# Laboratorio di Peleteca Economica Pregionale

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Proposal for a

EUROPEAN NETWORK OF REGIONAL ECONOMIC PROMOTION COMPANIES

#### 1. Introduction

Radical changes in the structure of the world's political and aconomic system have given rise to a process of radefinition of the conditions and opportunities for success of local, regional and national contexts.

In all the main industrialised countries, the last decade has witnessed a marked increase in local initiatives for promoting and supporting small and medium sized enterprises, which has led to a basic switch in decision-making processes relating to economic policies towards territorially defined forms of restructuring and modernisation intervention, in which local and regional public bodies are the main interlocators.

This has produced a "new" method for defining and managing industrial policies based on a multiplicity of parcies concerned, decentralised and diffusive decision-ms of processes and the construction or reconstruction of relations networks simed at boosting regional productive growth.

The current phase of incernationalisation of productive

structures, globalisation of markets and the completion of the single European market make it increasingly essential to apply a political approach which must be viewed in a "local" context, insamuch as it is based on a growing asymmetry between the framework that may be influenced by political measures and the much wider framework defining the new relations and development circuits of enterprises.

With regard to the many forms of action that have already been implemented, a leading role has been played by Regional Pinancial Companies and Regional Development Bodies, which have provided a considerable contribution to the achievements of local policies in economic development.

In Italy, these bodies, which were created as instruments for planning regional government, have gradually taken on the central function of promoting the modernisation of local productive structures and encouraging the aggregation of interests and resources coming from different types of bodies (public and private, or local, national and EEC) towards common development objectives.

Regional financial companies or development bodies are present in almost all the Italian regions and currently operate in many different sectors (Finance, Industrial Promotion, Production Services, Research and Development, Infrastructures, Environment, Training) by applying a wide

range of methods and instruments in terms of intervention.

In 1984 they set up an association called ASSOPIR, which represents a national link between activities promoted in the various regional contexts with the aim of integrating and exploiting the initiatives implemented to date.

Subsequently national organisations, the objective of which is the economic promotion of local reslities, also joined ASSOFIR, such as SPI - the Industrial Promotion Company of the IRI Group (public holding company), as well as numerous development institutions in the South of Italy.

#### 2. Motivationa

On the and hand, the need for cultural enhancement and the construction a wolld network of economic and productive relations and interdependences is becoming increasingly evident. This need must be satisfied in order to increase the capacity of local enterprises to perceive and absorb external innovative stimules and thus make them more competitive.

These requirements urgently stress the need to persuade these local systems to open up to national and international contexts.

It is thus becoming ever more evident that in order to support effectively the economic development of the regions,

Regional Financial Companies must be in a position to operate in a dimension and framework that are no longer regional.

On the other hand, as well as considerably broadening EEC regional and industrial intervention policies, the European Economic Community is paying greater attention to "private operators" operating in a local and regional framework to achieve objectives of public interest and appears ready to prepare a common plan of action—throughout the territory with organisations of this kind.

In this context, and not forgetting that the fields of intervention of regional development companies increasingly resemble those promoted by the REG, at this point we must atress how important it is to communicate actively with the REG in order to develop and implement programmes backing up small and medium sixed companies.

In order to tackle the process of European integration and take advantage of the opportunities provided by the development of EEC intervention, the availability of a broad range of international relations is of crucial importance. This consideration therefore gives rise to the strategic importance of intervention promoting the construction of a network of relations between bodies encouraging regional

## economic development from the various REC countries

## 3. The proposal

In view of the considerations set out above, it is thus planned to promote the creation of a "EUROPEAN NETWORK" of financial companies or development bodies operating to achieve regional economic promotion.

The objectives that it is planned to accomplish by setting up the network are as follows:

- between companies that may be provided to the productive system in question, thus increasing the added value of the cerritorial intervention implemented by a single institution:
- b . apreading information and comparing by instinctives, to acquire practical knowledge and methods in order to improve planning capacity and the quality of the decision making process concerning the development of future activities. This means, in effect, improving the quality of services, with particular reference to information services and services developing rechaological innovation, provided by individual Regional Companies;
- c. to consolidate and exploit, at REC level, the role of

these bodies as privileged partners of the REG by implementing policy programmen supporting small and medium sixed companies.

As well as benefitting from REC financing for the operative realisation of individual projects, they could play an active role in the process of preparing new programmes, by providing the aspacity to analyse and specifically elaborate the local reality to which the EEC initiative applies, as well as planning capacity supporting the diversification of REC plans, in terms of both the intervention's gasgraphical framework and the instruments that may be used.

## 4. The instruments

Currently, ASSOFIR is in the process of organising masting with various regional realities existing in the European Community in order to assess the availability of these arganisacions to adhere to this initiative.

Thanks to the cultural, economic, political and institutional similarities peculiar to <u>Spain</u> and Italy, on the one hand, and the qualified presence of SPRI in Assofir's partnership, on the other, the initial series of contacts has been launched with the Spanish Regional Promotion Companies.

A meeting was held between IMADE, SPRI and SODICAL on 23 October 1990 in Madrid and literature was, sent to IFA, Società Regional de Promocion of Asturia, CIDEM of Catalonia and IMPIVA of Valencia. After this meeting in Madrid, Assofir was invited by Sodical to examine further the hypothesis of co-operation by extending it to the entire INI group.

As far as <u>Germany</u> is concerned, Assofir has organised a meeting with the Region of Baden-Wherttemberg on 21 November and after this a meeting with Nordrhein-Westfalon.

With regard to <u>France</u>, the first contacts will be made with Pays de Loire and Rhone-Alpos, with which co-operation links have already been consolidated, and in the case of <u>Great Britain</u>, with the Greater London Enterprise.

After this phase of exploratory contacts, it will then be necessary to make a clear definition of methods for setting up and operating the network's operative procedures.

For the reasons mentioned earlier, we hope first of all to obtain the availability of the Spanish Regional Development Companies to implement a phase of bilateral agraements with ASSOFIR, the objective being to assess and sauge the project's feasibility with a view to extending it to regional realities in other European countries.

In this context, we may put forward the following hypotheses for mutual co-operation:

## HYPOTHESIS 1

The Spanish Regional Development Companies will stipulate, either individually or jointly, an "agreement of intent" or "gentlemen's agreement" aimed at promoting:

- the setting up of a rechnical work group, consisting of Spanish and Italian experts, which in a period of six months will formulate an operative hypothesis for a European network. On the basis of subsequent ansessments of the cost of this initiative, each partner will provide a financial contribution covering a quota of this cost;
- and/or the setting up of a Committee consisting of representatives of the various companies' political and administrative heads, the composition of which (in terms of numbers and delegates) will be defined by mutual agreement.

## HYPOTHESIS 2

The individual Spanish Regional Development Companies will subscribe an enrolment quota for joining ASSOFIR, in view of ASSOFIR's recognition as the leading partner responsible for promoting the network project internationally.