VALUES-BASED PUBLIC-PRIVATE NETWORKS
BEST PRACTICES IN ITALIAN LOCAL GOVERNMENT:
THE CASE OF “REGIONE MARCHE”

Mara Del Baldo*, Paola Demartini

Abstract

Internationally, the theme of territorial social responsibility, or territorial networks (CSR-oriented partnerships between local public and private partners) aimed to promote a model of sustainable economic growth, is still little noted. The movement of collective responsibility sees institutions and organisations (public and private, for profit and non-profit) participating in a form of economic development that is socially and environmentally sustainable. In these territories where deeply rooted actors are stimulated to cooperate for the responsible development of the productive system, their combined actions become an effective instrument in the sustainable government of the territory. Based on this consideration, the aim of our research is the evaluation of Italian local governmental initiatives to promote corporate social responsibility through public-private networks (specially focusing on the “Marche Region” case-study).

Local governance based on the subsidiarity and the shared values of a spatial and socio-economic community can therefore be interpreted as a possible form of “managing publicly” which is focused on creating values and following the public interest, and operates through their motivations and values. This triggers a path of human governance in which participation, co-planning, and dialogue are not merely slogans but the modus operandi in actors’ processes of creating value.

Keywords: corporate social responsibility, local governance, public-private networks, small and medium enterprises, values.

* Department of Business Studies, Faculty of Economics, University of Urbino “Carlo Bo”
Via Saffi, 42, 61029 – URBINO, Italy
Tel +39 0722 305509
Fax +39 0722 305541

1. Introduction

Utilizing regional public-private networks for sustainable development is a topic scarcely addressed in academic literature. Drawing on the concept of CSR (see, inter alia, Matacena, 2005; Rusconi, 2006), one should move towards an approach in which collective responsibility is central. Rather than focusing on engaging the firm’s stakeholders, this network approach is developed by leading local actors aiming both to improve the community’s quality of life and to meet economic, social and environmental needs [1].

It is also becoming evident that most public goods cannot be offered without engaging the private sector and involving local actors. In the last decade, innovative ways to meet public needs implied a new concept of governance aimed at developing synergies between public, private and social organisations. So far, even business and social partners are involved in the formulation process of public policies. Moreover, the variety of partnership solutions among public authorities, business and civil society organisations offers different political prospects to development (Teubner, 2000; Reed and Reed, 2008).

Focusing on CSR, the above-mentioned partnerships translate into CSR public-private and non-profit driven networks, where it is possible to overcome fragmented visions (Gerencser et al., 2008).

Literature on this topic is very rare (Fisher et al., 2009; Von Malmborg, 2003), especially if one considers empirical research; however, some seminal case-studies on CSR-oriented networks have been conducted by Italian researchers (Molteni, Antoldi and Todisco 2006; Battaglia et al., 2006; Baldarelli, 2007; Monaci, 2007; Paloscia, 2007; Matacena and Del Baldo, 2009; Demartini, 2009). Regional networks appear to be fundamental for the development of policies and strategies tailored to CSR, and in the meantime they improve the effects of sustainable measures put into practice by the different networks’ players. In our opinion, the condition for the success of local public-private partnerships is based on common values that local actors share, and are able to strengthen through formal and informal relationships.

These values, shared by the protagonists of the territory (institutions - municipal, provincial and regional authorities; enterprises; trade, consumer and non-profit associations; universities; etc.), translate into a particular activism and sensitivity towards CSR that
operates at the local level and assumes the contents of social responsibility and territorial sustainability.

Drawing on an analysis of state of the art the aim of our research is to evaluate the effectiveness (and the possibility of replication) of Italian local government initiatives to promote corporate social responsibility through public-private networks.

Our main hypothesis is that the policies of the European Commission and the Italian central government in promoting Corporate Social Responsibility do not have concrete efficacy when they are not coordinated with regional and local authorities. Furthermore, public initiatives should take into consideration the influence of local culture, the social “milieu”, and economic factors shaping the environment in which public-private networks arise.

So far, empirical data developed in the second part of the work - which regard the case of the Marche region and the regional network project of socially responsible businesses - have been gathered in order to obtain direct information to discuss public-private partnerships for CSR.

Finally, new relationships among PA (Public Administrations), citizens, civic organisations, and business, based upon humanistic common values lead to the perspective of managing publicly (Bozeman, 2006), where trust, cooperation and accountability are the conditions for the success of “good governance”, which overcomes a government approach (Storlazzi, 2009; Velo, 2009; Zamagni, 2007).

2. Research framework and literature

The theme of territorial social responsibility - territorial networks whose goals are to promote a model of sustainable economic growth - is still little noted internationally. Furthermore, the few national contributions to this topic are hidden in the work of researchers who, departing from the experiences of the territory of “Third Italy” and its districts (Battaglia et al., 2006; Molteni et al., 2006; Albareda et al., 2008; Del Baldo, 2010) were aware of the role a local entrepreneur’s socially responsible orientation can play in valorizing this fusion of cultural, moral and proximal elements that have fostered the development of Italy’s economy from the post-war era to today, by utilizing intangible resources such as trust, reputation, and commitment. These factors are the fundamental elements of the social or relational capital of “territorial businesses”; they are the source of competitive advantage not only of the singular business, but also of the national economic system (Becattini, 1987; Putnam, 1993; Lipparini, 2002).

From an analysis of the international literature, we find two principle lines of thought that offer interesting ways to understand the motivations and dynamics that have given birth to recent partnerships between public and private actors, both at the supra-national and regional levels, which eventually disseminate the culture of corporate social responsibility.

2.1 Public-private partnerships and regional networks for promoting sustainable development and CSR among public and private actors

The network among public and private actors that spread corporate social responsibility can be analyzed at two diverse levels (Table 1):

- analyses of the macro level, paying particular attention to large systems, has, since the 1990s, underscored the importance of collaborations/partnerships between businesses, governments, super-national organisations and non-profit organisations for promoting the sustainable growth of worldwide economic markets.

- analyses of the micro level, referring to single zones or regional areas, have provided the earliest descriptions of local public administrations, businesses that operate within the territory, and social actors, working together in projects aimed at promoting the philosophy and practices of responsible action.

Insert here Table 1 – Public and private partnerships/networks

With the process of globalization during the 1980s and 1990s, and the adoption of neo-liberal theories, nation-states have lost part of their role in promoting the conditions of development, while large multinational corporations, thanks to the liberalization of markets, have asserted an increasingly larger influence in determining the “quality” of economic growth of countries.

At the end of 1999, responding to demands for protecting the environment, respecting human rights, and closing the gap between wealthy countries and developing ones (UN, 1987), the United Nations and the World Bank (Fox et al., 2002), began a program to promote partnerships between businesses and non-profit organisations, to foster social responsibility and to include the private sector in public policy regarding development (Zammit, 2003; Richter, 2004; UNGC, 2007).

Researchers (mainly sociologists and political scientists) have sought to understand the role that such partnerships will have in the process of globalization of the economy and how their diverse configurations can promote sustainable development (Reed and Reed, 2009).

From our point of view, the development of this phenomenon is particularly important for the reflections that move the operations of multinational corporations that de-localize their production in developing countries and voluntarily decide to adhere to a code of conduct that promotes socially responsible behaviors with particular reference to the management of the supply chain (i.e. Global Reporting Initiative, 2006).
Such initiatives are interesting because they promote social responsibility in developing countries (Tscai, 2010), but they have little impact on the conditions across which public and private actors interact to spread CSR particularly in Europe, where companies included are small- and medium-sized enterprises (SMEs). They are embedded in their territory, regardless of how globalization amplifies their supply or production.

The European Union has, since 2000, formally recognized the role that governments can play in promoting social responsibility among businesses because “in the long term, economic growth, social cohesion and environmental protection must go hand in hand” (EC 2001 a,b).

In particular, in 2002 the European Commission published A business contribution to Sustainable Development (EC 2/7/2002), a document directed towards the EU member-states, industrial associations and their consumers, to their “third sector”, as well as to the individual companies and social actors, so that they could coordinate common initiatives for promoting best practices of social responsibility.

It also helped foster a growing interest on the part of governments to institute multi-stakeholder forums and to create initiatives with the private sector, associations and socially interested actors. However, it is important to note that individual EU member-states have developed diverse “CSR-oriented governance” strategies, since they come from different political perspectives and different organizational structures (Albareada et al., 2007; Gribben et al., 2001; Midttun, 2004, 2005).

Take, for example, differences between the UK and Italy. Albareada et al. (2008) show how the British central government exercised a strong role in coordinating various CSR initiatives, even though many are between institutions of “local strategic partnerships”. In Italy, however, local and regional governments played the largest role in promoting CSR; these actions gave birth to significant initiatives that included territorial small- and medium-sized firms.

Literature on local CSR-oriented public-private networks is very rare (Fisher et al., 2009; Von Malmberg, 2003); however, some seminal case-studies, which we will detail in the following paragraph, have been conducted by Italian researchers.

2.2 Territorial routes to sustainability and CSR. A theoretical and empirical synthesis of national experiences

Territorial social responsibility is founded on the rediscovery of the values shared by economic, social and institutional actors within a territory. Thanks to a solid network of relationships, they know how to reinforce these values, transforming conflicts and attritions into opportunities and growth (Peraro and Vecchiatto, 2007).

At the anthropological and social level, possible pathways that take form of “territorial social responsibility” are shared and diffused in diverse local contexts where constitutive elements of a logic of social responsibility and sustainability are “genetically” present. These include safeguarding the environment; educational and cultural improvement; valorizing people in their complex human profiles, not only as a source of work; fostering transparency in every organisation towards carriers of interest; the availability of every actor, single or associated, to consider themselves a part of this social group and not only part of the economic, productive, or financial environment.

Such pathways can be triggered by private actors (individual firms and business systems), public actors, or non-profit organizations, in accordance with their particular local contexts. In all, their efficacy seems to depend on the presence of a solid network with clear values, and on sharing ethical principles already embedded in the territory, which facilitate the convergence of diverse protagonists’ expectations, forces, advantages and objectives. How it emerges from the Italian experiences, which are distinguished by the quantity and diversity of its industrial micro-fabric, the diffusion of CSR follows a path that we can define as a centrifuge (moving from the particular to the general), which gives an important role to SMEs and to partnerships developed among a plurality of local actors. Such an aspect has social effects on the firm’s activities, and impacts the role of support to sustainable development by the local communities and the whole country (Hutton, 2002).

In light of these premises, Perrini, Pogutz, Tencati (2006) presented the first systemic description of a “network” experience relative to the private and public sector. In the private sector, they found a system of rewards, accountability, reporting and certification, and financial experiences (investment in ethical funds, systems of ethical rating). For the public sector, they found experiences that were promoted at the regional and provincial levels, which aimed to encourage ethical-social certification or to sustain working categories and projects of the national system of Chambers of Commerce.

Beyond those cited, recently diverse contributions have analyzed, on both deductive and inductive levels, approaches to CSR centered on a systemic logic and of including SMEs in networks with other territorial actors (Baldarelli, 2007), or based on membership in a specific district (Molteni, Antoldi and Todisco, 2006). The “cluster approach” (Battaglia et al., 2006) considers the local dimension, where relationships are direct and immediate, and the activities of the industries are homogeneous. The creation of informal networks centered on relationships of trust and shared values among diverse carriers of interest constitutes a fundamental element for the development of corporate citizenship, and for the construction of the common good (Maaß, 2006; Spence, Schmidpeter and Habisch, 2003; Spence and Schmidpeter, 2003; EC, Round Table, 2004; Gui and Sugden, 2005; Perrini, 2006; Peredo and Chrisman, 2006; Del Baldo, 2009).
path based on networking and on collaboration among SMEs, and local and national institutional actors, appear fundamental “for effectively executing CSR strategies” (Lepoutre, 2006; Ørskov, 2006; Kromminga and Dresewski, 2006).

With this conceptual framework in mind, the literature has recently recorded the first experiences that have promoted concrete CSR practices in the territory. Some of these are presented below (Table 2).

Insert here Table 2 – Network profiles and pathways in Italy

2.3 The territories of social responsibility: the values of the Marchegian model

To complete our theoretical snapshot we will develop the theme of relationships with the environment intended, in primis, as a territory of membership and identity which possesses a wealth of socio-cultural values that are unable to be replicated elsewhere. The many small centers of diffuse entrepreneurship generate a winning synergy of identity, tradition and trust, translatable into a socio-cultural atmosphere that is at the center of the socially responsible orientation of Marchegian “territorial SMEs” (Matacena and Del Baldo, 2009).

Economic and social responsibility - but also gratuity, solidarity, and participation - are the ingredients for the development and the revitalization of local territories by SMEs “with soul” (Catturi, 2006) - or, in other words, “spirited businesses” (Lamont, 2002) that make CSR a distinctive aspect of their mission, governance and accountability. These businesses draw on the conditions of diversity and identity from their territory - diversity with respect to other contexts not characterized by the capillary diffusion of the SME; identity with respect to the socio-economic and cultural fabric of which they are members.

The best practices of Marchegian businesses that are based on social cohesion and on a value framework typical of the places in which they are inserted nourish a model of development in which the territory becomes the subject and the protagonist.

The Marchegian socio-economic fabric is definable in terms of social capabilities, or civicism. Factors such as culture, history, institutions, beliefs and consolidated convictions constitute a sort of humus of intangible assets described as “that socio-cultural climates, the sum of intangibles, of things [...] that one is not able to touch nor measure, like ideologies, the humor of the people, their beliefs and their whims, their mental wellness and the interdependence of these things with institutions” (Cipolla, 1990, p. 148-149). This “genius loci” is fertilized by values, culture and traditions present in a specific spatio-community that draws its development from the growth of local industry.

The values inherited by rural culture and agricultural morals that has characterized the model of socio-economic and territorial development of the Marche from the first half of the 1800s to the post-World War II era (Anselmi, 1979; Paci, 1979; Mangani, 1998) are in fact represented by a sense of membership in the community and by social identity, by a spirit of solidarity, by work ethics, by everyday commitment and by savings, by sharing of family wealth (Balloni and Trupia, 2005).

Behaviors and shared values, the creation of a collaborative climate, dialogue and interaction between diverse “embedded” subjects generate the relational infrastructure of a territory, a context of social capital that distinguishes its socio-economic environment and virtuous politicians. In such a perspective, the territory is understood not only in the physio-geographic sense, but also in its relational dimension, as a social organisation and a system of rapports (local and extra-local) of actors and of roles.

Territorial CSR represents, therefore, a possible pathway that reflects the specificity of the socio-economic fabric of Italy and of the Marche in particular.

3. The case-study

3.1. Research question – Aim and propositions

This work is intended to evaluate the efficacy of actions promoted in Italy by local governments, particularly those in the Marche region, that help create territorial networks that promote a model of sustainable economic development for businesses.

This is crystallized in the following research question: “Why are there certain contexts, like in the Marche, Italy (but not only there), where there is a high level of CSR-oriented projects that involve public and private (for profit and non profit) local actors?”

The propositions around this question is articulated in the empirical study, expressed below:

Proposition 1:
“At the heart of a certain area’s local networks, there are shared values which derive from the culture and the common roots of entrepreneurs, which are passed on, and which today translate into the particular mission of their companies”.

Proposition 2:
“These values, also spread among the other main protagonists of the territory (institutions, associations) translate into a particular form of activism and sensitivity to CSR that operates at a local level and assumes the context of social responsibility and territorial sustainability (TCSR: territorial corporate social responsibility)”.

Corporatio Ownership & Control / Volume 8, Issue 1, Fall 2010, Continued · 8
3.2 Methodology

The theoretical paradigm underlying our research is the interpretivist model (Crotty, 1998; Corbetta, 1999). In light of interpretivism, sociological phenomena cannot simply be observed but must also be interpreted by the researcher. Therefore, there is no separation between researcher and subject since the process of understanding derives from deductive-inductive development (epistemological dimension) (Ryan, Scapens and Theobald, 2002).

The study was developed according to a qualitative approach and a case study methodology (Yin, 1994). In general terms, the case study method has the double aim of detailing the principle characteristics of the phenomena, and to both understand and analyze the dynamics of a given process. As a methodology, the development of a case study represents a “strategy of research that is concentrated on the comprehension of the dynamics that characterize specific contexts” (Eisenhardt, 1989, p. 532). Specifically, the case study method is a precious instrument for “capturing” the diverse manifestations of socially responsible government and to utilize the results both cognitively as well as normatively by indicating best practices and suggesting criteria for further action.

An Italian region (Marche) has been selected because it is characterized by a thick fabric of diffuse entrepreneurship and of local systems and districts, and constitutes a typical example of the “Third Italy” model in which the development of SMEs is established in small centers, without upsetting the pre-existent agricultural and artisan vocations, and preserving socio-economic fabric of relationships anchored in the territory.

The analysis was based on information collected in the period October 2009-May 2010 through in-depth semi-structured interviews as well as informal conversations with officials, regional experts, and public administrators from the Marches Region who work in the public sector and labor market - particularly in the Labor Group for Sustainable Development - and are involved in the projects presented below. In addition to regional public representatives, interviews were conducted with diverse actors within the regional network: public officials from the province, representatives of associations and trade unions in the Marche, project managers of KPMG Advisory Spa (technical partners and coordinators). The study is also based on participant observation, since the researchers are actively engaged in research through the University of Urbino, which is one of the network actors analyzed. The researchers thus participated in formative encounters at the provincial and regional levels (relationships at conventions, seminars, workshops). Documentary analysis has also been conducted; regional, national and provincial laws, briefs, relations, projects, and disciplinary reports were analyzed along with the information acquired on the website of the Marche Region.

4. The role of the Marche Region in promoting territorial social responsibility

4.1 “Antique” values and the real-life orientation of the Marchegian Public Administration regarding social responsibility

The case of the Marche is of particular interest to researchers not only for the presence of numerous SMEs who present excellent examples of providing economic and social well-being of their community, but for a Public Administration office which is particularly sensitive to its citizens’ quality of life and to the theme of CSR.

A recent study (Demartini, 2009) underscored the existence of numerous initiatives promoting CSR by public and social actors.

As argued above, if the heritage of values - of which many current Marchegian entrepreneurs are carriers - is deeply rooted in the agricultural culture, one cannot neglect its role and influence in the urban world that emerged from it during the period of industrial development, in the “Third Italy” in general and the Marche in particular.

One finds, in fact, urban centers which have intense relations with the surrounding territory, because they concentrate inside themselves the most important political, economic and cultural functions. They help provide numerous services, such as schools and hospitals - a rich associative network of a social, recreational and cultural character that goes beyond providing economic services.

The influence of local communities on small Marchegian enterprises is expressed, therefore, at various levels, creating a cultural, institutional, political and social milieu that has helped reconcile new industrial activities with the identity and traditional values of local society in the years after economic development.

Diverse researchers, historians, sociologists and economists have expressed this sentiment, emphasizing the active role of the entire local society in favoring this type of development “without fractures” (Fuà and Zacchia, 1983), which has characterized the economic model of the Marche, and, more generally, of the “Third Italy” after the second world war.

Putnam (1993) underscored the importance of a diffuse associative social fabric in creating social cohesion and promoting political and administrative efficiency. Trigilia (1986) built on the role given to political subcultures (Catholic and social-communist) in promoting less conflicting relationships between labor and capital. Bagnasco (1988) revealed how the objective of reconciling competition and cooperation have safeguarded social cohesion, and, at the same time, guaranteed the growth of a diffuse economy.

It is therefore this synergy of immaterial socio-cultural factors which, in our opinion, constitute the
premises that determine collective and individual attitudes favoring diffuse social responsibility. What follows is an analysis of the roles and forms of diverse actors in experimental projects promoted by the Marche Region, defined a “territorial ethical network.” This term is intended as a form of coalition between local institutions, businesses and civic organisations that commit themselves to voluntary, reciprocally advantageous relationships, and follow a common social objective: to improve the quality of life and the quality of work in the Marchegian territory.

**4.2 The first Marchegian territorial network: SIRM project**

The SIRM project - Sistema Impresa Responsabile Regione Marche, or, the Marche Region’s Responsible Business System - which is synthesized in Table 3, was created in 2005 by the Centro Formazione Marche, a consortium of 120 Marchegian businesses that acts as a promotional association. It is assisted by institutional partners (among them, the Marche Region’s social service ministry) and by diverse civic organisations (UIL Marche; Orientamento Lavoro Donna O.N.L.U.S.; ADOC Associazione Consumatori; Mondo Lavoro s.p.a.; Globis s.p.a.; Regionalna Rozvojova Agentura Kysuce (Slovakia).

Its scope is to foster synergy among territories, institutions, businesses, entrepreneurial associations, social actors and informal networks in civic society, which encourage firms to adopt best practices of social responsibility.

The project’s agenda even foreshadowed the feasibility study of an informational system in more channels (Internet, publishing, information booths run by organisations in the territory) which are presented as areas of interaction for businesses and consumers that help the Marchegian economy and its European partners reorient their operations towards sustainable development.

Another objective, which is certainly more challenging, is that of inducing local businesses to adopt socially responsible practices in the relationships they cultivate with their domestic and foreign partners, especially those in Central and Eastern Europe. A “long network” has thus been created that involves even public organisations in Slovakia.

If it should be said that some of SIRM’s goals have only found partial attention, then it is also worth noting that the initiative has nevertheless completed its first phase in 2006, which involved a pilot sample of small and medium-sized Marchegian businesses.

The result has been to plan and experiment with a system of indicators specific to SMEs, so as to codify the firms’ assumption of socially responsible behaviors (Regione Marche, 2006).

**4.3 The second phase: the I.Re.M. project - Responsible Businesses of the Marche Region**

The Marche Region’s I.Re.M. (2009-2010) looks at completing and improving the inroads already made with SIRM (2005) by inaugurating a second phase of the model of Marchegian social responsibility. The changes introduced are synthesized in the following table (Table 3).

Insert here Table 3 - The objectives of the project I.Re.M.

First, it extended the network: on the one hand, it added a larger number of Marchegian SMEs from all sectors (starting with those most representative of the economic fabric of the Marche such as footwear and furniture). On the other hand, it engaged the production chain of large-scale Marchegian industries. The second innovation regards the capillary diffusion of the project into the environment. This is articulated primarily at the provincial level, through the composition of a multistakeholder forum (Table 4), so as to better adhere to the specifics of individual local contexts represented by the stakeholders. The multistakeholder forum is an operational instrument of the project, open to other institutions, associations, and organisations active in pursuing the theme of CSR.

Insert here Table 4 - Composition of the Marche Region’s Multistakeholder Forum

Through direct interviews and successive contacts with officials from the Marche Region who are actively involved in the project, we sought to identify critiques that the officials had confronted in the first phase of the project.

Some useful indications emerged which could be useful to improve the efficacy of the project. Specifically, we identified the need:
- to define clear objectives, attainable and reproducible in an operational plan;
- to select partners with adequate competence in CSR;
- to create of a climate of trust among the subjects involved, so that a shared value system emerges and is evaluated;
- to identify a set of advantages that can be obtained by all actors in the network.

It should also be emphasized that these considerations for the Marchegian experience have also been found in the rare literature on CSR networks, both in Italy and in other countries (Von Malmorg, 2003; Fisher et al., 2009).

Referring to the need to identify clear and replicable objectives, the PA recognized that the SIRM project had begun with excessive objectives while it
had to distinguish, from the outset, between strategic and operational objectives in the medium/long term and short-term, and to concentrate on these. Second, the identification and involvement of diverse actors in the first phase were not thought of in an organic or complete manner. The network had been formed spontaneously, without excessive rationalization or analytical evaluation (for example, the regional Confindustria, banking world, or leading firms in the productive chain were not involved).

Identifying non-profits has continued to be a problem, since there are numerous associations and it is difficult to select the most “representative” of the territory. Finally it is fundamental to identify the advantages that actors can obtain by participating in the network (the “win-win situation,” as it is called in the international literature).

In conclusion, the Marchegian model of sustainable development is based on the presence of numerous businesses strongly embedded in the territory, who participate together with other local actors in the construction of sustainable, territory-wide business strategies. This model is not closed or exhaustive, but dynamic and mutable; it cannot be exactly replicable elsewhere, because the influence and the composition of network actors can change, just as the instruments that they use. It thus becomes important to understand the roles, actual and desired, of the diverse actors (institutions, associations, businesses and civil society), and, in particular that of the public administration, in defining the roles and the pathways to promote local welfare. Socially oriented “local governance,” whatever its form, is thus born from the common sentiment that local efforts to foster unity among a larger number of subjects will generate the results demanded by international competition (Zamagni, 2007).

To this end, in the next section we will explain some of the primary considerations on what could be the future trajectories for the theme of territorial social responsibility.

5. Insights on value-based public-private networks and concluding remarks

The following concluding reflections are articulated around five points that focus on the most relevant aspects from an analysis of the pathways of socially oriented local development on public-private networks. Representing the earliest results of our on-going research, these reflections support our propositions, and can be built upon in future research, which may trace the development of regional projects, and, in comparative terms, compare it to other similar experiences at the national and international levels.

1) Embeddedness and social cohesion: the “force” of socially oriented networks

The theme of CSR in small and medium enterprises has been developed recently in the literature, and only in the past few years has it begun to reach public administrators, opening innovative pathways in governance based on the capacity to mobilize the “diverse publics” across government decisions that are substantial and shared (Borgonovi, 2004) [2]. CSR-oriented development projects, sustained by networks of actors within a territory, translates into actions and instruments of local “good governance.”

In particular, the experience of the Marche Region reveals the link between socio-cultural values, which are diffuse throughout the territory, and a shared vision of social responsibility.

Rootedness or embeddedness - intended as a sense of membership, identity, shared values, and membership in a territorial community - represents the “strongest” element of such network structures.

Geographic and socio-cultural proximity, as well as social cohesion, are at the basis of processes that form cultural, ethical, visionary and responsible networks (Niccolini, 2008). The networks that are based on a nucleus of common cultural characteristics and on a shared ethical orientation are often the translation of social forms based on interpersonal relationships linked in relational bonds wherein the logic of reciprocity lives - such as friendship, kinship, esteem and faith. Such social networks are rich in intangible resources, set into the relational fabric, and in this the exchange of “social goods” like prestige, reputation, friendship, and a sense of membership is achieved.

2) The role of public and non-profit organisations in mixed and synergistic networks

It is vital that a “CSR orientation” is guaranteed, maintained, stimulated, catalyzed, regulated - and often conceived, planned, and checked - by public and non-profit organisations. The presence of these organisations - whose goals are not linked to producing profit, but to CSR itself - is essential to systematically guarantee levels of social responsibility. The presence of stable and collaborative relations is at the base of the creation of mixed and synergistic networks, which is associated with the capacity to confront global problems (Gerencser et al., 2008), as much as they are mega-communities.

The diverse roles of actors can be categorized into four categories. The roles of informer/educator and regulator/quality controller/supervisor of CSR is the realm of public organisations, which institutionally represent the interests of civil society. The role of the motivator and visionary is typical of the non-profit sector. Finally, that of stimulating and catalyzing can be assumed by public organisations, non-profit or private companies acting in synergy.

The primary role of public authorities becomes proactive when the public works in synergy with the actors of the for-profit and non-profit world. Thus, fragmented visions must be overcome, and a sort of systematic thinking that conceptualizes the role of organisations of diverse sectors in a synergistic way must be applied (Borgonovi, 2004). Integration fosters interesting convergences and pathways of public and non-profit driven CSR. One important consideration
from the Italian experiences presented here is that the long-term effectiveness of these strategic pathways is closely linked to the coherence of macro-culture at the territorial level. The “cultural framework of the territory” thus appears determinant, just as the role of the public actor in satisfying the path to cultural and ethical maturity of the community.

3) Ethics and values as lever of public orientation towards CSR

The new forms of relationships that are spread between the public administration and the citizens, as well as their organised associations, businesses, and other forms founded on shared values, are not only expression and fruit of the new public management (intended here as a process of restructuring to adopt management systems and techniques to ensure the efficacy and efficiency of its policies and actions), but also flow together towards logics of managing publicly (Bozeman, 2006). In this perspective, transparency, communication, membership, participation, and accountability are the conditions that create value and ensure good governance - the result of collaborations between the administration and citizens, both active subjects in creating public value. Especially at the local governmental level, as testified by the experiences reported by territorial CSR, institutions’ openness to diverse forms of representation, and the involvement of stakeholders in decision-making processes, express (and arises from) this sense of membership.

The new logic of public governance, which overcomes that of government, requires relations of subsidiarity and partnership between State and society, and signals the passage from hierarchical forms of planning associated with policy making to alternative forms such as those of the market, the community, and especially the network (Storlazzi, 2009). It also leads to partnerships between public and private entities whose motivations and values are leveraged (Velo, 2009), and is focused on the creation of value and following the public interest.

4) Towards a proactive role of the Public Administration in pathways of territorial social responsibility

Generally speaking, the public administration’s active role in promoting CSR is not always recognized due to a series of limits linked to the public *modus operandi*: excessive bureaucracy, scarce orientation to and evaluation of the impact of the results of public action, slowness, the risk of politicization, and distance from concrete problems.

Such a conviction changes and becomes more positive regarding the work of local governments, as revealed by the experiences reported herein, that testify to the capacity to sustain public projects that promote corporate citizenship.

The public subject must be predisposed by both mandate and competence to acting within the network, to both dialogue and establish “connections” both with the business world as well as with civil society (Monaci, 2007). To reinforce the local public institution’s contribution, a concrete agenda must articulate itself on several fronts: normative, cultural and technical (educational services; incentives for certified businesses such as access to credit, marks of quality, added points in calls for bids, tax breaks, simplified paperwork, subsidies for projects). Local public governments can fine-tune such arrangements through network pathways and approaches that overcome the logic of “spot” interventions and of opportunistic behaviors, inserting itself in broader strategic programming.

5) Territorial CSR, local governance and subsidiarity

In the last twenty years innovative ways of satisfying public functions have been progressively recognized. One of these changes rests in the fact that many public goods can no longer be produced without private funding, either at the local center or its periphery. Private actors and social forces are called upon to participate in the development and implementation of public plans. “The public interest is socialized in part - because it derives from the interaction between actors in processes of policy - (...) or vice-versa, it is reinforced by common interests (specifically, by a collectivity) (Donolo, 2005, p. 36).

The increase of public and private “mixtures” (comprising the social private) renders the boundaries between public and private more fluid, and the progressive construction of networks creates a “polycratic” and poly-corporate universe (Teubner, 2000) in which institutional configurations are not reducible to classical dichotomies.

It is therefore possible to create public goods from social practices and from policies that assume the form of socio-institutional processes. This evolution solidifies the principle of subsidiarity [3] (“sussidiarietà”), a guiding element that helps find public goods or services suitably competent and responsible for every function. The territorial dimension thus becomes important, together with the type of institution that can act responsibly and legitimately. And this is precisely what occurs in pathways of socially oriented territorial governance, implemented at the provincial or regional level, and centered on networks whose composition and whose actors depend on a specific level of articulation/context.

From the symbiosis of vertical and horizontal subsidiarity (integration of the two dimensions in terms of cooperation between levels of government - regional, provincial or city administration - and between political-administrative instruments and resources carried by other actors, such that for and non profit businesses) produce a variety of institutional and organisational solutions, which together bring carriers of interest closer and spread a logic of reciprocal responsibility.

Finally, in pathways of territorial CSR, the passage from government to governance is expressed; they reveal the shift from the logic of a plan to processual and interactive planning oriented to the integrated and
sustainable development, from policy logic to multilevel forms of cooperation, from formal responsibility to responsiveness, from technical division of political-administrative labor to coordination among multiple actors, in which even private actors become active and responsible subjects.

Notes

[1] According to the UN’s Bruntland Report (1987), sustainability is: “to meet the needs of the present without compromising the ability of future generation is to meet their own needs”.

[2] “The public organisation/institution must exercise its own powers and its own functions to create convergent interests (…) Governance means finding the forms and ways of making multiple interests of society exist together, to give them the necessary attention and to respond in at least a satisfactory way to the expectations of diverse carriers of interest with regard to the decisions of the organisation/institution/public agency” (Borgonovi, 2004, p. 39).

[3] Vertical subsidiarity refers first of all to the vertical axis of the government (from communal or transnational down to city-wide or municipal); horizontal subsidiarity is intended as a criterion to redesign the forms of public-private cooperation in the supply of public goods.
References

Tables - Explanatory Legend

Table 1. Public and private partnerships/networks (p. 3)

<table>
<thead>
<tr>
<th>Level</th>
<th>Institution</th>
<th>Association</th>
<th>Business</th>
<th>Objective of the Partnership / Network</th>
<th>Focus of researchers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macro</td>
<td>Super-national (i.e. United Nations)</td>
<td>Super-national (i.e. International Labor Organisation - ILO)</td>
<td>Multinational corporations, large businesses</td>
<td>Predisposition to codes of conduct, ethical standards, certifications (i.e. Global Reporting Initiative - GRI; UNGC, 2007)</td>
<td>- Welfare model - Globalization</td>
</tr>
<tr>
<td>Micro</td>
<td>Regional government</td>
<td>Local (i.e. trade unions, industrialists, third sector)</td>
<td>Small-scale businesses (SMEs)</td>
<td>- diffusion of socially responsible practices among enterprises in the territory; - development of guidelines/procedures for obtaining certifications (i.e. environmental, social, ethical)</td>
<td>- Analyses of the conditions in which networks function - role of diverse actors</td>
</tr>
</tbody>
</table>

Table 2. Network profiles and pathways in Italy (p. 7)

The experience of the Province of Lucca (LIFE-funded PIONEER Project and COOPERATE PROJECT)
An example of territorial “operationalization” of CSR centered on cooperation around environmental sustainability was experienced in Lucca through two projects, wherein members of district systems acted as a fulcrum in promoting CSR (Molteni, Antoldi and Todisco, 2006).

The Trentino experience – Project Interreg 3A
The necessity of starting from the needs of locals through an approach to development of CSR not imposed from above, at purely the institutional level, is at the core of the project Interreg 3A (Fugazza et al., 2006). The protagonists of this project are South Tyrolian SMEs in the provinces of Bolzano and Carinzia. Developed in Italy through the collaboration with Equalitas and, in Austria with Strasser & Strasser di Kagenfurt, who partnered with Bolzano’s Chamber of Commerce and Ingolstadt (Germany)’s Centre for Corporate Citizenship.

Brianza Development
A similar path, founded on sharing the immaterial capital of a community - characterized by interdependency, typical of the local context in which actors are members - is that which Brianza Development started (Sviluppo Brianza, 2009). An agency (consortium) for productive and social quality in the territory formed by some Municipalities, the Province of Milan, Milan’s Chamber of Commerce, business associations, trade unions, the third sector, multi-utility firms and the credit system.

The experience of Modena’s districts
Local sustainable development, centered on environmental quality, economic well-being, social cohesion, and innovation, is the objective of the project begun in Modena’s districts. Its primary actors are Focus Lab, an independent research and service center; the Province of Modena’s Chamber of Commerce (departments of environment and political economics); the city of Modena (department of economic intervention), the association of ceramics producers; and Confersecenti, and to which the Association of Young Entrepreneurs, CISL union, CNA, Provincial office of the Center of Charity Services, the Consortium of Social Solidarity of Modena (Sancassiani and Frascaroli, 2009).

Rimini’s proposal: the strategic plan of Rimini
A concrete translation of such new approaches can be found in the recent “Strategic Plan of Rimini,” which uses territorial governance as its model. The strategic planning process has as its protagonists the city, province, chamber of commerce, and the Casa di Risparmio di Rimini Foundation, and is centered on the participation of the city’s economic, social, and cultural s, conceived as a “land of encounters” (Baldarelli and Parma, 2007).
### Table 3. The objectives of the project I.Re.M. (p. 11)

<table>
<thead>
<tr>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Updating and integrating SIRM</td>
</tr>
<tr>
<td>Creating a regional CSR system</td>
</tr>
<tr>
<td>Developing regional CSR guidelines</td>
</tr>
<tr>
<td>Creating a CSR code of conduct</td>
</tr>
<tr>
<td>Extending the test to 50 firms in all sectors, with a particular focus on the footwear and furniture sectors.</td>
</tr>
<tr>
<td>Developing and applying the Mark of Socially Responsible Business</td>
</tr>
<tr>
<td>Creating a databank of socially responsible enterprises, organised by the level of responsibility they have achieved, which can be accessed from the Marche Region’s website.</td>
</tr>
</tbody>
</table>

### Table 4. Composition of the Marche Region’s Multistakeholder Forum (p. 12)

<table>
<thead>
<tr>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNA Marche, Confindustria Marche, Confapi Marche, Confartigianato Marche, Confcommercio Marche, Regional Union of Marche’s Chamber of Commerce (Unioncamere), Confesercenti Marche, CIA Marche, Copagri Marche, Confcooperative Marche, Lega Coop, representatives of Regione Marche, Universities of Marche, Region Councillor of Equality (Consigliere di Parità), CLAAI Marche, Confagricoltura Marche, representatives of regional Trade Unions (CGIL, CISL, UIL), KPMG.</td>
</tr>
</tbody>
</table>

The Multistakeholder Forum is composed of regional representatives from the social, institutional, economic, civic and al sectors who are active on the theme of CSR. It includes representatives from the following organisations: