technical forum where the interests of the regioni and the stato can be balanced against each other. Depending on the matter, the Conferenza may be also required to advise the national government on national bills, or may be a forum in which national and regional governments sign legally binding agreements on matters of concurrent competency (such as health care). The Conferenza, along with analogous advisory governmental bodies for multilateral cooperation, is thus the main institutional channel for representing regional interests in the national decision-making process. While the Conferenza has no legal power to veto a national bill, its political influence is significant and bills are rarely adopted against its advice.

Bilateral relations between the stato and each regione (institutionalized in the case of the regioni a statuto speciale, but not in other cases) are intense and fully developed, although mostly informal. Finally, political relations also play a significant role in determining the degree of influence a regione can exercise within the national decision-making process. That influence may be stronger when a regional government has the same political composition as the national government, as the national political majority will likely seek to avoid political conflict with a regione ruled by a “friendly” government. However, even when the majority of regioni are governed by political parties of the national opposition, the national parliamentary majority may seek compromise in order to prevent conflict.

In sum, opportunities for the regioni to participate in national decision-making processes are still rather limited, though increasing. Informal or bilateral activities are filling



the institutional gap, although to a still unsatisfying degree. The overall degree of interregional coordination in Italy is quite low; interregional coordination is generally seen as a second-best choice when bilateral negotiation is unsuccessful.

*Basic patterns of domestic intergovernmental relations*

At this point, the Conferenza does not yet serve as a wholly effective political forum for settling conflicts between the regioni and the stato, or between the regioni themselves. Indeed, due to a generally uncooperative attitude, and a complex and unclear division of competences between the levels of government, judicial conflict between the stato and regioni has doubled since the constitutional reform of 2001, and has now stabilized at around 30 percent of the overall workload of the constitutional court (Corte Costituzionale 2008).

Particularly the weakness of interregional cooperation reduces opportunities for substantial participation by the regioni in national decision-making. The regioni do not have formal veto powers as far as the adoption of national laws is concerned. However, the Conferenza Stato-Regioni has to be consulted in a significant number of cases.<sup>11</sup> Its opinion is not formally binding for the national government, although politically it plays a decisive role. Moreover, the bilateral committees established as a forum for negotiation between the government and the regioni a statuto speciale on topics relating to statuti implementation do play an important role also as veto-players: the Corte Costituzionale (Judgment Nos. 37/1989 and 109/1995) has ruled that the government cannot dismiss these commissions' opinions, even though their role is formally merely advisory. Finally, in some crucial policy fields such as immigration and public security, the constitution mandates that national law has to provide for coordination among the regioni and with the stato (Art. 118.3 Const.).

All in all, Italy's intergovernmental relations are not as developed as a modern and efficient system of multilevel governance requires. In particular, two elements are lacking: a sound institutional framework that could support more intense cooperation on the one hand, and a more cooperative culture on the other, both with respect to inter-regioni (horizontal) relations, and to interactions between the stato and the regioni (vertical). Nevertheless, progress in recent years has been remarkable. Traditionally selfish attitudes are changing rapidly, and the regioni are establishing more or less permanent forms of



alliance. They are increasingly engaging in joint promotion of economic interests, and coordinating economic and industrial policies. Institutional ties are also being created that make regional representation more effective and visible, as in the case of the establishment of a joint representation in Brussels by the five central Italian regioni (Emilia-Romagna, Toscana, Marche, Abruzzo and Lazio) in 2000, after Law No. 52/1996 enabled them to do so. Cooperation among the regioni is also improving in the context of Conferenza Stato-Regioni. Awareness is rising that only by cooperating more efficiently can the regioni take a qualitative step forward in terms of policy-making performance and securing their own interests.

#### 4. Europeanization effects on regional governance capacities

Although slowly, regional governance capacity has been deeply influenced by the European level. More precisely, the necessity to conform with European obligations and some positive competition among the regioni in European issues (including in attracting European funds) have produced significant changes in regional policies.

##### *Scope of territorial autonomy*

The relationship between the European Union and Italian regioni has been formalized in the Constitution only in 2001. However, the impact of the process of European integration on Italian regionalism dates back from the beginning of the regional experience in the 1970ies. In addition to the institutional dimension, the Europeanization has had a considerable impact also in economic terms, in some case providing for a considerable part of the regional budget for the economically less developed regioni.

##### *Distribution of powers*

The EU integration process has had a significant impact on the distribution of competences between the stato and the regioni, with the effects of Europeanization being felt most keenly in the realm of environmental, transportation and agricultural policies, as well as in the use of cohesion funds and state aid.



Following the constitutional reform of 2001, the regioni improved their systems of EU law implementation, which can be done at either the legislative or administrative level. Several regional statuti introduced new instruments designed to ensure the regular implementation of EU directives. For instance, Piemonte, Lazio, Friuli Venezia-Giulia and Emilia Romagna every year adopt a legge comunitaria regionale (regional community law), in which all European directives concerning the areas in which the regioni have legislative competence are implemented in a single act. Regioni have also adopted additional mechanisms aimed at simplifying implementation by means of administrative regulations.

An *ex post* subsidiarity control mechanism for EU legislation is provided by Article 5.2 of Law No. 131/2003: Upon request of regioni or province autonome, the national government can appeal to the European Court of Justice to block implementation of EU legislation (including for violation of subsidiarity principle). It is obliged to do so if the Conferenza Stato-Regioni requests this by an absolute majority. To date, this new instrument has never been used. Another form of subsidiarity control is the “reservation” mechanism: The national government, upon request of the regioni, can formulate a “reservation” within the EU Council of Ministers (Article 5.1. Law No. 11/2005). The regioni are automatically informed by the government of community acts and proposals, by means that include access to an Internet portal called “Europ@”. When fully implemented, this mechanism will permit the implementation of the “early warning system” provided for by the Lisbon Treaty (see “overall assessment”).

Taking advantage of the new European opportunities to intensify interregional and transfrontier relations, all regioni have established representation in Brussels, and many (notably in the north) have intensified cooperation with other European regions. Within the framework of the European Region of Tyrol–South Tyrol–Trentino organization, the three alpine communities have developed common initiatives, established a joint office in Brussels, and have carried out joint sessions of their governments and assemblies. An even more ambitious plan is being prepared by Friuli-Venezia Giulia in cooperation with the Austrian Land (state) of Kärnten and Slovenia.

On 5 July 2006, the European Parliament and European Council adopted a regulation allowing new legal bodies called European Groupings for Territorial Cooperation (EGTC; Reg. 1082/2006) to be established. This new instrument aims to reduce the significant difficulties faced by regional and local authorities in implementing



and managing territorial cooperation within the framework of differing national laws and procedures. Some Italian regioni seem to be very interested in this new legal framework: Piemonte, Valle d'Aosta and Liguria have initiated the measures necessary to set up an EGTC with French territorial subnational entities (Euroregione Alpi-Mediterraneo). These activities have been prompted by developments on the broader European scene, and were institutionalized by the constitutional reform of 2001, which provided for direct links between regioni and the European Union and for regional treaty-making power with foreign states and their subnational entities (Art. 117.9. Const.).

#### *Allocation of financial resources*

As of December 31, 2007, according to the Community Support Framework - Program 2000 – 2006, €36.7 billion have been transferred to southern regioni including Basilicata, Calabria, Campania, Puglia, Sardegna and Sicilia. Under Objective 1 of the program, these are regioni with a relatively low level of investment, a high unemployment rate, a lack of services for businesses and individuals, and poor basic infrastructure. All other Italian regioni were included in Objective 2. The southern regioni depend strongly on EU structural funds and also on the national government, which provides additional funds by means of the *Fondo per le aree sottoutilizzate* (Fund for Underexploited Areas).

The EU's cohesion policy and its instruments for the 2007 – 2013 period focus on three new objectives: convergence, competitiveness and cooperation. According to recent European decisions, Calabria, Campania, Puglia and Sicilia (southern Italy) are eligible for the Convergence Objective, Basilicata is eligible for Statistical Phasing-out, Sardegna is eligible for Phasing-in Regional Competitiveness and Employment, and all other regioni are eligible for the Competitiveness and Employment objective. As of September 30, 2008, Community funds for Italian regioni have totaled €112.72 million for the convergence objective, €95.41 million for the competitiveness objective and €17.81 million for the cooperation objective.

In October 2006, the regioni reached an agreement within the Conferenza Stato-Regioni concerning the allocation of Community and national funds for the Competitiveness -Employment objective (see Table 2).



Table 2: Community and national funds to the regioni 2007 – 2013: “Competitiveness –Employment”

Regioni	FS final	FS final %	Final Cofin	Final Cofin %	FAS final	FAS final %	TOT final	TOT final %
Piemonte	307570389	15.1	991672629	14.3	624649763	12.0	2424092772	13.9
Valle d'Aosta	53540616	1.0	57763303	0.8	29168643	0.6	140470563	0.8
Liguria	319097837	6.0	524666881	7.6	240375847	4.6	1084130006	6.2
Lombardia	580301227	10.5	770371619	11.1	594588794	11.4	1925241640	11.0
Bolzano	35659752	1.7	112346289	1.6	80405018	1.2	261914039	1.5
Trento	32290711	1.5	130231522	1.9	40447355	0.8	252988588	1.4
Veneto	563739159	10.5	584227289	8.4	427623766	8.2	1575590215	9.0
Friuli V.G.	195776676	3.7	317345598	4.6	133757944	2.6	647881219	3.7
Emilia Romagna	433276621	8.1	723122178	10.5	200881294	3.8	1357280281	7.8
Toscana	555551152	12.2	795715977	11.5	532176422	10.2	1980442551	11.3
Umbria	249959816	4.7	330233670	4.8	179179682	3.4	758372568	4.3
Marche	220252488	4.1	285579490	4.1	169082252	3.2	675114230	3.9
Lazio	743512676	13.9	715517261	10.3	663590119	12.7	2122610056	12.1
Regioni minus Abruzzo and Molise	4975029321	92.9	6336285684	91.6	3894794921	74.6	15206109927	86.9
Abruzzo	268770183	5.0	395401238	5.7	847876000	16.2	1512047421	8.6
Molise	108702368	2.0	167313078	2.7	476260000	9.1	772275446	4.4
Abruzzo and Molise	377472551	7.1	562714316	8.4	1324136000	25.4	2284322866	13.1
Total	5252501872	100	6919000000	100	5218930921	100	17490432793	100

In 2007, the European Commission approved several operational programs for the period 2007 – 2013. Below, data on two regioni (Lazio and Lombardia) will be compared. Both operational programs fall under the Regional Competitiveness and Employment objective, and both programs aim to create new jobs and to decrease CO2 emissions. Tables 3 and 4 show financial allocations associated with the regional programs' objectives.

Table 3: Operational Program *Lombardia*/Breakdown of finances by priority axis

Priority axis	EU contribution	National public contribution	Total public contribution
Innovation and knowledge economy	104,198,930	158,661,070	262,860,000
Energy	19,820,233	30,179,767	50,000,000
Sustainable mobility	55,100,248	83,899,752	139,000,000
Protection/enhancement of natural and cultural heritage	23,784,280	36,215,720	60,000,000



Technical assistance	7,983,590	12,156,410	20,140,000
Total	210,887,281	321,112,719	532,000,000

Source: European Commission, Regional Policy - Inforegio: Intervention Type: Operational Program / CCI no: 2007IT162PO006 / Number of decision : C/2007/3784. Final approval date : August 1, 2008.

Table 4: Operational Program Lazio/Breakdown of finances by *priority axis*

Priority axis	EU contribution	National public contribution	Total public contribution
R&D, technology transfer, innovation and entrepreneurship	127,500,000	127,500,000	255,000,000
Sustainable environment	94,500,000	94,500,000	189,000,000
Accessibility	136,000,000	136,000,000	272,000,000
Technical assistance	13,756,338	13,756,338	27,512,676
Total	371,756,338	371,756,338	743,512,676

Source: European Commission, Regional Policy – Inforegio: Intervention Type: Operational Program/CCI no: 2007IT162PO004/Number of decision: C/2007/4584. Final approval date: October 2, 2007.

In sum, Italian regioni have recently improved their capacity to raise and spend EU funds, which used to be very weak. Most of the southern regioni depend heavily on EU financing, although less than before the 2004 and 2007 rounds of enlargement. For this reason, efforts are being made to increase the southern regioni's "attraction and spending" capacities with regard to EU funds. To date, EU funding has had no impact on regioni tax policies, although this could change when recently adopted financial regulations become fully operational (see "allocation of financial resources"). The central government and regioni share the costs of implementing EU law, according to their own competences. This means that, given the current division of competences and financial revenues, the stato still bears the majority of these costs (around 60 percent). However, the devolution of competences to the regioni in areas regulated by EU law implies additional costs in terms of infrastructure, organization and knowledge, as most regional administrations do not have the infrastructural, personnel or financial capacity to fully comply with European obligations.

*Regional interest accommodation in European policy-making*

Perception of the European Union varies considerably from regione to regione. In general, two main strands in the regional political discourse have emerged as to the role of the European Union in shaping regional potential. In some regioni, particularly in those with economic problems, the EU is seen primarily as a source of possible funds; the European debate is therefore focused on how funds can be better attracted and spent. In others, especially in those with a higher economic and institutional performance, the EU is perceived as offering opportunity for local entrepreneurs to expand, and regional policies compete in offering viable conditions for access to Europe.

Against this background, the influence that regioni can exert on national EU policy-making is essentially based on political criteria. There are no formalized bilateral mechanisms of cooperation focused on this particular point, and the multilateral forums for cooperation between stato and regioni on EU issues generally have an equalizing effect. In other words, regioni pushing for specific policy choices in European affairs can have their voice heard at the national level only indirectly, by exerting political rather than institutional pressure.

As to formal instruments, Article 5 of Law No. 131/2003 provides that regioni can participate in the activities of the European Council and its working groups, and can work with the Commission and its expert committees in areas of regional legislative competence (implementing Art. 117.3 and 4 Const.), following agreement in the Conferenza Stato-Regioni. Moreover, regional participation is subject to the principle of state unity, meaning that a unitary position must be achieved and represented in European institutions (thus, the central government is seen mostly as an ally by the regioni in this field). In March 2006, the national government and the regioni signed an agreement ensuring their participation in EU decision-making. In the Italian delegation to the EU Council, the regioni (and province autonome) can be represented by a regione president (or his/her deputy) or by the president of a provincia autonoma. In the areas of regional legislative competences (Art. 117.3 Const.), the head of the delegation is the government representative, unless decided otherwise on the basis of an agreement reached at the Conferenza Stato-Regioni level. So far, however, no use has been made of the opportunity provided by such an agreement.



With regard to regional participation within the state in relation to EU affairs, Italian law provides for instruments essentially focused on the principle of cooperation and on consensus. The Conferenza Stato-Regioni meets in *sessione comunitaria* (community meeting) devoted to European affairs at least twice a year. Its agreement is required for the adoption of laws implementing European obligations, called *legge comunitaria* (national community law). Furthermore, Law No. 11/2005 created the *Comitato Interministeriale per gli affari comunitari europei* (Ministerial Committee for European Community Affairs, CIACE). This new structure includes the prime minister, the ministro per le politiche comunitarie (minister of community policies), the *ministro per gli affari esteri* (minister for foreign affairs) and other ministers according to the topic involved. The president of the Conferenza dei Presidenti delle Regioni e delle Province Autonome or a president of a regione/provincia autonoma can ask to participate in meetings concerning European affairs where regional interests are at stake. The main aim of these procedural devices is to coordinate government positions during the EU decision-making process, as well as to take into account positions expressed by the regions. CIACE took up work only in February 2006; it is still too early to evaluate its efficiency (Annual Report from the government to the Parliament 2008). All these safeguards for regional participation in EU affairs aim at increasing coordination and avoiding direct initiatives by individual regions. As a consequence, regions are not involved in the daily work of the Italian permanent representation in Brussels, although relevant information is channeled to them by their own liaison offices.

Some regions have recently started to update their own legislative instruments in the effort to improve their “European capacity.” In this respect, it is worth mentioning Toscana’s Law No. 26/2009, which provides for a regional development program, and establishes a procedure for international promotion of the territory and internationalization of the regional economy.

#### 4. Balance sheet: scoring institutional governance capacities of regions in the EU

Table 5: Indicator scores for institutional governance capacities of Italian regions in the EU

Indicator	Score
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Legal status of regional self-government	2
Autonomy of regional institutions	1
Legislative powers of regions	1.5
Administrative powers of regions	0,5
Financial autonomy of regions	0,5
Role of regions in national and EU policy-making	1
Regional powers in external relations	1
Aggregate score of regional governance capacities ( $\Sigma$ )	7,5

(Score: strong/high = 2, weak/low = 1, non-existent = 0)

## 5. Top-down Europeanization: “EU policy-taking” and its impact on the regionalized system

Europeanization has been a driving factor for reforms in the Italian regional system, notably regarding regional participation in the implementation of EU law and in European policy-making. A number of instruments have formally been established, though not all have been put into practice. Most are based on cooperation with the stato. Thus, where cooperation is lacking, these instruments are likely to be disregarded in practice. Europeanization also has had effects on the distribution of competences between stato and regioni, creating some confusion as to the appropriate level at which European policies are to be implemented, and generating a number of cases before the Corte Costituzionale. The European Union’s impact on the allocation of resources is also of note; indeed, southern regioni today rely strongly on structural funding.

## 6. The “EU Performance” of regions: non-institutional determinants

In what follows, we first address “determinants of regional assertiveness in domestic policy-making” by examining a number of indicators that produce highly asymmetric regional capacities to assert specific interests during the national policy-making process. We follow this up with an analysis of the regional capacity to mobilize interests



within the multilevel European system under “indicators of successful regional mobilization in the EU’s system of multilevel governance.”

## 7. Determinants of regional assertiveness in domestic policy-making

The federalizing process of the country is very asymmetric and often purely driven by political considerations. This is the case of “regional assertiveness”, which largely depends on the self-perception of a regione within the evolving system. Moreover, the regioni are largely not homogeneous in terms of population, geography and economic capacity, letting aside history and culture.

### *Relative socioeconomic weight of regions*

As of 2008, Italy’s total population was 59,619,290 (increasing to more than 60 million in 2009). Regionally, it is distributed as seen in Table 6.

Table 6: Distribution of population in Italy (2009)

Regione	Resident population	%
Lombardia	9,742,676	16,5%
Campania	5,812,962	9,9%
Lazio	5,626,710	9,8%
Sicilia	5,037,799	8,7%
Veneto	4,885,548	7,7%
Piemonte	4,432,571	7,6%
Emilia-Romagna	4,337,979	7,5%
Puglia	4,079,702	6,9%
Toscana	3,707,818	5,3%
Calabria	2,008,709	3,0%
Sardegna	1,671,001	2,8%
Liguria	1,615,064	2,7%



Marche	1,569,578	2,5%
Abruzzo	1,334,675	2,2%
Friuli-Venezia Giulia	1,230,936	2%
Trentino-Alto Adige	1,018,657	1,7
Umbria	894,222	1,5
Basilicata	590,601	1%
Molise	320,795	0,6%
Valle d'Aosta	127,065	0,3%
Total	60,045,068	

Source: ISTAT – Italian institute for statistics – Population report 2009:  
<http://demo.istat.it/pop2009/index1.html>

According to Eurostat, real regional GDP growth rates in 2007 were the following: Italy as a whole showed 1.7 percent growth, Nord Ovest (Northwest) 2.5 percent, Lombardia 1,7 percent, Centro (Center) 2.4 percent, Lazio 3.3 percent, and the Sud (south Italy) 0.7 percent. Italy's overall unemployment rate for 2007 was 6.09 percent, while the regioni varied substantially, with Lombardia at 3.43 percent and Lazio at 6.38 percent. The regioni also differ as to their share in national GDP; for example, Lombardia, with 16 percent of the country's total population, accounts in 2007 for 21 percent of Italian GDP, while Calabria (3.4 percent of the population) accounts for just 2.1 percent of GDP. Lazio has about 9.3 percent of the country's population, and produces 11 percent of national GDP.

Government spending and the share of EU funds in the yearly budget in each regione are very indicative of the variance in socioeconomic weight. Valle d'Aosta budgets €11,744 per capita per year, 82 percent of which comes from its share in the national fiscal revenue system and 1.8 percent from EU contributions (including structural funds and other European initiatives). The Provincia Autonoma di Bolzano (Südtirol/South Tyrol) budgets €9,504 per capita, 8.6 percent of which comes from EU contributions. Piemonte budgets €2,484 per capita, 5.7 percent of which comes from the EU, Lombardia €7,631 (2.2 percent from the EU), Lazio €3,603 (3.2 percent from the EU), Calabria €3,783 (2.5 percent from the EU), Sicilia €4,452 (11.2 percent from the EU).<sup>III</sup> This means that the poorer regioni rely relatively more heavily on contributions from the stato and the EU.



Unemployment presents a very fragmented picture. While the national average was 6.09 percent in 2007, the unemployment rate was 3.24 percent in Valle d'Aosta, 2.59 percent in the Provincia Autonoma of Bolzano, 3.43 percent in Lombardia, 3.34 percent in Veneto, 2.85 percent in Emilia-Romagna, 6.38 percent in Lazio, 11.23 percent in Campania, 11.24 percent in Calabria and 12.95 percent in Sicilia. Furthermore, the yearly GDP per capita individual income in 2007 amounts to €29,800 in Valle d'Aosta, €33,800 in the Provincia Autonoma of Bolzano, €33,900 in Lombardia, €32,200 in Emilia-Romagna, €30,800,224 in Lazio, €16,600 in Campania, €16,600 in Calabria and €16,600 in Sicilia. The number of companies officially registered in Lombardia (with 10 million inhabitants) is 688,404, while 349,010 are registered in Veneto (4.7 million inhabitants), 294,395 in Lazio (5.3 million inhabitants), 222,351 in Campania (5.8 million inhabitants) and 91,345 in Calabria (2 million inhabitants). These data clearly indicate the profound socioeconomic cleavage between the north and the south (UIL 2006; for more data disaggregated by region, Camera dei Deputati 2005).

Growth rates have been severely affected by the recent economic crisis: In 2008 and 2009, GDP decreased in all regions. In 2008, Lombardia's GDP dropped by 0.3 percent. In terms of overall regional growth rates, Lazio showed the highest rate in 2008, followed by Emilia Romagna, Liguria, Trentino-Alto Adige, Toscana, Veneto and Lombardia.<sup>IV</sup>

The highest concentration of investment in tangible manufacturing goods can be found in the northwestern regioni (Piemonte, Lombardia, Liguria), followed by the northeast (Veneto, Friuli-Venezia Giulia, Trentino-Alto Adige) and the center (Emilia-Romagna, Toscana, Marche). Other central Italian regioni invest corresponding to their share of the national population (Lazio, Umbria, Abruzzo), while investment in the southern part of the country is considerably lower. In 2006, investments in Calabria made up less than 2 percent of the national total, while in Lombardia they were about 26 percent and in Veneto 14 percent of the whole.

The same type of variation applies to business research and development (R&D) funds. While Italy's R&D investments are in general limited in comparison to other European countries, the regional distribution of business concentrates R&D investments in regioni where industry is more developed, such as Lombardia (25 percent of national investment), Veneto (9 percent), Emilia-Romagna (10 percent), Lazio (8 percent) and



Toscana (8 percent). Most regioni have adopted specific programs to support companies' R&D investments; Toscana, for example, has adopted a R&D program as a part of its regional development plan, and in 2008 contributed €32 million to companies investing in R&D.<sup>v</sup>

Finally, national R&D and higher education funds are not distributed on a strictly regional basis, but are rather based on other criteria such as population and development strategies. In principle, therefore, each regione receives funds based on its population share. Traditionally, development strategies have benefited the southern regioni in relative terms. Regioni have recently been given a say in national higher education policy (the Conferenza stato-regioni must approve a number of bills affecting higher education and the right to study); in addition, most regioni provide funds for higher education and research, ranging from research projects to infrastructure development.

#### *Identity of regions as political space*

The following section deals with the political dimension of regional identity in the Italian context. Looking at the social environment and at the party system, it is argued that the federal potential of the political reality goes far beyond the federal potential provided for by the existing legal framework.

#### *Sociocultural embeddedness of regional identity*

Italian regioni are profoundly diverse in terms of their socioeconomic profiles, their culture and their history. For this reason, regional political cultures, and more broadly the very existence of regional social capital, also vary remarkably. This can also depend on the constitutive elements of identity; for example, language and ethnicity play a significant role in some regioni, notably in the small northern alpine regioni such as Valle d'Aosta and Trentino-Alto Adige, and a much more modest role in other parts of the national territory. However, a process of rediscovery of regional identities is clearly taking place throughout Italy. This process is also linked to a traditionally weak national identity, and has been reinforced by the country's negative performance.

The regioni containing a significant number of persons belonging to national minorities tend to have a stronger identity. These regioni also enjoy special autonomy



status, which makes it difficult to distinguish between the importance of sociocultural factors and legal factors as engines in creating this stronger identity.

In other regioni, identity-building is clearly under way, sometimes even artificially. For example, Sardegna recently started the process to amend its statuto by establishing a special commission tasked with drafting a “new statute on the autonomy and sovereignty of the Sardinian people.” The name suggested the existence of a Sardinian people, as distinct from the Italian people, and which had the right to self-determination. The Corte Costituzionale declared this terminology unconstitutional, ruling that it intended a derivation of autonomy not from the constitution, but from the free determination of a sovereign Sardinian people, which could also decide differently if they so wished (Judgment 365/2007). Another example is the recent law adopted by Friuli-Venezia Giulia for the protection and promotion of the Friulian language. The law stretched the limits of the stato protection given to regional or minority languages, mandating that the teaching of the language should be offered throughout the region’s territory, and not only in the comuni where it is spoken; that translations into Italian had to be expressly requested in administrative documents and debated in municipal councils; and that the place names of the Friulian area could be displayed in the minority language only. The national government appealed against the law and the Corte Costituzionale struck down most parts of it (Judgment No. 159/2009).

Aside from the recent resurgence of regional distinctiveness, many activities, including those organized by civil society groups, take place along regional lines. This does not mean that the political and economic elites support regional self-government; rather, while such support has undoubtedly increased, it is fair to say that the social and political cultures are still fairly centralized. This is particularly true of the party system.

#### *Structures of the party system*

In general, Italian political parties are mostly national, as is political competition. All main national parties compete in all regioni, and political debate is in general terms nationally oriented and dominated by national issues. Of course, the regional attitude towards national parties varies substantially. Traditionally, some parties are particularly strong in specific regioni and very weak in others, and it is fair to say that some smaller



parties are so strongly concentrated in some areas that they might well be considered *de facto* regional parties.

However, much has changed over the last 20 years. The regional issue has come to the fore, and regional parties have appeared on the political scene. It was in part due to their political pressure that the constitution was amended to strengthen the role of the region. Today, the country's political culture is still quite centralized, with little sensitivity to regional claims or even to a regionally oriented mentality. However, the regional issue's impressive and rapid increase in profile, in the Italian constitutional context and in the country's political discourse more broadly, was also prompted by (and occurred to a great extent as a response to) the action taken by regional parties. As a result, federalism (or more precisely, an increasingly decentralized constitutional and political system) has become rather popular, particularly in the political discourse. At least on paper, almost all main national parties declare themselves as "federalist" and advocate—with varying nuances—a decentralization of powers, although the practical support by political and economic national elites for regional self-government is less substantially than might appear from the political discourse.

The last two decades' legislative and constitutional reforms, and particular the beginning of popular regional presidential elections (in 1995, 1999 and 2001), helped dramatically increase the desire among regioni to be considered as autonomous political spaces. Until the beginning of the 1990s, it was politically preferable to be a national backbencher rather than a regional president; this is no longer true today. This shift has profoundly affected the stability of regional governments. Whereas there were a total of 363 changes in regional governments before 1995 (bearing in mind that the ordinary regioni were established only in 1972), and the average government duration was just 542 days, today almost all regional governments last for an entire mandate of five years.

Apart from numerous and politically irrelevant parties that appear and disappear at every election (national too, but mostly regional), there are at least five traditional regional parties, mostly representing the interests of an ethnic or national minority. Among them, the most important is the Südtiroler Volkspartei (South Tyrolean People's Party, representing the German-speaking minority in Italy), which has always had the absolute majority of seats in the South Tyrolean parliament (in the last elections, in 2008, it won 48.7 percent of votes, and 21 of 35 seats). Moreover, it appoints three of the four members



that South Tyrol sends to the national parliament's lower house, and all three senators. It also appoints 113 out of 116 mayors of the province. Other, though politically less relevant ethnic parties, include the party of the *Ladins*, a small alpine minority that until recently was represented exclusively by the People's Party in South Tyrol and by the national parties elsewhere, and Slovenska Skupnost (Slovene Union), the party of the Slovene minority in Friuli-Venezia Giulia, which as of this writing was being merged with a national party.

Another category of regional parties represents regional interests (more or less explicitly) regardless of the national or ethnic origin of their constituencies. The *Union valdotaine* has always been the dominant party in the small northwestern regione of Aosta Valley; the party won 18 seats out of 35 in the regional elections held in 2003, and 17 out of 35 seats in 2008. The *Partito sardo d'azione* is the traditional autonomist party of Sardegna, but is currently facing a deep political crisis, due to a number of local reasons. It can thus be said that there are at least five regional parties that play a crucial role in regional politics and a limited one in the national political arena.

Another category of political movements is difficult to qualify specifically as regional parties. These parties formally compete nationally and in all regions, although in practice they draw votes in only a small number of regions. The clearest example of this type is the *Lega Nord* (Northern League). This party, established in Lombardia in the early 1980s as a small autonomist group, first won representation in parliament in 1987; since then it has constantly increased its representation, winning more than 10 percent of the national vote in the 2009 European elections, and scoring above 30 percent in some northern regioni. In the regional elections of 2010 it was the party that grew more: it appointed the president in two key regioni of the north (Piemonte and Veneto), it scored about 30% of the votes in other important regioni such as Lombardia, and it increased its representation in several other regioni far beyond the north of the country (above 10% in both Emilia-Romagna and Toscana). More recently, a new party, *Movimento per le autonomie*, has been established in the south (with particular support in Sicily).

*Extent and quality of regional entrepreneurship*

The development of Italian regionalism owes its existence to more than simply the rise of regional identities; however, it is clear that these have played a substantial role in the asymmetric design of the political system's regionalism today. Regional identity also affects the character of political leadership and administrative capacity.

*Political leadership*

The direct popular election of regional presidents has contributed substantially to the establishment of regional political élites, who are able to contribute decisively to identity-building and the efficient accommodation of regional interests. However, few outstanding, high-profile regional political leaders have emerged, as political careers are still predominantly centered on national parties. Some exceptions can be made in areas where self-government is deeply rooted: for instance, no discussion of regional figures can be complete without the inclusion of South Tyrolean leader Silvius Magnago, who was president of the Provincia autonoma di Bolzano for 29 years (1960 – 1989), or Trentino Democrazia Cristiana leader Bruno Kessler, a popular politician who served as Trentino's president from 1960 to 1973. Both made remarkable contributions to creating the identity of their respective territories.

The importance of regional political leadership is growing, however. Surveys as recent as 2009 indicate that regional leaders are substantially increasing their popularity among voters. Given the political and cultural peculiarity of the Provincia Autonoma di Bolzano, it is not surprising that the most popular regional leader, with an 87 percent positive rating by residents, is province President Luis Durnwalder (who is also the longest-serving regional president by far, in office since 1989). Second most popular are the presidents of Sicilia (Raffaele Lombardo, with a 67 percent positive rating) and Lombardia (Roberto Formigoni, with 66 percent). In general, the support is lower in the southern regions.<sup>VI</sup>

Combining popular support with the political and economic weight of the region, Lombardia's President Formigoni can be considered as one of the most successful and influential regional political leaders. He is the only President of ordinary region who has been in charge since the direct election of the regional presidents was introduced in 1995



and was elected to his fourth consecutive mandate in 2010. Overall, regional leadership is strongly linked to continuity and it is not by chance that regional leaders are now emerging following changes to the rules governing their election.

#### *Administrative reform efforts*

A number of Italian regioni (such as Lombardia) follow a strategic approach designed to enhance their influence. In order to achieve this goal, they are focusing their legislative policies on specific areas where they have most of their powers, such as public health, education and training, and local public services. However, regional administrative reforms have not generally had significant effects on economic competitiveness, or given the regioni more influence on national policy.

The creation of the so-called *sportelli unici* (one-stop shops) appears to have helped simplify administrative procedures, mostly in the context of the approval of new economic activities. One-stop shops were established by State Law No. 112/1998, and gave comuni a number of competences related to business and industry. Citizens have recourse to these offices for any administrative measures associated with starting, enlarging or closing a business, as well as when applying for licenses and building permits. Regioni have used instruments such as the sportelli unici at different levels of efficiency, with consequently varying results for economic competitiveness; for instance, 475 sportelli unici are currently at work in Lombardia, only 65 in Lazio.

In terms of “good governance,” several regioni, in particular Toscana and Emilia-Romagna, score far better than others. This is due to a rooted administrative culture, to political stability, to an active civil society, and to modern and effective legislation. These regioni were among the first to experiment with new forms of participatory administration, to link regional administration with local universities and to invest in administrative capacity. These regioni also established a fully fledged regional administration well ahead of others. It is for this reason that their regional civil service operations are comparatively more successful than those of other regioni.

To date, the decentralization of powers and responsibilities initiated by the 2001 constitutional reform has had limited consequences on the structure of the public service. While most legislative powers now lie with the regions, and most administrative functions



belong to the comuni, the majority of civil servants (66.9 percent) are still state employees. Only 32.5 percent work for regional or local governments (Ministero per la pubblica amministrazione e l'innovazione 2007). The recently adopted law on fiscal federalism offers the possibility of entering into different types of contracts with civil servants in various parts of the county, with a view toward “ensuring a correspondence between the power to determine the regions’ own revenue and the autonomy in managing the related personal resources” (Article 2, Par. 2, lit ii Law No. 42/2009). In the future, regioni should therefore be allowed to obtain additional resources from the central government in order to increase the salaries of their civil servants; these resources will be made conditional on the overall performance of the regional administration.

#### *Active coalition-building*

The new constitutional and political profile of the regioni has enabled them to engage in more intense coalition-building. Not all regioni have taken advantage of this opportunity to the same degree, however. Lombardia in particular has developed a broad network of partnerships (including with foreign regions) across a variety of policy fields, with a varying degree of intensity and institutionalization.

Some regioni, such as Toscana and Emilia-Romagna, have traditionally supported a higher degree of internal cooperation between the public sphere and private actors, thus facilitating the decision-making process. Other regioni, such as Lombardia and Lazio, lack this intraregional, cooperative societal culture.

As mentioned above, Italian intergovernmental relations lack instruments and procedures for cooperation. Strategic cooperation among regioni thus often follows political lines more than functional, economic or other strategic patterns. Conferences representing regional (and sometimes local) governments, particularly the Conferenza Stato-Regioni, are contributing to better coordination and strategic coalition building, especially when dealing with specific subjects. However, much remains to be done to create a true institutional setting for efficient interregional cooperation.

The 2001 constitutional reforms introduced a new governmental body in the regions, the *Consiglio delle autonomie locali* (Councils for Local Governments), aimed at making it easier to establish permanent institutional links for intraregional cooperation by



involving comuni and other sub-regional actors in the broader regional decision-making process (Art. 123 Para. 4 Const.). The Consiglio bring together representatives of the comuni to play an advisory role, and must be consulted in the regional legislative process. In addition, the constitutional reforms formalized intese (regional agreements) as a binding instrument of policy; the new provision (Article 117 Para. 8 Const.) allows regioni to conclude agreements, to be ratified by regional law, aimed at improving the performance of regional functions. These agreements may also establish joint interregional bodies. Unfortunately, this instrument has been used only sparingly by the regioni, which normally prefer to establish informal bilateral relations with the stato.

*Basic patterns of regional interest articulation and representation in domestic policy-making*

The degree to which regioni can articulate their interests and represent them in national (and regional) policy-making processes is variable, as it depends on a number of (mostly political) factors.

Recent changes to the constitutional framework have enhanced the institutional linkage between regional and national interests. However, the institutional channels for regional interests' representation in domestic policy-making remain weak and overall ineffective. The weakness of the regioni's institutional involvement in national decision-making is supplemented by the still largely centralized party system; as a result, channels for promoting regional interest become politicized. This often occurs based on party affiliation and the personal relationships of regional political and economic leaders with their counterparts in the center.

From an institutional perspective, a decisive role in bridging this fragmented and random articulation of interests has been played by the Corte Costituzionale. In three decades of consistent adjudication, the court has essentially forced cooperation between the stato and the regioni, and has shown to the regioni that judicial challenge can be an effective instrument for asserting regional interests in absence of a political agreement.

Finally, it is worth mentioning that most regioni have recently put in place instruments for the selection and coordination of sub-regional territorial interests, with a view toward regional coordination and the creation of common regional objectives. Several regioni (including Piemonte, Toscana, Friuli-Venezia Giulia, Emilia-Romagna and Liguria)



have recently adopted innovative laws on regional governance, which provide for inclusive decision-making, by involving stake-holders and technical expertise in early-consultation mechanisms.

## 8. Indicators of successful regional mobilization in the EU's system of multilevel governance

The factors affecting the mobilization capacity of regioni within the context of multilevel European policy-making are of various nature. While generally low, such capacity varies considerably among different regioni and in some case it can be regarded as quite developed.

### *Economic competitiveness of regions in the internal market*

Lombardia is the best performing regione in terms of internal market competition. As the economic indicators cited under “relative socioeconomic weight of regions” show, there is a close relationship between the socioeconomic weight of the regioni and their performance (not only from an economic perspective) in the internal market. As the biggest, the most industrialized and the economically best performing Italian regione, Lombardia also scores better than all others regioni, both in the domestic and in the European market. The connection between socioeconomic weight and performance can be also observed in comparing Lombardia with other large northern industrialized regioni (see discussion under “allocation of financial resources”); this reveals analogous performances due to similar socioeconomic potential. For example, per capita revenues in Lombardia, Piemonte and Veneto are roughly similar (see data provided under “relative socioeconomic weight of regions”). Comparison with southern regioni such as Campania, Sicilia that are comparatively big but have a much lower socioeconomic potential also demonstrates that performance depends heavily on socioeconomic factors.

International competitiveness has relatively late become an important policy objective for Italian regioni. The socioeconomic structure of various territories did not originally depend on the regional factor; indeed, when the country experienced its strong economic growth,



mostly between the 1950s to the 1970s, the regioni (at least those with ordinary status) were not yet in place. Economic development was accompanied rather than guided, and this solely by the central government. When the regioni were established, they inherited an economic situation already in place. Furthermore, economic success was based largely on small and medium-sized enterprises, most of which had neither the interest nor the capacity to compete internationally.

Only since the 1980s has internationalization of the territories started to play a role. Some regioni—notably those marked by political stability, such as Emilia-Romagna and Toscana, or those with a strong economic background, such as Lombardia, Veneto and Piemonte—could develop a consistent strategy for internationalization. Others, being economically weak and/or politically unstable, could not do so. The strategic planning of the 1980s and 1990s prepared the regioni to place themselves as relevant actors in the internal market.

Lombardia, for example, started creating regional development programs in the 1980s, and continues to do so today. The current program is composed of 57 programmatic targets, 168 specific targets and 523 management targets, all aimed at fostering the competitiveness of the regione in the national and international arena.

#### *EU compatibility of political identity-building*

Public support for European integration is quite high at the regional level. Moreover, the regioni have been quite active, especially over the past two decades, in order to increase their visibility in Europe, although with variable success.

#### *Changing patterns of public support and social capital at the regional level*

People primarily identify with the municipal and national levels of government—although again, in some regioni, where regional identity is strong in political and symbolic terms, the picture is rather different. It follows that as a rule the people do not link the regional and European level. The increasing support for regional institutions is mostly linked to the increased powers these bodies have recently received, and above all to the introduction of the direct election of regional presidents. On the other hand, regioni often



tend to link themselves to the idea of Europe, thus trying to augment their popular support through association with European symbols, given the fact that the cause of European integration in general enjoys broad consensus in Italy.

Economic elites in particular are quite effective in networking and pushing for more effective presence of their regioni on the European scene as a means to expand economic opportunities.

#### *Improved visibility of regions in Europe*

The (slowly) increasing trend toward cooperation among regioni and between regioni and stato goes together with the rise in symbolic visibility of individual regioni. Even regioni that lack a clear historical and political identity are intensifying the process of regional identity-formation by means of symbols such as regional flags or, more importantly, by strongly supporting regional trademarks in selling and promoting regional products. Almost all regioni have developed individual trademarks and promote them at the European level. In several cases, regional trademarks have helped increase the Europeanization of the territory and of the economy, particularly in the case of agricultural, alimentary or tourism trademarks (in Toscana, Marche, Umbria and others).

#### *Europeanization of regional party competition*

The European discourse, while frequently used in rhetorical terms, is essentially ignored at regional level. Even when European issues are at stake (such as agriculture, which is among the most Europeanized policies, but belongs entirely to the regioni), they are not presented as such in political debate.

#### *Extent and quality of regional entrepreneurship*

This section deals with political and administrative leadership at the regional level as benchmarks for the European capacity of the regioni. It is argued that institutional capacity and coalition-building are growing, while political leadership remains limited to exceptional cases.

*Political leadership*

Political leadership in Italy is rather weak, including at the regional level. In industrialized regions, political discourse is primarily focused on how public authorities can better help entrepreneurs by adopting favorable policies and creating necessary infrastructures. A few regional leaders have been very proactive in networking their region with other subnational European counterparts; this has been possible by combining political vision with important geographic and socioeconomic preconditions. Border regions in the north have more opportunity to Europeanize than do peripheral and less-developed areas. Against this background, important networking activities have been launched, such as Euroregions or the Four Motors for Europe (see the chapter below on European coalition-building activities). Several efforts stand out, particularly in those regions where political leadership has been stable (again, Lombardia can be considered the forerunner in this regard). Since not all regions with a stable political leadership have been equally active in establishing European networking activities, it can be concluded that some regional leaders have been more active and more successful than others in this activity, even under similar conditions (for instance, Piemonte former President Mercedes Bresso or Lombardia President Roberto Formigoni; see “extent and quality of regional entrepreneurship”).

*Institutional capacity-building in EU policy-making*

Most regions have recently adopted organizational reforms designed to cope with the process of Europeanization. These reforms are mostly of a technical nature, taking such forms as specific task forces on European affairs within the regional administration, or processes aimed at better managing European funds. However, some regions (such as Emilia-Romagna) have organized permanent meetings of top civil servants to integrate mainstream European issues into regional administrative activity, while others have set up specific offices tasked with the elaboration of European and international strategies (such as Veneto, with its Directorate General for international relations).

Regions participate both directly and indirectly in Brussels itself. Indirect participation comes by means of the four regional representatives, appointed by the



Conferenza Stato-Regioni, that are part of Italy's permanent representation in Brussels (COREPER). However, the direct role comes from the representation that all Italian regioni except Basilicata maintain in Brussels (under Law No. 52/1996), with the aim of promoting their individual social and economic development within the broader process of European integration. These offices essentially perform an informational activity, and their practical relevance in enhancing the European capacity of their respective territory varies from regione to regione. The liaison office maintained by Emilia Romagna (the first such, established in 1994) has had particular success; this office also maintains quite good interregional relations, as it shares its building with a German Land (Hessen), with the French Province Aquitaine and with the Polish Wojwodship Wielkposka.<sup>VII</sup> Similarly, Tirol, Südtirol/Alto Adige and Trentino have a common liaison office, which has gained visibility for its lobbying activities.

The central regioni of Italy offer an example of interregional relations within a single state. Abruzzo, Lazio, Marche, Toscana and Umbria have a "common house" in Brussels, sharing premises, costs and information. The Veneto regional government's Brussels Department is quite peculiar: This structure has a specific and specialized detached office in Padova (Veneto in Europe, V.in.E), whose main objective is to develop and promote cooperation with the countries of Eastern and Southeastern Europe, to maximize international network creation, project management efficiency and Veneto's visibility as a regione, and to facilitate dialogue with international bodies such as EU delegations, the World Bank and the European Bank for Reconstruction and Development.<sup>VIII</sup> Lombardia has a liaison office in Brussels, but several local industrial and commercial sectors have established offices that complement the region's activity. Much lobbying and information exchange takes place through these additional channels.

Finally, Italian regioni have established new departments for European affairs. For instance, Lombardia has created a "Structure of International Relations" under the Directorate of Cabinet Affairs. This administrative unit also controls the regione's liaison office in Brussels. However, these reforms have not succeeded in increasing regional influence on EU policy. It is widely debated, especially in the press, whether regional representation offices are worth the money they cost, in terms of capacity to increase visibility at the European level, to attract investments and tourists, or to promote exports.

*European coalition-building activities*

Lombardia in particular is very active in building coalitions. Along with its involvement in the “Four Motors for Europe” project (a strategic alliance with Baden-Württemberg, Rhône-Alpes and Catalonia), it also signed the first EU tripartite agreement to be completed by an Italian regione on October 15, 2004. This agreement has been concluded between the Commission, Italy and the Regione Lombardia, following the framework provided by the Commission Communication of 11 December 2002 (COM (709)fin). The agreement (on sustainable mobility) included at least three political dimensions—transportation, the environment and research—while integrated strategies can be defined on a political-institutional level.

Lombardia is also the appointed managing authority for the Interreg III/A cross-border cooperation program between Italy and Switzerland. The primary objectives of this program are to strengthen cross-border cooperation, enhance integration of border areas, stimulate balanced and long-lasting development that will safeguard of the delicate alpine ecosystem, and increase exchanges between the border areas on the institutional, economic and social levels. Finally, Lombardia is a member of the Alps-Adriatic Working Community (ALPE ADRIA) and of the Working Community of Alpine Countries (ARGE ALP).

Several other regioni are increasing their active role in cross-border cooperation projects, through the Interreg initiatives, participation in working communities (ARGE ALP, ALPE ADRIA, COTRAO, etc.) and other means. Recently, the European Commission decided that Sardegna will host the Joint Managing Authority for cross-border cooperation within the European Neighborhood and Partnership Instrument (ENPI) 2007 – 2013.<sup>IX</sup>

All Italian regioni are involved in interregional networks such REGLEG, and are represented in the Assembly of European Regions ([www.aer.eu/en](http://www.aer.eu/en)). All are members of the Council of European Municipalities and Regions.

Regional participation in the Committee of Regions (CoR) has not seemed to bring practical benefits, partially due to the CoR’s mixed composition consisting of representatives from regional and local bodies (Article 303.3 TFEU). The Italian CoR delegation consists of 24 members and an equal number of alternates. The distribution of



seats is as follows: regioni and province autonome have 14 members (8 alternates), province have five members (4 alternates) and comuni have five members (12 alternates). A regulation passed on 11 January 2002 states that members of Italy's CoR delegation are proposed respectively by the Conferenza dei Presidenti Regionali (Conference of Regional Presidents, CPR), the Unione delle Province Italiane (Union of Italian Provinces, UPI) and the Associazione Nazionale dei Comuni Italiani (National Association of Italian Municipalities, ANCI). The ANCI and UPI, acting independently, appoint their members and alternates in such a way that the choice is geographically and politically balanced, even if this is not required by the decree. The Conferenza dei Presidenti generally appoints a representative for each regione and provincia autonoma. According to the decree, presidents of regioni/province autonome, presidents of province, mayors and members of municipal councils may be appointed as CoR members. CoR members are finally and formally appointed by the national Ministry for Regional Affairs. They have to be elected representatives of their territories, holding political office.

## 9. Impact assessment

The degree of Europeanization of different regioni can be ascertained from some indicative data as well as from recent legislative developments.

### *Selection of case studies*

Two Italian regioni can be used to show the variability of performance. Lombardia and Lazio are both ordinary regions. Lombardia, with its capital city Milano, is located in northern Italy and Lazio, with its capital city Rome, is located in central Italy.

Table 7: Economic data, Lombardia and Lazio, in 2007

Regional data	Lombardia	Lazio	Italy
Resident population	9,742,676	5,626,710	60,045,168
Gross Domestic Product (millions of euro, current value)	325,327.7	170,024.9	1,544,915.1



Total domestic employed (thousands)	4,305.3	2,215.1	23,221.8
Families expenditures in durables (millions of euro, current value)	16,222.7	8,135.3	83,391.8
Investment in the industrial sector (millions of euro, current value)	87,249.1	22,470.9	336,006.4

Source: Eurostat and ISTAT (Istituto Nazionale di Statistica), <http://demo.istat.it/pop2007/index1.html>

On the basis of the aforementioned data, it can be observed that Lombardia's GDP is almost twice as big as Lazio's, and that Lombardia alone accounts for about 21 percent of Italy's GDP as a whole. Lombardia is home to about twice the number of employed individuals as in Lazio; Lombardia's employed make up 18.5 percent of Italy's workforce (the regional population is about 16 percent the overall population).

Even in the case of family spending on durables, Lombardia's performance almost doubles that of Lazio, accounting for 19.5 percent of the national total. Lombardia's investments in the industrial sector are 3.9 times larger than the corresponding value for Lazio; indeed, Lombardia alone accounts for 26 percent of the national total in this sector.

On the basis of these figures and their proportional values, it can be observed that Lombardia can rightly be considered the leader or the driving force among Italian regioni. Its average performance is not only well above that of other ordinary regioni, but also higher than that of most of the special autonomy regioni (which benefit from much more generous financial arrangements). Lombardia was also the first regione to make use of European tripartite agreement. By contrast, Lazio appears to be somewhat EU averse, because it feels both the massive costs associated with Italy's capital city, and because Roma hosts the main bodies and institutions of the stato, with all the attendant drawbacks of proximity to the central seat of national power.

#### *Changing patterns of regional interest representation in EU policy-making*

This section presents some thoughts on how European integration has affected the representation of regional interests, both domestically and at the European level. It is contended that the European variable has been a key factor in promoting domestic



cooperation, despite the broad margins that remain for improving collective strategies and coordinating regional activity.

#### *Interregional relations*

To date, Italian regioni (like all other subnational entities) have been unable to directly and formally influence policy-making at the European level. However, the situation is changing at the national level. The regioni have shown converging interests in the EU policies affecting them most strongly, and the institutional and procedural framework is changing in order to give them a voice. In other words, Europeanization has been a driving factor in improving the Italy's traditionally uncooperative regional relationships.

For instance, within the framework of the Conferenza Stato-Regioni, the regioni reached a common stance with respect to Italy's negotiations on structural fund allocations for the 2007 – 2013 period (December 14, 2005). This common position strengthened the government's position, and ultimately contributed to the positive outcome of negotiations from the perspective of the regioni. Another positive example is the elaboration of the national strategic plan within the framework of the European cohesion policy

Aside from the slow but increasing development of cooperative procedures and political links, coalition-building between regioni in pursuing common interests on the European scene is also proving quite important. The previously mentioned establishment of joint liaison offices in Brussels is just one example of this trend. In recent years, the regioni have realized they can have considerably more influence on national and European policy-making by means of a collective strategy. However, regional interests are sometimes so diverse that a common strategy is impossible.

#### *Interaction between central government and the regions*

In general terms, the political relationship between stato and regioni has been profoundly (and positively) affected by the process of European integration. As noted above, Italy's political culture (and the associated institutional system) has not traditionally lent itself to cooperative strategies. However, the common framework of European integration has pushed the stato and the regioni to cooperate more closely. Political



cleavages are shifting and realigning, a process already underway due to the recent constitutional changes, but given new impetus by the challenges of Europe.

However, while European integration has enhanced political and institutional cooperation between stato and regioni, it has also stirred up interregional competition. In the best-performing, most competitive regioni, national and interregional solidarity is often politically called into question. The reform of financial arrangements adopted in 2009 has been one of the most visible outcomes of that political process, creating economic incentives for the more productive regioni and essentially disfranchising others. One could thus say that, paradoxically, Europeanization has made cleavages between the very heterogeneous regioni even more visible, while simultaneously spurring increased levels of cooperation among regioni and between regioni and stato. While the cleavages persist, and have even increased (through they are often overemphasized in the political discourse), a more mature administrative culture is developing which makes cooperation a necessity, since only by cooperating can individual regioni push for their agenda at higher governmental levels.

## **10. Bottom-up Europeanization: subnational “EU policy-shaping” and its impact on the regionalized system**

Overall, Europeanization of the Italian regioni is taking place, but this is generally not very visible. Politically, the European card is often played rhetorically but has no real impact in electoral terms. Votes are not cast with the Europeanization of the regional territory in mind, nor do voters have a chance to evaluate their individual region’s EU policies. Economically, European integration is seen as an opportunity, either to attract funds or to expand export markets and promote tourism (none of these goals, it can be noted, are quite the same as Europeanization). Where bottom-up Europeanization is having the most remarkable effects is in administrative culture and practice. Cooperative procedures have come into use, especially between the regioni and the stato, since regional interests in the European arena are more successfully channeled by the stato. Moreover, regional policy-making is taking more account of European issues, even though the EU performance of the Italian regioni remains below the European average.



Finally, some improvement can be noted in the field of European coalition-building. Some regioni in particular (such as Lombardia) have succeeded in networking activities, even though these seem to be more horizontally oriented (i.e. between governmental structures) than bottom-up, with limited inclusion of the civil society.

## 11. Overall assessment of the EU fitness of the regionalized system

The process of European integration has generally affected the traditionally uncooperative relationship between stato and regioni in a positive way. However, a relatively high number of conflicts remain, especially when compared to other European countries. The main conflict-prevention mechanism is the Conferenza stato-regioni, which brings national and regional governments together to draft general policy guidelines or for specific purposes (by means of specialized sub-conferences on varying subjects)<sup>x</sup>. The most relevant conflict-resolution mechanism in the case of tension between the central government and the regioni is still provided by the Corte Costituzionale; many cases heard here indeed regard EU affairs. Overall, the court has safeguarded regional prerogatives against stato interference, in part by ruling that it is unconstitutional for the stato to use its coordination role in EU affairs to take competences away from the regioni (Judgment No. 203/2003), at least without the regioni's consent (Judgment No. 68/2008).

Cooperative mechanisms that are in place are often undermined by a conflict-prone political culture. An example is the contested role of the regional liaison offices in Brussels, which do not create any effective synergy. On paper, the system in place seems relatively balanced in terms of providing both a coordination of regional interests at the national level and opportunities for the regioni to pursue their own European policies. However, these opportunities are not fully exploited. Increased cooperation is ultimately in the best interest of the regioni, as the institutional mechanisms in place give a privileged position to the role of the stato.

European integration was one of the main driving factors leading to the 2001 constitutional reform. This reform not only obligated both stato and regioni to comply with EU legislation (Art. 117.1 Const.), but it also made subsidiarity a fundamental principle in the relations between different levels of government (Art. 118.1 Const.).



However, the massive reallocation of competences did not increase policy efficiency, nor did it allow for a more efficient implementation of EU law in fields such as state aid, environment or public procurement.

Regioni activities—or lack of activities—in their areas of competence have sometimes left Italy temporarily out of compliance with EU rules. This is a problem for the national government, as it cannot then plead the existence of provisions, practices or circumstances in its internal legal system in order to justify a failure to comply with EU obligations and time limits (Case C-33/90, Case C-388/01). Indeed, infringement procedures against Italy have been initiated several times over the last decade in fields of regional or concurrent competence; that is, in policy areas where the fulfilment of European obligations requires legislative or administrative acts by the regions. This has been particularly troublesome in environmental matters (e.g., cases C-225/96, C-87/02C-466/99, C-248/02, C-139/04), but has also affected trade fairs, markets and exhibitions (Case C-439/99). The Eur-infra database (<http://eurinfra.politichecomunitarie.it/ElencoAreaLibera.aspx>), concerning pending cases at the European Court of Justice, supports this conclusion. Indeed, in at least six cases out of 40 concerning environmental policies, non-compliance was provoked by regional activity. Conflicts between regioni and stato on environmental issues often end up before the Corte Costituzionale. In order to prevent non-compliance with EU obligations, the stato has been vested with the power to execute by substitution in lieu of the regione (Articles 117.5 and 120 Const., Law No. 11/2005). In some cases, the stato is even given the authority to act in a preventive way (for instance, under the Constitutional Court's guidelines (Judgment No. 272/2005), the stato could legitimately adopt an urgency instrument in order to implement EU obligations (such as the milk quota), without involving the Conferenza Stato-Regioni. National acts aimed at avoiding non-compliance are temporary measures, and can be substituted for by properly adopted regional acts. Moreover, since 2007, the stato has also the power to hold the regione financially responsible for consequences provoked by the regional violation of EU law, and to ask for the reimbursement of any costs. The central government can compensate itself directly, by reducing the national funds allocated to the regione responsible for the violation.

The economic impact of European integration is extremely important, to the point of determining spending constraints for both stato and regioni. Since 1999, a Patto di



stabilità interno (national stability pact) has been in place, containing programmatic goals for the regioni (and local government units) aimed at coping with the EU Growth and Stability Pact criteria. The pact is adjusted and updated annually by the national financial law, in consultation with the regioni. However, the regioni do not have formal veto power over the pact. Moreover, the pact has not been entirely effective: Enforcement has proved rather problematic despite rather developed control mechanisms, and in several cases the stato has had to intervene financially to compensate for excessive regioni debt, especially with respect to health care.

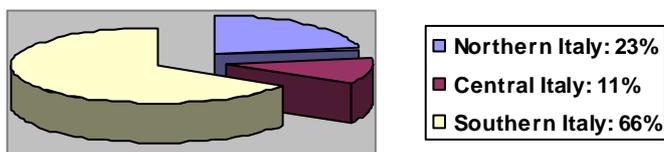
Italy is expected to be allocated about €28.8 billion from Structural Funds programs in the 2007 – 2013 period (the overall financial allocation for the EU27 countries is an estimated €347.4 billion). The allocation for the first objective, “Convergence,” is estimated at €21.2 billion, while the allocation for the second objective “Competitiveness and Employment”, which covers the majority of Italian regioni, is only €5.35 billion. Moreover, if we also consider national/regional resources, an additional €24.7 billion will be allocated to regional policy (Corte dei Conti – Italian Court of Auditors – Report 2007). The southern regioni rely strongly on European resources, and economic development, particularly in Sicilia, seems to have benefited from access to EU structural funding (see “relative socioeconomic weight of regions”).

Compliance with EU law in funds management is guaranteed by various mechanisms set up at the European, national and regional levels. The EU Commission maintains control of the implementation of projects involving EU funds. Member states are responsible for disbursing funds and monitoring expenditure under Community policies (within the European Agricultural Guidance and Guarantee Fund (EAGGF) framework), and the Commission is required to ensure that member states have made correct use of the funds. Recently, the European Court of Auditors expressed some criticism of these oversight mechanisms’ effectiveness (Annual Report 2007). All Italian regioni and province autonome have implemented the mechanisms required by EU law (e.g., Reg. 438/2001). Italian regioni and the national financial police (*Guardia di Finanza*) have signed an outline convention aimed at coordinating oversight and the information relating to structural funds. The Guardia di Finanza has signed *protocolli d’intesa* (agreements) with all regioni. With regard to the management of EAGGF, the Guardia has reached an agreement with Lombardia and Toscana. Synergy between different activities



has made it possible to discover and prosecute a large number of cases of fraud and waste of EU resources. The following figure, which is based on data from 2007, shows that the majority of fraud and mismanagement occurs in southern Italy.

Figure 1: Fraud and mismanagement in 2007



Source: Italian Court of Auditor Annual Report 2008  
([http://www.corteconti.it/Ricerca-e-1/Gli-Atti-d/Procura/Documenti/Procura-Ge/Anno-2008/scritto-definitivo\\_2.doc\\_cvt.htm](http://www.corteconti.it/Ricerca-e-1/Gli-Atti-d/Procura/Documenti/Procura-Ge/Anno-2008/scritto-definitivo_2.doc_cvt.htm))

Finally, as in all other EU member states, the process of European integration and the transfer of regional powers to Brussels has negatively impacted the role of Italy's regional parliaments. This is due to the fact that European integration remains a governmental and government-driven process. Since the main task of regional parliaments is to pass regional laws, it is obvious that when a piece of legislation with regional impact is adopted by the European Union, regional parliaments lose part of their power. This is ultimately a problem affecting national parliaments as well.

In recent times, especially after the entry into force of the Lisbon Treaty this problem has addressed, although it is far from being completely resolved. Since 2007, the government has used the "Europ@" web portal to transmit documents to the national parliament (6,999 documents in 2008) and to the Conferenza Stato-Regioni (38,066 documents in 2008 alone). Moreover other mechanisms (such as report and reservation) provided for by Law n.11/2005 have to be adapted to new Treaty rules concerning the involvement of national and regional parliaments in the decision-making processes and the "early warning" system with regard to the principle of subsidiarity <sup>XI</sup>



Regional parliaments have set up a coordination forum designed to enhance cooperation and elaborate joint strategies, which are not binding but might be relevant in political terms. Moreover, in several regioni (such as, in particular, Emilia-Romagna), newly adopted regional by-laws and legislative acts provide regional parliaments with a comprehensive right to be informed of all proposals, actions, policy strategies and other information affecting their region's European policy. This includes any proposed acts designed to comply with European law. Where appropriate, regional parliaments are given the time to express their positions, although in practice most actions are taken under time constraints, which makes it difficult for the parliaments to make effective use of these powers. Thus, the role of regional parliaments in European affairs remains marginal, despite recent efforts to grant them a more prominent voice.



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<sup>I</sup> Several studies on the health care system show that per capita expenses in the south are twice as much as in the north, while the quality of the service is much lower (Corte dei Conti 2008). For further information, see the Health Reports by the NGO Cittadinanza Attiva (<http://www.cittadinanzattiva.it/i-tuoi-diritti-pit-salute/il-rapporto/rapporto-2008-form.html> - last available report: 2008). In summer 2009, due to the high public debt incurred, the state placed the health care system for two regions under its direct administration.

<sup>II</sup> As to decision-making, the Conferenza works based on the consensus principle: the regions as a rule should come to a unanimous position, but if this lacks, the opinion of the regions is determined by majority vote (Article 2,2, decreto legislativo 281/1998).

<sup>III</sup> Data from 2007. Information comes from the official website of each region.

<sup>IV</sup> Data from SVIMEZ. Previsioni macroeconomiche per le regioni italiane 2008-2009, in <http://www.svimez.it/News/11122008.pdf>.

<sup>V</sup> [http://www.regione.toscana.it/regione/export/RT/sitoRT/Contenuti/minisiti/porcreo/news/visualizza\\_a\\_sset.html\\_1092505157.html](http://www.regione.toscana.it/regione/export/RT/sitoRT/Contenuti/minisiti/porcreo/news/visualizza_a_sset.html_1092505157.html)

<sup>VI</sup> [http://www.ilsole24ore.com/speciali/governance/governance\\_poll\\_tipologie\\_governatore.shtml](http://www.ilsole24ore.com/speciali/governance/governance_poll_tipologie_governatore.shtml) (Governance Poll 2008).

<sup>VII</sup> See the website, <http://www.spazioeuropa.it/ufficiobruelles>.

<sup>VIII</sup> See <http://www.regione.veneto.it/La+Regione/Sede+di+Bruxelles/English+version.htm>

<sup>IX</sup> [http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-cross-border/index\\_en.htm](http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-cross-border/index_en.htm).

<sup>X</sup> Within the framework of the Conferenza stato-regioni, the meetings can regard several different matters, from agriculture to culture, from health care to tourism and many others. See the list of "sub-conferences" within the format of the Conferenza stato-regioni in: <http://www.regioni.it/conferenze/>.

<sup>XI</sup> See proposals of the revision of Law no 11/2005 (bills no. C.2862 Stucchi and C.2888 Gozi).