

# PARTICIPATORY GOVERNANCE FOR SUSTAINABLE REGIONAL DEVELOPMENT: HOW MUCH DOES THE 'GENIUS LOCI' MATTER?

Mara Del Baldo <sup>\*</sup>, Paola Demartini <sup>\*\*</sup>

<sup>\*</sup> Department of Economics, Society and Politics, University of Urbino Carlo Bo, Italy

<sup>\*\*</sup> Department of Business Studies, University of Roma Tre, Italy



**How to cite:** Del Baldo, M., & Demartini, P. (2019). Participatory governance for sustainable regional development: How much does the 'genius loci' matter? *Corporate Governance: Search for the Advanced Practices*, 31-34.  
<https://doi.org/10.22495/cpr19a6>

Copyright © 2019 The Authors  
This work is licensed under a Creative Commons Attribution 4.0 International License (CC BY 4.0).  
<https://creativecommons.org/licenses/by/4.0/>

**Received:** 13.12.2018  
**Accepted:** 26.12.2018  
**JEL Classification:** L26, L32, M14, M48  
**DOI:** 10.22495/cpr19a6  
**Keywords:** Multi-Actors Governance, Participatory Governance, Sustainable Development, Social Capital, Italian Regions, Entrepreneurial Ecosystems

---

## Abstract

There is a global urgency for territorial governance approaches based on multi-actor and multilevel policy coherence for sustainable development goals achievement (UN, 2015). The development of forms of participatory governance has been highly recommended stressing the importance of strengthening the cooperation and collaboration at regional, sub regional and local level between the different actors involved (UNGC, 2007). Sustainability effectiveness in society and economy requires institutional contexts that favour public and private actors to enact socially responsible principles as values in policy making, education, taxing, pricing, consumption and use of environmental assets, business, finance, investment and trade (Ashley, 2012a: 182; Ashley, 2012b,c; Wilson & Boyle, 2004; Winter, 2006; Romeiro & Costa, 2010; Bramwell, 2005).

Inter-firm relationships and collaborations between private and public entities represent the basis for the creation of clusters and micro-clusters of firms which are both socially and economically relevant (Hall, 1999 and 2005). Relationships of firms within regions has been explained through concepts such as industrial districts (Becattini, 1990) and clusters (Porter, 2003) positing social relations with a community and the

actors of the territory as a fundamental element of the birth and success of enterprises and a key driver for triggering entrepreneurship.

Recently, the entrepreneurial ecosystem has emerged as a popular concept to explain the birth of high-growth entrepreneurship within regions (Stoker 1988 and 2006; Spigel, 2017). In this regard, one aspect that needs particular attention is the link between ecosystems and the endowments distinguishing a territory, the so-called *genius loci* (Pellegrini et al., 2015; Del Baldo, 2010 and 2017; Demartini & Del Baldo, 2015; Del Baldo & Demartini, 2012, 2014 and 2016) which is tied to the concept of social capital (the set of personal relationships, trust and cultural, social, institutional and economic bonds) that allow entrepreneurs to benefit from positive externalities (Putnam et al., 1994; Helliwell & Putnam, 1995; Sobel, 2002).

Drawing from these perspectives, which have been nurtured by prior literature, the aim of our study is to investigate the pre-conditions that favour the development of local governance systems aimed at enhancing the regional/local development by leveraging on social capital.

The subject of our analysis – which is empirically based – are the experimental projects promoted by selected Italian Regions, where “hybrid” forms of governance nurtured by alliance among local public institutions, for profit and not-for profit organisations and civil society, are committed to voluntary partnerships which are reciprocally advantageous, and which pursue a common social objective.

The qualitative methodology adopted is the case study (Yin, 2013; Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Flick, 2009), which is a research strategy whose goal is to understand the dynamics characterising a specific phenomenon (multi-actor governance) and which uses the research findings both for knowledge and regulatory purposes.

## References

1. Ashely, P. A. (2012a). The master model on multi-actor, multilevel and territorial social responsibility: A mapping tool for social responsibility, development and equity policies and studies. In P. A. Ashley, & D. Crowther, *Territories of social responsibility. Opening the research and policy agenda* (pp. 161-174). Surrey, UK: Gower.
2. Ashely, P. A. (2012b). Conclusions: Opening research and policy agendas from a multi-actor, multilevel and territorial social responsibility approach. In P. A. Ashley, & D. Crowther, *Territories of social responsibility. Opening the research and policy agenda* (pp. 175-187). Surrey, UK: Gower.
3. Ashely, P. A. (2012c). Corporate social responsibility: From business leadership to multi-actors’ policy coherence. In P. A. Ashley, & D. Crowther, *Territories of social responsibility. Opening the research and policy agenda* (pp. 29-48). Surrey, UK: Gower.
4. Bramwell, B. (2005). Interventions and policy instruments for sustainable tourism. In W. Theobald (Ed.), *Global tourism (3rd ed)* (pp. 406-426). Oxford: Elsevier. <https://doi.org/10.1016/B978-0-7506-7789-9.50030-3>

5. Becattini, G. (1990). The Marshallian district as a socio-economic notion. In F. Pyke, G. Becattini, & W. Sengenberger, (Eds.), *Industrial districts and intra-firm collaboration in Italy*. Geneva: International Institute for Labor Studies.
6. Del Baldo, M. (2010). Values-Based public-private networks. Best practices in Italian local government: The case of 'Regione Marche'. *Corporate Ownership and Control Journal*, 8(1-8), 772-784. <https://doi.org/10.22495/cocv8i1c8p3>
7. Del Baldo, M. (2010). Corporate social responsibility and corporate governance in Italian SMEs: toward a 'territorial' model based on small 'champions' of CSR". *International Journal of Sustainable Society*, 2(3), 215-247. <https://doi.org/10.1504/IJSSOC.2010.034762>
8. Del Baldo, M. (2012). Corporate social responsibility and corporate governance in Italian Smes: The experience of some "spirited businesses". *Journal of Management and Governance*, 16(1), 1-36. <https://doi.org/10.1007/s10997-009-9127-4>
9. Del Baldo, M. (2017a). The effectiveness of CSR's approaches: Before practice or Theory? Insights from Italian corporate territorial responsibility projects. In M. Aluchna, S. O. Idowu (Eds.), *The dynamics of corporate social responsibility. A critical approach in theory and practice* (pp. 27-51). Springer International Publisher AG, Basel Switzerland. [https://doi.org/10.1007/978-3-319-39089-5\\_3](https://doi.org/10.1007/978-3-319-39089-5_3)
10. Del Baldo, M. (2017b). CSR, shared territorial governance and social innovation. Some exemplary Italian paths. In N. Capaldi, S. O. Idowu, & R. Schmidpeter (Eds.), *Dimensional corporate governance. An inclusive approach* (pp. 103-120). Cham, Switzerland: Springer International Publishing. [https://doi.org/10.1007/978-3-319-56182-0\\_7](https://doi.org/10.1007/978-3-319-56182-0_7)
11. Del Baldo, M., & Demartini, P. (2012). Bottom-up or top-down: which is the best approach to improve CSR and sustainability in local contexts? Reflections from Italian experiences. *Journal of Modern Accounting and Auditing*, 8(3), 381-400.
12. Demartini, P., & Del Baldo, M. (2014). An intellectual capital perspective for local governance and sustainable growth. In J. Rooney & V. Murthy (Eds.), *Proceedings of the International Conference on Intellectual Capital Knowledge Management & Organizational Learning (ICICKM)* (pp. 127-137). Reading UK: Academic Conferences and Publishing International Ltd.
13. Del Baldo, M., & Demartini, P. (2016). Regional social responsibility and knowledge economy: The Italian case. In W. D. Nelson (Ed.), *Advances in business and management* (pp. 13-36). Hauppauge, New York: Nova Science Publishers.
14. Demartini, P., & Del Baldo, M. (2015). Knowledge and social capital: Drivers for sustainable local growth. *Chinese Business Review*, 14(2), 106-117.
15. Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, 14(4), 532-550. <https://doi.org/10.5465/amr.1989.4308385>
16. Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50(1), 25-32. <https://doi.org/10.5465/amj.2007.24160888>
17. Flick, U. (2009). *An introduction to qualitative research*. London: Sage Publication.
18. Hall, C. M. (1999). Rethinking collaboration and partnership: A public policy perspective. *Journal of Sustainable Tourism*, 7, 274-289. <https://doi.org/10.1080/09669589908667340>
19. Hall, C. M. (2005). Rural wine and food tourism cluster and network development. In D. Hall, I. Kirkpatrick, & M. Mitchell (Eds.), *Rural tourism and sustainable business* (pp. 149-164). Clevedon: Channelview.
20. Helliwell, J. F., & Putnam, R. D. (1995). Economic growth and social capital in Italy. *Eastern Economic Journal*, 21(3), 295-307.
21. Pellegrini, M. M., Caputo, A., Ciappei, C., & Dana, L. P. (2015). Genius loci & entrepreneurial innovation: Evidences from patterns in the Florence-Prato

- district. *Academy of Management Proceedings*, 2015(1). <https://doi.org/10.5465/ambpp.2015.13022abstract>
22. Porter, M. E. (2003). The economic performance of regions. *Regional Studies*, 37(6-7), 549-578. <https://doi.org/10.1080/0034340032000108688>
  23. Putnam, R. D., Leonardi, R., & Nanetti, R. Y. (1994). *Making democracy work: Civic traditions in modern Italy*. Princeton: Princeton University Press.
  24. Romano, M., Nicotra, M., & Schillaci, C. (2017). Nascent entrepreneurship and territorial social capital: Empirical Evidences from Italy. In J. Cunningham & C. O'Kane (Eds.), *Technology-based Nascent entrepreneurship* (pp. 71-93). New York: Palgrave Macmillan. [https://doi.org/10.1057/978-1-137-59594-2\\_4](https://doi.org/10.1057/978-1-137-59594-2_4)
  25. Romeiro, P., & Costa, C. (2010). The potential of management networks in the innovation and competitiveness of rural tourism: A case study on the Valle del Jerte (Spain). *Current Issues in Tourism*, 14, 183-189. <https://doi.org/10.1080/13683500902730452>
  26. Schiuma, G., & Lerro, A. (2008). Knowledge-based capital in building regional innovation capacity. *Journal of Knowledge Management*, 12(5), 121-136. <https://doi.org/10.1108/13673270810902984>
  27. Sobel, J. (2002). Can we trust social capital? *Journal of Economic Literature*, 40(1), 139-154. <https://doi.org/10.1257/jel.40.1.139>
  28. Spigel, B. (2017). The relational organization of entrepreneurial ecosystems. *Entrepreneurship Theory and Practice*, 41(1), 49-72. <https://doi.org/10.1111/etap.12167>
  29. Stoker, G. (1988). *The politics of local government*. Oxford: MacMillan. <https://doi.org/10.1007/978-1-349-19303-5>
  30. Stoker, G. (2006). Public value management. A new narrative for networked governance? *The American Review of Public Administration*, 36(1), 41-57. <https://doi.org/10.1177/0275074005282583>
  31. United Nations. (2015). Transforming our world: The 2030 agenda for sustainable development. Retrieved from: <https://www.un.org/sustainabledevelopment/>
  32. United Nation Global Compact. (2007). Joining forces for change: Demonstrating innovation and impact through un-business partnerships. Retrieved from: [https://www.unglobalcompact.org/docs/news\\_events/8.1/Joining\\_forces\\_for\\_change.pdf](https://www.unglobalcompact.org/docs/news_events/8.1/Joining_forces_for_change.pdf)
  33. Wilson, L., & Boyle, B. (2004). The role of partnerships in the delivery of local government museum services: A case study from Northern Ireland. *International Journal of Public Sector Management*, 17(6), 513-533. <https://doi.org/10.1108/09513550410554797>
  34. Winter, G. (Ed.). (2006). Multilevel governance of global environmental change: Perspectives from science, sociology and the law. Cambridge: Cambridge University Press. <https://doi.org/10.1017/CBO9780511720888>
  35. Yin, R. K. (2013). *Case study research design and methods*. Thousand Oaks, CA: Sage Publications.