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**Conference Paper**

## ALLIANCE - an alliance for the development of business and employment in rural areas: a community learning model.

42nd Congress of the European Regional Science Association: "From Industry to Advanced Services - Perspectives of European Metropolitan Regions", August 27th - 31st, 2002, Dortmund, Germany

**Provided in Cooperation with:**

European Regional Science Association (ERSA)

*Suggested Citation:* Infelise, Lilia (2002) : ALLIANCE - an alliance for the development of business and employment in rural areas: a community learning model., 42nd Congress of the European Regional Science Association: "From Industry to Advanced Services - Perspectives of European Metropolitan Regions", August 27th - 31st, 2002, Dortmund, Germany, European Regional Science Association (ERSA), Louvain-la-Neuve

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# 42nd Congress of the European Regional Science Association

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## **ALLIANCE - an alliance for the development of business and employment in rural areas: a community learning model.**

This article illustrates the theoretical foundation and the derived operational model of a community tourism programme focussing on the ab initio “test-tube” creation of a learning community. The Alliance model was conceived as the development of a network of international (economic and cultural) relations building on pre-existing relational, natural and economic capital. The objective is to boost the development of enterprises that are deeply rooted in the local culture while having a sufficiently mature attitude towards international markets. The operational model has two main phases within which are previewed specific actions. **The first phase, entitled preparatory**, is aimed at starting a process of building capacity by identifying those members of a local community capable of representing the agents of learning and change. It has two main actions: (1) the development of a “Task Force” of “leader” figures who are “organic”, but not conditioned by the territory and (2) the identification of territories that demonstrate a set of success factors, the diagnosis of their development potential, the development of a shared vision for change in the community and support for the creation and development of businesses capable of competing in international niche markets. **The second phase is defined as intervention for enterprise creation and development of a cluster.** It is based on a new model for job and business creation with full consideration of gender peculiarities and equal opportunities. It focuses on the core aim of starting a network of businesses, capable of upgrading the productive and employment capacity and giving value to the potential of the local cultural and environmental heritage. The philosophy is focused on “bringing competencies and networks into the heart of a local community and its original and unique relational and economical capital, rather than individual interventions”.

## **1. Beginning of the story**

When the key subject of radical change is a whole community, rather than an individual person or an individual organisation, the challenge is to foster changes without missing the community identity and encouraging the community to play the role of protagonist. From an overview of theoretical works and a wide search of best practices at world wide level, the ARTES Institute has developed and demonstrated a model for the assessment and development of the competencies of entire local communities in specific economically depressed areas with strong potential for the development of rural tourism and craft but where there are deep rooted obstacles to change. The reference model which has been entitled Alliance is a radical new attempt to develop and regenerate rural areas, in less developed regions, having high quality natural environment and art & craft heritage. The project aimed at recovering the most authentic and positive roots of the rural culture with a view to fostering the growth of the productive capacities and developing a strong presence in the international market. This is achieved through actions aimed at rediscovering the irreplaceable resources and dynamics peculiar to a specific local community.

The project has been funded through co-operation between two European programmes (Leonardo da Vinci and Employment NOW) and the Italian Ministry of Labour.

In this project, based in Calabria - Mezzogiorno of Italy since September 1997 and completed in June 2001, the objective was to overcome a difficult challenge<sup>1</sup>: creating companies that are competitive on the international market in a region that over the last 15 years has not recorded any substantial improvement in its main growth indicators (per capita product 58% of the European average, equal to that of 1986, 34% unemployed women, 70% youth unemployment). A region rich in natural and human resources, but that still has major shortages in physical and non-tangible infrastructures.

Taking the shape of a pioneering experimentation, the ALLIANCE model develops by way of integration between strategy and methods for change and learning facilitation, methods of an economic nature aimed at entrepreneurial growth, integrated with a structured and widespread learning action. Among the number of key methodologies adopted in the action we find: action learning, action research, project work, metaplan, future search conference, open space technology, incident analysis, negotiation techniques, swot(strength, weaknesses, opportunities

threats) analysis, activity analysis, gap analysis.

The “Alliance” model has been conceived as the development of a network of international (economic and cultural) relations building on pre-existing relational, natural and economic capital.

The theoretical and conceptual assumptions of the model are derived from essentially four theses:

- each process of innovation is an authentic process of individual and collective learning;
- each process of learning also contains a process of creative destruction;
- the process is not sustainable over time, without in some way institutionalising the innovation which has been introduced;
- learning/change initiators and facilitators have to be identified and involved as key actors.

From this dynamic of the creation of innovative relational capital we can expect the development of:

- a managed process of generation, maintenance and capitalisation of high-quality know-how;
- an ever-more ready and diffuse acceptance of new practises and points of reference and the abandoning of habits which block innovation (creative forgetting);
- the expansion of entrepreneurial ability and co-operation capacity including that of women, generally neglected;
- the development of a network of enterprises, leaded by women and families, able to compete in the context of international markets.

## **2. Summary of theoretical contributions closest to the goal of developing a change-learning community framework of concepts and operational models**

### **2.1 Critical gaps**

The model entitled "Alliance" starts from the consideration that the key role of learning as an integral part of any innovation process is widely recognised, but the means of generating and managing it are still largely unclear.

*The uncertainty involved in innovation and the importance of learning imply that the process calls for a complex communication between the parties involved. This will*

*especially be the case when the knowledge exchanged is tacit and difficult to codify.*  
(Bengt-Åke Lundvall, 1992)

The pressure for action often leads to practices which, despite being highly innovative, do not get reflected on with the help of appropriate theoretical models and tools.

Studies which are economic in origin manage to intuit and signal the role of learning and the generation of knowledge. They cannot progress, however, without the development of a multidisciplinary approach and an operational model – even an experimental one – which turns the principles into methods and connects them in coherent procedures.

Some fields of research are indispensable for any attempt to develop a systemic model for the growth, innovation and learning of whole local communities, a model capable of covering – without simplifying – a multiplicity of contexts, each radically and genetically different and hence impossible to assimilate.

The studies known by the definitions network economy and inter-organisational network mainly developed in Sweden, Denmark, Norway and the USA, the studies conducted at Aalborg University's by A. B. Lundvall and the studies on *milieu innovateur*, developed by the international group GREMI, constitute areas of theoretical and applied research from which the methodological bases of the project Alliance has been derived; but, on their own, such studies do not bring sufficient inherited knowledge: they need to be integrated with results connected to the paradigm introduced by Ikujiro Nonaka and his team concerning the “managing” of the knowledge creation processes. These studies represent an important point of departure for consistent steps towards a multidisciplinary approach needed to whoever has the task of initiating and reinforcing processes of learning as a lever for change, without damaging a local community's identity, contextualised values (implicit knowledge) or cultural and technical heritage (explicit knowledge).

## **2.2 Innovative networks**

The team of researchers including American, Japanese, Swedish and other European scientists set up at Umeå University's Centre for Regional Sciences in 1996 and following joined up with the project group “European Networks”, promoted by the Institute for Future Studies (IFS), has developed both theoretical and empirical studies focused on network interaction and specifically on the economic aspects of networks. The thesis of most interest to us is that the structure, morphology and organisation of a network are closely related to the nature of the

processes of innovation, and innovative networks spring from pre-existing long-lasting system of relations between various actors, based on unwritten rules of mutual trust, respect and shared priorities.

This assumption thus becomes a model for understanding the process through which knowledge and know-how are produced, circulated, regenerated and crystallised at the heart of a complex and constantly evolving system. According to the authors the network represents the organisational response most appropriate to the complexity of innovative processes. When an innovative network is formed, what is also formed is a relational heritage; we can say that the existence of a network or several networks in a local community implies that we can rely on a cognitive map.

### **2.3 Milieu innovateur in marginal rural areas: transforming specifics into assets**

Developed by the group known as GREMI (Groupe de Recherche Européenne sur les Milieux Innovateurs), this second area of study has been valuable for the contributions it has offered to the construction of a theoretical model for the diagnosis and appreciation of the learning and innovation potential of local communities.

This research among other important findings leads to the conclusion that without the conscious involvement of the network of the local actors who belong to the socio-economic fabric of the area, there is no possibility of setting off a robust and long-lasting process of innovation. According to this research, certain elements constitute the pillars of an “identity card” which is original to each local community and cannot be replaced:

**-external economies**, such as the availability of competencies due to the return of emigrants who bring with them an enriched heritage formerly inaccessible during their absence;

**-synergistic elements** which facilitate processes of innovation through imitation – such as co-operative agreements between public and private sectors, between producers and consumers, and between producers, formal networks and custodians of collective knowledge – founded on a mutual trust in being able to count on support, and on solid ties of affection; in short, relational capital in which the heritage of technical and productive knowledge can find sustenance and firm roots;

**-strong sense of belonging to a specific identity** (consider the Greek and Albanian communities of Calabria).

The conclusion reached by these studies and of particular interest for our objectives is that any

regeneration programme in under-developed areas must identify the individual and collective subjects in possession of technical know-how and relational capital, and initiate participative projects with them, develop intervention plans together, and create links with external cultures and resources.

In particular, operative strategies integrating actions of different natures and based on the use of different tools are suggested, with particular reference to the training and development of human resources and to entrepreneurial ability. Specifically:

- the location of enterprises from outside the area, not just with the aim of creating more employment, but also to act as a catalyst, to facilitate the growth of an enterprise culture;
- selective policies, based on the selection of specific sectors of production (wood, agricultural production, textiles, tourism, etc.) in which the territory can demonstrate a high degree of specialisation or vocation;
- concentration of the intervention in delimited areas containing those elements identifying them as milieux innovateurs (synergies, external economies, strong productive vocation, sense of having a specific identity, belonging to a specific community);
- inclusion in medium/long-term plans of initial co-operative links and agreements with outside areas (agreements between local and non-local businesses and between branches of local government inside and outside the area);
- integration of different types of intervention tools and models (infrastructure, human capital, business creation...)
- focus on the growth of know-how and local productive specialisation, according to the motto “transform specifics into assets”.

Despite these important contributions we still lack a sufficient robust system of reference which embraces economic, organisational and epistemological knowledge and translate them into a system of macro-policies (laws, programmes) and consistent micro-approaches (methods, techniques, specific ways of putting principles into action).

## **2.4 Institutionalisation and learning forgetting: the key words of the IKE group**

The studies conducted by Aalborg University’s IKE Group go some way towards overcoming the gaps outlined above. This group, while basically consisting of economists, concentrates on the dynamics of learning as a key process in the dynamics of innovation. The studies contribute towards the construction of a theoretical and operational system of reference, as they treat the

learning stimuli found in previously illustrated contributions in greater depth, dragging them from the murk of the generic and helping us to understand the mechanisms through which learning is verified during the course of processes of innovation.

As it is well known the IKE Group has co-operated with C. Freeman of the Science Policy Unit at Sussex University, with Jan Fagerberg of the Institute of Foreign Affairs in Oslo, and with François Chénais of the University of Paris.

The group consists of economists who have worked together and paid particular attention to studying the themes of industrial development and competitiveness from an alternative perspective to the traditional one: a perspective which puts interactive learning and innovation at the heart of the analysis of industrial development and of the competitiveness of countries or of whole regions.

The studies are developed around four theses:

1. the most important resource in a modern economy is knowledge;
2. the most important process is learning;
3. learning is a process in which the interaction between subjects is predominant and cannot be understood without taking its institutional and cultural context into consideration;
4. the most relevant performance indicator of a national system of innovation should reflect the efficiency and effectiveness in producing, disseminating and exploiting economically useful knowledge.

A. B. Lundvall, the outstanding exponent of the Aalborg research team, defines the concept of *creative forgetting* and affirms that the destruction of knowledge is one facet of learning which could be helped by appropriate policies and programmes which ensure forms of security, facilitate compromises and help build consensus.

In the contribution of these experts we can identify the beginning of a bringing together of macro- and micro-approaches, integrating policies and projects which intervene in the routine of daily life.

Although the contribution of the IKE Group is enormously rich and opens up a theoretical system for understanding collective learning processes, we still lack a robust models concerning “government” of those micro-processes through which the learning spiral develops. Such a lack does not allow us, for example, to indicate to institutions ways in which they might ensure infrastructures and educational models capable of guiding learning processes,



innovation, and negotiation as found in the dynamic well illustrated by Lundvall.

## **2.5 The spiral of knowledge**

The team working during 90s at the Hitotsubashi University Institute of Business Research coordinated by I. Nonaka, has concentrated on the dynamics by which knowledge is generated, transformed and incorporated in organisations or networks of organisations and although their sphere of operations concerns large enterprises, some of the concepts developed by this group are full of suggestions for anyone trying to tie together the threads of a theoretical system of reference to lend firm support to learning actions involving whole local communities. This group's contribution helps us to clarify the ways in which learning comes about and thus allows us to progress to the stage of engineering the processes of learning (methods, procedures and techniques) of a whole community. The most widely known aspect of the team's work is the theorisation of the spiral of knowledge and its impact on managerial competencies and organisational models; however, I. Nonaka's writings also contain some less well-known concepts which are highly relevant to our goal. According to Nonaka (1995), the individual is at the centre of the learning process, even if this individual does act from inside a web of relations; with Polany (1958) Nonaka affirms, that there is no creation of knowledge without commitment; commitment comes essentially from three elements: intention, autonomy and fluctuation, Nonaka states; he adds: "human beings cannot grasp the meaning of information about their environment without some frame of value judgement."

In short, knowledge is not divorced from the system of values and the existential position of the individual, from the perspective which allows the individual to judge what is "worth it". Also in this contribution, knowledge (synonymous with learning) is understood as a process of relation between the individual and the outside world, a relation through which the subject receives a continual flow of information to his own system of values and aspirations, scrutinises this information in the light of his own system of values, measures it up against the pre-existing system and recreates a balance in which ambiguity, noise and redundancy are all accepted. However, when the link between the external input and the pre-existing system is ruptured, the subject is structurally motivated to reconstruct its meaning with respect to his system of values (what is "worth it" for him); he questions habits and routine and thus rediscovers commitment. Referring to Anderson (1983) and Ryle (1949), Nonaka further develops the concept of conversion of knowledge: socialisation (shared tacit knowledge), combination (exchange of

codified knowledge), internalisation (transformation of codified knowledge into tacit knowledge).

In this phase we have the most direct contributions towards the engineering of a “learning community” model: there is no other way, maintains Nonaka, of acquiring tacit knowledge except through experience; it is not possible to share – still less, understand – the “visions” of others and the mechanisms through which such visions are constructed. The mere transfer of knowledge has no meaning for the subject if it is abstracted from those emotions incorporated in the transfer of knowledge which are the result of shared experiences.

Ultimately, Nonaka’s contribution goes even further, treating the theme of collective learning in a radically concrete and practical way. Although his reflections refer to company contexts, they are highly adaptable to the context of whole local communities.

According to Nonaka, organisational knowledge or learning is distinct from individual knowledge or learning. Organisational learning occurs only when all four models of the creation of knowledge are “managed” (or, as we should say with Lundvall, “managed institutionally” to form a permanent cycle).

Again, there are appropriate communication approaches, learning methods and organisational models which facilitate this process.

According to Nonaka, some principles facilitate the management of the spiral of knowledge, such as the use of metaphorical language in the processes of externalisation, and a good level of tacit knowledge, in its turn connected to a variety of experiences and to the ability to reflect on those experiences.

In short, the key factor is the interaction between knowledge and experience and the capacity for reflection of the individual centred around the motivation to construct his or her own personal existential perspective.

What is needed is the creation of a space in which subjective perspectives are considered and negotiated and where conflicts are faced and resolved by building and sharing “higher” common perspectives. Variety is an essential and fertile element: “learning to learn requires diversity, and a minimum number of specifics and redundancy of functions.” This is the recipe for a successful team when trying to create knowledge. A second recipe is: “Knowledge creation process should make extensive use of knowledge available in the environment.”

Finally, Nonaka maintains that once created, knowledge must be crystallised; the only truly

effective way of doing this is through internalisation, hence through a predominantly social process.

## **2.6 Closing reflections**

The first consideration to emerge from this summary of theoretical contributions is of a general nature: without a contextualised interpretative model of how knowledge is produced and incorporated it is not possible to manage a community regeneration programme aimed at introducing measurable change while preserving the true identity of the community. We need to engineer an appropriate integration (sequence and rhythms) communication models and technologies (not just computer networks, but also mass use of communication via image; not information exchange, but the creation and sharing of knowledge in all its forms) and methodologies of learning, research and action (of individuals, of groups; of homogeneous groups, of heterogeneous groups...). This must be tested in the field.

Without the development and involvement of “leader” figures who are “organic, but not conditioned by the territory” the challenge of transforming proximity in a multi-actor innovative network has no chance of success or permanence. What is needed, then, is to identify those members of a local community capable of representing the agents of learning and change, to train them and to support them.

## **3. Women as subjects and facilitators of innovation and learning in a local community which is changing and learning – the “Alliance” laboratory**

### **3.1 The operational model**

The Alliance operational model is based on the translation of the above framework of concepts into concrete project decisions and methods specifications:

- in a rural community **women** represent the best facilitators of innovative networks they have the characteristics needed; in the project they are not just business idea leaders, but gather around them a friendly, family-style network;
- in the new model of tourism-led demand, the winning market proposal is of an “area supply” as the place where the tourist feels welcomed and enabled to discover what is “most authentic and original in the community”;
- the priority is not to promote promising individual company ideas, but rather to build a network of different companies; the small business, in a weak territory, particularly - in

tourism and handicraft, will not survive without an alliance with other companies and without the co-operation of the local administrators who make the territory accessible and valorise it with rigorous waste disposal and processing services, along with those for the quality certification of the environment, path maintenance, information, upkeep of the architectural and cultural heritage.

The operational model has two main phases within which are previewed specific actions. **The first phase, entitled preparatory**, is aimed at starting a process of building capacity by identifying those members of a local community capable of representing the agents of learning and change. It has two main actions: (1) the development of a “Task Force” of “leader” figures who are “organic”, but not conditioned by the territory and (2) the identification of territories that demonstrate a set of success factors, the diagnosis of their development potential, the development of a shared vision for change in the community and support for the creation and development of businesses capable of competing in international niche markets. **The second phase is defined as intervention for enterprise creation and development of a cluster.** It is based on a new model for job and business creation with full consideration of gender peculiarities and equal opportunities. It focuses on the core aim of starting a network of businesses, capable of upgrading the productive and employment capacity and giving value to the potential of the local cultural and environmental heritage. The philosophy is focused on “bringing competencies and networks into the heart of a local community and its original and unique relational and economical capital, rather than individual interventions”.

All this in the final aim of generating sustainable competitive businesses integrated in a specific district.

### **3.2 The first phase: awareness raising and capacity building**

The project developed from a fundamental decision: introducing into the project team, and training adequately, people who are deeply rooted in the territory but also oriented towards the future. The action was initially launched with a large-scale information campaign in major newspapers and on local radio stations, a “freephone” line which ran for two months, and the distribution of 4000 copies of a manifesto containing a graphic presentation of the project proposals. Out of 270 applications (consisting of CVs and biographical details) 120 candidates were selected. The authors of the project then conducted individual interviews along specifically designed guidelines in locations close to the candidates’ respective places of residence. Thus the

final selection of a group of young, long-term unemployed female graduates with an average age of 29 was achieved. The objective at the heart of this action was the development of Project Leader and Learning Facilitator capable of identifying problems, devising action plans to solve those problems, identifying all the necessary and available resources, and managing them in a manner consistent with the intended ultimate objective to be achieved, while using a large set of learning models and techniques.

Using the SWOT technique the Alliance task force were helped to recognise implicit and explicit knowledge in their own local communities. The young women were helped to recognise their respective local communities as having their own histories, characteristics, styles of learning and inherited knowledge. Guidelines helped them conduct research into original, strong, productive vocations, current productive capacity, innovative processes and agents of synergy; in particular all those economic and institutional actors who might possibly become “allies” in actions to develop the growth-potential of the local community.

To move from the diagnosis to the development of a shared vision of the whole community a specific model has been adopted: the Gap Analysis<sup>2</sup>.

### **Gap Analysis - axioms**

**A.** The necessary, but not sufficient condition for the sustainability of a rural community tourism is the convergence of the stakeholders' perspectives (residents, entrepreneurs, tourists, local administrators and social representatives).

Each category of stakeholders has different interests, but they can nevertheless be classified in 2 groups:

Internal Group (to the territory), in which we find residents, entrepreneurs, public administration and social groupings like associations;

External Group (to the territory), which consists of tourists that are already there and/ or potential ones and external investors.

According to this model, Economic Sustainability is ensured by the satisfaction of the external stakeholders, that is tourists and investors. Cultural and Social Sustainability is guaranteed by the satisfaction of the internal stakeholders: residents, entrepreneurs, local administrators and social representatives.

**B.** The level of satisfaction that is generated by a given product/service can be measured using the behaviour of the individual toward the product.

C. Looking at a classical approach of industrial economics, every product can be considered as a whole, defined by specific attributes.

D. The behaviour of an individual towards a certain product can be seen as the sum of his behaviour towards the individual attributes of the product.

E. In the process of individual evaluation every attribute is defined by: the importance associated to the attribute; the perceived presence of the specific attribute

### **Gap Analysis procedures and indices**

In each of the three pilot communities a set of 15 attributes was identified to characterise the distinctive identity and specialisation/vocation of each rural community tourism offer: five characteristics concerned the natural resources, five the infrastructures, five the services .

Beginning in August 1999, in three pilot territories, in the Calabria region, the ALLIANCE Task Force carried out a survey based on more than 500 interviews with citizens, administrators, economic and tourist operators.

Each stakeholder was requested to assess the importance of each of the 15 attributes for a successful development of the community (from 0 to 10) and to assess the rate of availability of the same attributes (from -5 to +5).

For each category of stakeholder and each attribute a hierarchy of the value given to the importance and to the presence in the local community has been developed and three indices have been calculated in order to assess the rate of convergence between the 4 categories of stakeholders:

1. **Value Gap:** lack of convergence concerning the importance of a key resource, services, or infrastructure for the successful development of the local community
2. **Perception Gap:** lack of convergence concerning the level of presence of a key resource, service, or infrastructure for the successful development of the local community
3. **Unison gaps:** Value and perception gaps concerning the same attribute .

The standard deviation is used to measure the rate of convergence within a category .

The processing of the data received through the questionnaires creates:

- ✓ a scale of importance and one of perception/presence for every attribute, using the average values, and achieved by adding up all the answers for one attribute;

- ✓ an index which measures the level of deviation from the average of every value registered;
- ✓ a satisfaction index, for every product, taking into consideration the value given to the importance and the corresponding value given to the perception of presence.

The application of the model allowed identification of the different perspective of each category of stakeholder concerning the strength (high availability - high importance), the critical factors (high importance - negative value of the presence) and the rate of convergence between the different categories of stakeholders.

For the first time, in council halls transformed into training classrooms, the young women of the Alliance group, mayors, administrators, councillors, together with entrepreneurs, analysed the results of the survey, discussed the strong and weak points of the territory, developed a common vision and translated it into a development action plan.

The GAP MODEL has been an effective instrument for both assess the information, communication and training needs of a whole local community and to develop, negotiate and agree visions and action plans for the community development.

It shows administrators the precise actions thought important by citizens, tourists and entrepreneurs for the territorial development, and the level of consensus (convergence/divergence) of the above named actors.

It shows businesses the nature of demand for services and products.

It shows the human resources development agents the nature of the general education and training needs in the territory.

The instrument further can help to stimulate recognition of opportunities to create new enterprises aimed at covering the unsatisfied demand for services and products.

In particular, one of the elaborated indices, the satisfaction index, constitutes a concise indicator of the “risk - cohesion” of a local community.

Thanks to the application of this model, more than 60 businesswomen, businessmen and administrators reached an agreement that commits all the actors involved to draft and comply with a quality statute and the co-operative promotion within the whole territory. A “Charter for environmental quality” was signed by about 30 administrators of the councils, in the three pilot territories.

### **3.4 The second phase: Creating new businesses is building a network for change**

January 2000 saw a vast campaign to recruit candidates to create new enterprises and to

increase the competitiveness of pre-existing businesses.

“Creating new enterprises means building a network for change”: this was the strong message spread by the media and through meetings.

*"If you don't feel like waiting any more for other people to plan out your future*

*If you want to be, with a group of friends or with your family, the one to develop a business initiative that will give you economic satisfaction and the pleasure to work and get out of the usual routine*

*If you are ready to bet that "not everything goes the way it always has gone!"*

*If you believe that strength comes by standing united and this can transform the history, the culture and the human and natural resources of Calabria, into a product that can win on the international market"(Alliance recruitment campaign leaflet-February 2000)*

The vast information campaign launched by ARTES received replies from 82 women who had decided to set up a business either with their own family or with a network of friends or who were willing to re-think their own entrepreneurial activity in order to transform their enterprises into solid and competitive businesses. Over 300 people as a whole were involved. 109 members of this group were accompanied over the course of one month along a “choice-orientation pathway” which took place in large rooms where the would-be entrepreneurs were made to re-live their history, analyse events and important encounters, reflect on their own resources and develop their own vision of their professional and personal futures. This method, honed by ARTES for the first time in this project, has created, in the space of a month, a solid team of 42 would-be female entrepreneurs backed by a nucleus of family or friends, all determined to work together as a team to start up a business. The 42 businesswomen and aspiring businesswomen, together with their partners, took part in an intense and well-structured programme of training and development which included group- and solo work. In this way, four business networks were created, divided according to the nature of the product or service they offer: (1) refreshments and accommodation; (2) services; (3) agricultural food products; (4) textile, clothing, ceramics and furniture crafts.

This second phase has been developed according to four related components.

✓ **Recruitment**

✓ **Animation and orientation to entrepreneurialism**



✓ **Escort the job and enterprise development**

✓ **Making Sustainability Institutionalised**

### **Recruitment**

A vast information campaign has to be launched in order to ensure that any person determined to set up a business with their own family or network of friends can access to the information

A few success factors have to be considered:

- it is of utmost importance to launch a press and media campaign, organise meetings with the support of the policy makers involved in the previous phases, and last but not least, use all the relationship built in the territory along the preparatory phase;

- the communication campaign should be based on a tight integration between forms and contents of the communication: innovation;

- challenge have to be perceived as leading underpinning philosophy;

- the most important selection criteria have to be clearly communicated from the very beginning;

- the privileged categories have to be clearly defined;

- the key contents of the programme offered should be clear :

- an help desk-information point has to be provided along the whole recruitment campaign managed by a person fully aware of the programme and having good attitude in communication and relationships.

- the final recruiting of the applicants has to be organised in the territories with the key leaders of the proposed business idea.

### **Animation and orientation to entrepreneurialism**

A sound animation is needed to build an alliance between entrepreneurs/willing to become entrepreneurs and already well established business outside the local community.

This action focus on the building up of a working team, a professional team of entrepreneurs from a generic group able to work together in view of a common objective, that is the development of a district/area. The key roles in this phase are the learning facilitators who will use guidance and facilitation methods for individual and teams and the project leaders who will use methods to set objectives, identify resources, develop projects and related action plans.

The expected results of this action are:

- the definition of a business project, an integrated project which considers both the personal and professional/entrepreneurial perspective in view of an harmonious development of the person;
- the creation of the network identity; the participants have to be aware of what is in common, have to feel part of a “professional team” committed to accept a challenging role of potential benefit for their own, their families and their community;
- participants aware of their strength and weaknesses, of what they wont miss, what resources they need and actually have.

### **Escorting**

During this phase the entrepreneurs supported by the Task Force and the whole project team start from the needs identified and develop business action plans and business networks.

The accompanying model entails a large variety of learning/change methods, all integrated according to a system of knowledge creation and conversion paradigm which constitute the solid foundation of the whole project.

At this stage we have to go along with the women in their analysis of needs from the business idea conceiving to a business action plan, while building a network between the women.

The mentoring, put into action during this phase, is a process mentoring aimed at supporting the network building, and goes side by side with the counselling aimed at developing a precise business action plan.

### **Institutionalising the Sustainability**

This is a very delicate action, that implies the involvement of different actors (economic and political actors) with different level of motivation, interest and power.

The core aim is to give future and support to an action originated by a restricted number of actors.

The results will be the creation of a network of local actors, varied but unified by the common interest of offering a “local area product” which is competitive in international markets.

The mentoring model used during this action is different from the one developed during previous phases and is aimed at facilitating the network building and delivered by those actors having specific experience in the field.

At this stage a negotiation action is required in view of achieving agreements between a number of different actors aimed at ensuring sustainability for the network of businesses and the built relationships.

The Networking Action is an action with more levels. It means:

- to network people having key common desires and expectations;
- to construct links between beneficiaries and economical and political actors in the area;
- to create links between local business and international markets.

*A simple graphic could sum up the whole action:*

**Tab. 1 The alliance business creation model**

<b>RECRUITE</b>	<b>ESCORT</b>
<b>Methods:</b> information, communication campaign, job profiling, Network Economics	<b>Methods:</b> coaching, mentoring, counselling, consultancy.
<b>Theory:</b> Knowledge creation and conversion, theory of innovation, industrial economics, regional science	<b>Theory:</b> Knowledge creation and conversion, Job and business creation, industrial districts' economics
<b>ANIMATE and ORIENT</b>	<b>INSTITUTIONALISE</b>
<b>Methods:</b> action learning, project work, action research, communication forums	<b>Methods:</b> innovative networking, negotiation, monitoring, evaluation.
<b>Theory:</b> Knowledge creation and conversion industrial economics, business administration, marketing, theory of innovation, networks economics.	<b>Theory:</b> sociology, history of the local community, networks economics, A.B. Lundvall paradigm

**From this second part of the Alliance action "The 6 Alliance Entrepreneurial Women Chart" has been developed.**

The success and the innovation of the model is based upon several cornerstones, the most relevant are:

1. In order to create businesses destined to survive the classic first three years of life, in weak areas and beginning with a weak entrepreneurial subjects we need action supporting the economic qualification of the whole local community in which we intend to promote the creation of business and the competitive growth of companies - **you can't create enterprise without local development action.**

2. You can't simply invite people to create a business if they are living in a territory which is marginal to economic development; you need to **invite them to an ongoing project**, from which emerge ideas on what needs to be produced and which companies are needed.

3. Women in this context cannot set up business on their own, occasionally put beside others on a training course. At least with women, the model used by all applicable laws fostering company creation and intended for the single enterprise does not work. **Women create businesses inside a network.**

4. **Innovation and product development** laboratories are an essential component of innovative businesses deeply rooted in both local culture and international niche markets : in carpenters' workshops, in small flats lent by grandmothers and aunts, in garages next to houses fitted out as weaving laboratories, under the guidance of proper counsellors and designers, the first prototypes of a line of new products should be developed.

5. We need to transform what is marginal into what is typical **and open up the entrepreneurial subject to a benchmarking with the world**; reference to local demand and to local know-how alone is lethal.

6. **Women must be given the tools and the skills to independently evaluate whether or not they can make it happen.** Fifty per cent of small enterprises die within the first three years of life, yet we know nothing of how this figure changes when it is a matter of women, of women from disadvantaged areas. We need to give women the chance to understand whether they are capable of dealing with the limits they have pinpointed, they need help in understanding whether they have not just the necessary economic resources (time, family support) but all the resources necessary. Many female companies wind up not as a result of economic problems but because the balance between the emotional/family sphere and work breaks down.

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<sup>1</sup> <sup>1</sup> The ALLIANCE project, with similar methods, but with smaller numbers and simpler methods has also been developed in Basilicata, in the region of Alba Julia, in Rumania and is presently used as a referencial model in community development programmes in Ukraine and Brazil.

<sup>2</sup> The model was built thanks to the contribution of Prof. Giovanni Viganò, from the "Corso di Perfezionamento in Economia del Turismo" of the University "Bocconi", Milano

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