

Decentralization and Its Impact on Economic Growth and Social Development in Friuli-Venezia Giulia and Puglia

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Doi:10.5901/ajis.2016.v5n1p205

Abstract

Italy constitutes a good example of the Regional State. Since 2001, after the amendment of the Italian constitution, the regions have obtained more legislative and administrative power and considerable number of legislative competences in many policy areas and over the EU affairs. However, Italy it is considered as a country where the regional economic and social disparities are still the widest in the European Union. Therefore, this paper aims to give deeper insight into the role of regional authorities and impact of the degree of decentralization on the reduction of economic and social disparities between the Italian regions, for the period 2000-2006. The scope of the research is limited to two Italian regions: Friuli-Venezia Giulia (special statute region/regione autonome a statuto speciale) and Puglia (ordinary statute region/regione a statuto ordinario). In order to explain the regional gap between these regions, this paper aims at providing an answer to the following research question: Is decentralization an influential factor in the reduction of the regional economic and social disparities between Friuli-Venezia Giulia and Puglia? Moreover, the research question will be addressed by testing a research hypothesis: Decentralization is an influential factor in strengthening economic growth and social development of the regions.

Keywords: economic growth, decentralization, regional authorities, regional disparities, social development

1. Introduction

1.1 The research problem

Recently, the importance of the 'region' and 'regional authorities' as decentralized units of governance is widely increased, meaning that 'regions' constitute a new economic and social development factor. Indeed, the region refers to 'a territorial body of the public law established at the level immediately below that of the State and endowed with political self-government' (Assembly of European Regions, 2010, 48). Instead, regional government refers to 'a set of legislative and executive institutions responsible for authoritative decision-making' (Arjan H. Schakel, 2009, 24). According to Schakel (2009) in general there is more than one level of regional government in a country. Hence, Italy as a highly decentralized regional state has two tiers of regional governance: a lower tier of provinces (*provincia*) and a higher tier of regions (*regioni*) (Schakel, 2009, p. 145). But, in this study we will focus only on the highest tier of the regional governance: regions.

Italy constitutes a good example of the Regional State. Since 2001, after the amendment of the Italian constitution, Italy has shifted from a unitary state to a decentralized state with more independent provinces and regions (see Article 117/3 of the Italian Constitution). The regions have obtained more legislative and administrative power and considerable number of legislative competences in many policy areas and over the EU affairs (Italian Constitution, Article 117/4). Referring to Italian Constitution, Article 114, regions are autonomous entities, having their own statutes, powers and functions. Since 1970, there have been created fifteen regions with ordinary statute (regioni a statuto ordinario), including

Puglia. Instead, other five autonomous region with special status created in 1948 (regione autonome a statuto speciale)¹, including Friuli-V. Giulia (since 1963) have special forms and conditions of autonomy pursuant to the special statutes adopted by constitutional law (Italian constitution, Article 16). However, the scope of the research paper is limited to two Italian regions: Friuli-Venezia Giulia (regione autonome a statuto speciale) and Puglia (regioni a statuto ordinario), in order to analyze the social-economic performance, for the period of 2000-2006, for both regions.

Indeed, Italy has been the third largest beneficiary of the EU's regional policy after Poland and Spain, by receiving a total of Euro 29, 656 million for the period of 2000-2006, compared to Euro 22, 475 million received for the period of 1994-1999. However, Italy has been considered as a country where the regional disparities were still the widest in the EU (EU Phare Twinning Program, 2006, p. 2). Hence, in 2000, the economy of the Friuli-Venezia Giulia region has been reported as one of the most developed ones, with a high level of the Gross Domestic Product (GDP) per head 110,4% of the Italian average and >125% of the EU average (SVIMEZ Report, 2007, p. 8). In the region of Friuli-V. Giulia the unemployment rate was among the five lowest in Italy. In 2000, it was equal to 4,5%, compared to a national average of 10,6% (*Ibid.*). Instead, the region of Puglia, which has been reported as a region that is lagging behind, it was characterized by a very low level of the GDP per head 68, 2% of the Italian average and less than 75% of the EU average (SVIMEZ Report, 2007, p. 8). The unemployment rate in Puglia has been considered among the three highest in Italy. Indeed, in 2000, the unemployment rate was equal to 17,1%, which was considered lower than the average of southern Italy (20%), but higher than the national average (10,6%) (*Ibid.*).

Indeed, these regional evidences show that there was a huge economic and social gap between these regions, even though, the EU contribution through the Structural Funds has been significantly high in Puglia, in comparison with Friuli. V. Giulia. Hence, this paper tries to analyze if there is any link between the degree of decentralization and the social-economic development in both regions, by setting out a new decentralization index: Regional Authority Index.

1.2 Methodology

In order to explain the regional gap between two regions, this paper aims at providing an answer to the following research question: *Is decentralization an influential factor in the reduction of the regional economic and social disparities between Friuli-Venezia Giulia and Puglia?* The research question will be addressed by testing one research hypothesis, which base is briefly described below:

Hypothesis 1: Decentralization is an influential factor in strengthening economic growth and social development of the regions.

The stated research question and objectives will be analyzed by means of a case study. This case study aims to explain mainly the role and competences of regional authorities in different policy areas by focusing on their respective regional statutes. Moreover, this case study tries to analyze the impact of the degree of decentralization in economic and social development of both regions. This case study will be divided in four main sections. The first section, will introduce the decentralization theory and its relevance to this study, followed by a brief description of the decentralization index. In order to achieve the stated research question and to prove or not the stated hypothesis, it will be introduced a new decentralization index: the Regional Authority Index (RAI). The RAI data for both regions are provided from the Schakel study (2009) on the degree of regional authority and from respective regional statutes: the regional statute of the autonomous region of Friuli-V. Giulia and the regional statute of the ordinary region of Puglia.

The second and third sections, will focus on the respective regional autonomy (competences) in order to analyze the link between the degree of decentralization and economic growth (measured in term of GDP per head and GDP growth) and the degree of decentralization and social development (measured in terms of unemployment rate) in both regions. The economic and social development will be measured respectively by the reduction of regional differences in GDP per head (and GDP growth), and by the reduction of unemployment rate. Indeed, GDP per head is broadly considered as a standard indicator of regional performance (convergence). The GDP measures the level of output within a country or region, instead the GDP per head measures the level of output per inhabitant, and has the advantage that it is easily understood and extensively used in international comparisons of standards of living (DG Regional Policy, 2008). Indeed, recently it is measured using Purchasing Power Standards system. The GDP per head in terms of PPS is

¹ There are 15 regions that have an "ordinary status" (Abruzzo, Basilicata, Calabria, Campania, Emilia Romagna, Lazio, Liguria, Lombardia, Marche, Molise, Piemonte, Puglia, Toscana, Umbria, Veneto). The other five have a "special status" (Friuli Venezia Giulia, Sardegna, Sicilia, and Trentino Alto Adige, Valle d'Aosta). There are also two autonomous provinces (Bolzano and Trento)

considered from the EU as the key indicator for assessing the economic development and disparities between regions, and has been unanimously approved by the Member States. Indeed, in this study, the economic growth will be measured by GDP per head in term of PPS (Italy=100), and GDP growth in order to offer a better understanding of the reduction of regional disparities within the country. Hence, this case study will be a cross-comparison study at national level. The relevant data are provided from EUROSTAT, ISTAT and SVIMEZ (*Sviluppo Mezzogiorno*). Instead, social disparities between two regions will be measured by the reduction of the unemployment rates over the years. Definitely, the reduction of the unemployment rate, can offer a better understanding of the social performance between two regions. The respective regional social data are provided from EUROSTAT, ISTAT and SVIMEZ. The third section, focuses on the respective regional autonomy (competences) in order to explain later if there exist, any link between decentralization and GDP per head/growth and decentralization and unemployment rate in the case of Friuli-V. Giulia and Puglia. Finally, the fourth section, will introduce some concluding remarks over the impact of decentralization on social-economic performance of both regions.

2. Theoretical Framework

2.1 Decentralization theory

Numerous theories and normative rationales have been established to explain and legitimize decentralization, widely defined as the devolution (transfer) of power, competences, regulatory tasks and responsibilities over policies from central government to local government (Michiel De Vries, 2000, p. 4). Instead, centralization is widely defined as "the concentration of authority at a particular tier which scale might range from the local to the global" (Schakel, 2009, p. 116). Also, it is necessary to explain here the difference between decentralization and de-concentration. These concepts are not the synonymic words. De-concentration is considered as the weakest form of decentralization and is used most frequently in unitary states, redistributing decision-making authority, financial and management responsibilities among different levels of the national government.

Recently, different typologies of decentralization have thrived. However, these diverse types show different characteristics, policy implications, and conditions for success (Hans F.W. Dubois and Giovanni Fattore, 2009). For example, political, administrative, functional and fiscal decentralization are types of decentralization. Drawing distinctions between these various concepts is useful for highlighting the multi dimensions of successful decentralization and the need for coordination among them.

Indeed, there are several theoretical arguments why decentralization should have a positive impact on the social-economic performance of countries and regions. Firstly, decentralization is considered as an instrument for overcoming the limitations of centrally controlled national plans and projects by delegating greater authority and functional competences to the public officials- working at local or regional level- due to the fact that they are closer to the everyday problems. Through decentralization, the public officials' knowledge and sensitivity towards local problems may increase; it may result in better penetration and coordination of national policies at local level; the representation of various religious, ethnic and tribal groups in the policy process will be greater, civic participation can be enhanced, and administrative capacity and flexibility at the local/regional level can be improved (De Vries, 2000, p. 5).

2.2 Structure of the Decentralization Index

Decentralization is understood as the totting up of competences that sub-national jurisdictions (in our case regions) have. Hence, the more competences the regions and municipalities have, the more decentralized the country is. As Schakel claims a "higher probability National tier leads to a reduced role in policy provision by the regional and local governments" (Schakel, 2009, p. 11). However, the degree of decentralization cannot be observed or measured directly, because it is multidimensional and complex (Assembly of European Regions, 2009, p. 1). In one of the projects of the Assembly of European Regions (AER, 2009), there is a clear explanation of the decentralization index. The decentralization index indicates the amount of power that the regional level possesses within a country. According to this study, the qualitative sub-indicators (represented in the aggregate Deciding Decentralization) of the regional power tell more about decentralization and the autonomy of regions than the quantitative sub-indicators (represented in the aggregate Financial Centralization) of the analysis (AER, 2009, p. 11).

Another important and relevant study concerning the decentralization index is developed by Schakel in 2009 (in cooperation with Hooghe and Marks). He also argues that it is risky to measure regional authority by analyzing only fiscal

decentralization indicators (spending and tax power), because these indicators have limited validity in a much broader concept of decentralization. Hence, in order to capture the multidimensional character of decentralization (political, administrative, functional or fiscal) he provides a new measurement of regional autonomy (decentralization) by introducing a Regional Authority Index (RAI)². The data provided from this study are very relevant to this paper, due to the fact that most of the decentralization indices include local government, while RAI focuses on regional government in 42 countries including even Italy.

Indeed, the RAI aims to measure the authority exercised by regional government (with an average population greater than 150. 000 inhabitants)³ on the basis of two dimensions: self-rule and shared rules, where each of them is measured by four indicators respectively: institutional depth, policy scope, fiscal autonomy, representation, and law making, executive control, fiscal control and constitutional reform for the latter (Schakel, 2009, p. 11).

It is necessary to explain here that, on one hand, the self-rules refer to authority exercised by regional government over those who live in its territory. These rules depend on the extent to which a regional government has an independent executive and legislature, policy competences and capacity to tax. On the other hand, the shared rules refer to the authority exercised by a regional government or its representatives in the country as a whole. These rules depend on the capacity of regional government to shape, influence central decision making in respect to its territory, involving negotiations between the regional and national legislature. Hence, the following section will focus on application of self-rules and shared rules in both regions, in order to show if there is any link between decentralization and economic performance which is measured both by GDP per capita or GDP per growth, and also between decentralization and social development which is measured by unemployment rate.

3. The Role of Regional Authority in Social-economic Development in Friuli-V. Giulia and Puglia

3.1 Self-rules

3.1.1 Institutional depth

Institutional depth refers to the extent to which a regional government is autonomous rather than de-concentrated, in other words, the depth of the regional self-government (Schakel, 2009: 32). Regarding the Friuli-V. Giulia region and Puglia score 3, meaning that the regional governments are non-de-concentrated (regional administration is not hierarchically subordinate to central government), general purpose is operational and administration is not subject to central government veto, having so legally enforceable protection against central government *ex- ante* and *ex- post* control (*Ibid.*, 202). Indeed, Friuli -V. Giulia and Puglia amount the highest scores regarding the institutional depth, meaning that it has a higher degree of self-governing (see Appendix 1, 2).

3.1.2 Policy scope

Policy scope refers to the range of policies for which a regional government is responsible, influential. Regarding the policy scope, the Friuli-V. Giulia and Puglia score 3, meaning that regional governments have authoritative competences in at least two areas: economic policy (including regional development, public utilities, transport), cultural-education policy (including schools, universities, libraries, sports and cultural centers), welfare state policy (including health, hospitals, social welfare (care), pensions and social housing), and at least two of the following: residual powers, police, authority over own institutional set-up, and local government (Schakel, 2009, p. 202). Indeed, the regional government in Friuli-V. Giulia and Puglia has no authority over emigration or citizenship (see also Italian Constitution, Article 117).

3.1.3 Fiscal Autonomy

Fiscal autonomy refers the extent to which a regional government can independently tax its population. None of the measures of regional authority are considered as complex and deceiving as public spending and tax revenues (AER,

²RAI validity has been empirically proved

³150. 000 is considered the dividing line between regional and local government in the Nomenclature of Territorial Units for Statistics (NUTS)

2009 & Schakel, 2009). Regarding the fiscal autonomy Friuli-V. Giulia and Puglia score 3 (Schakel, 2009, p. 202), meaning that the regional governments establish the rate of at least one major tax: personal income, corporate, value added, or sales tax (see also Special Statute of the Autonomous Region of Friuli-V. Giulia, Article 49-55 and Ordinary Statutes of Puglia, Article 57). The regions of Friuli and Puglia have autonomous resources; they establish and implement their own taxes and revenues, in harmony with the Constitution and in accordance with the taxation system. Indeed, Friuli-V. Giulia and Puglia do not amount the highest score, due to the fact that national government has the final word on the ceiling or basis of the financial resources (see Appendix 1, 2).

3.1.4 Representation

Representation refers to the extent to which a region is endowed with an independent and executive legislature. Regarding the representation Friuli-V. Giulia and Puglia score 4 (see Appendix 1, 2), more exactly they score 2 concerning the Assembly⁴, meaning that the region has a directly elected assembly- Regional Council, and 2 concerning the Executive, meaning that the regional executive is appointed by a regional assembly-Regional Council (*Consiglio Regionale*). The Regional Council shall exercise the legislative powers attributed to the Region as well as the other functions conferred by the Constitution and the regional laws. The Regional Executive (*Giunta Regionale*) is the executive body of the Region. The Regional Executive shall be elected by the Council within its own membership and shall consist of the President and a number of councilors not exceeding one fifth of the total number of councilors assigned to the region. The President of the Executive, who is elected by direct universal suffrage, represents the Region.

3.2 Shared rules

3.2.1 Law making

Law making refers to the extent to which regional representatives co-determine national legislation, by framing the principle of representation or being represented in the legislature. Regarding the law making, Friuli-V. Giulia and Puglia score 0, because they are not the unit of representation in the legislature, and have not-as in truly federal states-valid claim to be represented in the national legislature (Carl Levy, 1996, p. 110). Hence, the distribution of the seats in the legislature is determined by population, not regions, because the latter are not directly represented in the national legislature (see Appendix 1, 2).

3.2.2 Executive control

Executive control refers to the extent to which a regional government co-determines national policy in intergovernmental meetings. Indeed, as Schakel (2009) assumes, these routine meetings must be vertical, including both regional and national government. In addition, the horizontal inter-regional coordination is not considered as a component of the shared rules in national policies. Regarding the executive control, Friuli-V. Giulia and Puglia score 1, meaning that the regional government is involved in routine meetings between central and regional governments without legally binding authority. Friuli-V. Giulia and Puglia use the conference on state-regional relations as an intergovernmental body, in order to suggest guidelines for the EU policies. The constitutional reform of 2001 strengthened more this legitimacy, but the recommendations and opinions from regional government remain non-binding (see Appendix 1, 2).

3.2.3 Fiscal control

Fiscal control refers to the extent to which regional representatives co-determine the distribution of national tax revenues. Regional governments may influence the distribution of the national tax revenues (including intergovernmental grants) both directly through intergovernmental meetings and indirectly through their representatives in a legislature with regional representation. Regarding the fiscal control, Friuli-V. Giulia scores 2, meaning that the regional government or their representatives in the legislature have a veto over the distribution of tax revenues. In the special-statute region, it is

⁴ Here assembly is defined by Schakel as a self-standing institution with a fixed membership, using parliamentary procedures during the decision-making process

explained in details the revenue split under tax sharing (see Articles 49-57). However, since 2001, changes to the statute, and the tax distribution affecting the region, require the consent of both, the regional council and national parliament (Schakel, 2009, p. 176). Instead, regarding fiscal control, Puglia scores 0 (see Appendix 1, 2). Hence, regional government or their representatives in the legislature are not consulted over the distribution of tax revenues. There are no established provisions for fiscal control of ordinary- statute regions.

3.2.4 Constitutional reform

Constitutional reform refers to the extent to which regional representatives co-determine constitutional change. Regarding the constitutional reform, Friuli-V. Giulia scores 2, which means that the regional government is a directly represented majority in a legislature which can do one or more of the following: postpone constitutional reform, introduce amendments, raise the decision in the other chamber, require a second vote in the other chamber, and require a popular referendum. However, the regional government cannot veto the constitutional changes or amendments. Instead, Puglia scores 0 (see Appendix 1, 2), which means that the central government and/or national electorate can unilaterally change the constitution. Hence, regional government has no task (even consultative) over the constitutional change.

After we analyzed the degree of regional autonomy in Friuli - V. Giulia and Puglia, we can summarize that regarding the self-rules, Friuli-V. Giulia and Puglia score 13. Regarding the shared rules, Friuli-V. Giulia scores 5, hence an overall of 18 score; Instead, Puglia scores 1, hence an overall of 14 score (see Appendix 1, 2).

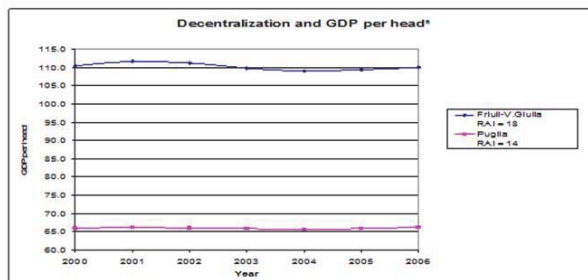
4. Decentralization and Socio-economic Development

After we analyzed the respective competences and the degree of decentralization (autonomy) for each of the research regions, these sub-sections aim to analyze the relation between Decentralization Index (here RAI) and the socio-economic performance of both regions, measured respectively by GDP per head and unemployment rate. A first impression of the data and the relation between them for both regions can be seen in following graphs. In addition, in order to have a complete picture of the decentralization through the RAI scores, this research takes both qualitative and quantitative data into account. While quantitative data have been collected from EUROSTAT and Schakel (2009), the qualitative data have been collected directly from respective statutes of the regions and Schakel, 2009.

4.1 Decentralization and economic growth

Graph 1 shows a positive correlation between RAI (or decentralization index) and GDP per head as a general measure of economic welfare for both regions. From the graph we can see that Friuli-V. Giulia that has a higher degree of decentralization (RAI=18) in comparison with Puglia (RAI=14), has a higher GDP per head in period of 2000-2006 period. Hence, we can assume here, that a higher degree of decentralization corresponds in general to a higher GDP per head. Indeed, the GDP per head in 2006 in Puglia was still 66,3%, which was far below compared to the 110% of Friuli-V. Giulia.

Graph 1: Decentralization and GDP per Head



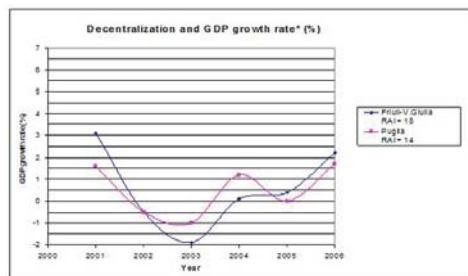
*GDP per head is calculated in terms of PPS (Italy=100)

Source: EUROSTAT, 2010 and Schakel, 2009; own calculations

However, a sustainable degree of decentralization over the years in both regions, corresponds with a slight increase of the GDP per head in Puglia (with 0,2% point), and a slight decrease of the GDP per head in Friuli-V. Giulia (-0,4% point), meaning that the regional competences (the power to do something or co-determine) are relevant for economic prosperity. Hence, we can assume that all elements of decentralization used as explanatory variables (self-rules and shared rules) have a positive impact on GDP per head of both regions as units of the same sub-national tier.

Instead, from the Graph 2 (see below) we can observe that Decentralization and GDP growth are negatively correlated, meaning that a higher RAI=Decentralization Index, corresponds to a decrease of GDP growth rate over the years. In Friuli-V. Giulia, the GDP growth rate rapidly decreased from 3.5% in 2001 to 2,2% in 2006, against 1,9% of Italian average. Instead, in Puglia, the GDP growth rate increased slightly from 1,6% in 2001 to 1,7% in 2006, against 1,9% of Italian average (see also SVIMEZ Report, 2007, p. 1). However, from the Graph we can see that Puglia, which has a lower degree of decentralization than Friuli-V. Giulia, has a higher variation of GDP growth rate in the period of 2000-2006. But, as it assumed in one of the main studies of AER on decentralization, there are other factors such as historical, transitional, or local (competitive opportunities of the region) that may condition the impact of decentralization on economic growth (AER, 2009).

Graph 2: Decentralization and GDP growth rate



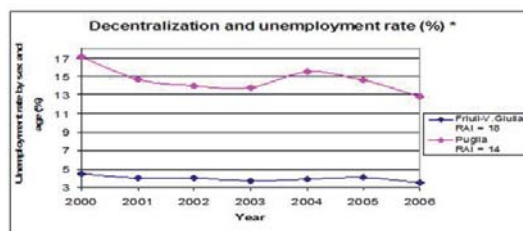
Source: ISTAT and SVIMEZ 2007 and Schakel, 2009

The most important variable in the end of this analysis is that a constant (sustainable) level of decentralization provides an increase of the GDP growth rate for weaker regions (Puglia) and a decline of GDP growth rate for stronger regions (Friuli-V. Giulia). Nevertheless, the average of the GDP growth in the period of 2000-2006, was the same 0,5% for both regions.

4.2 Decentralization and social development

Graph 3 shows that there is an oblique correlation between decentralization and unemployment rate. From the Graph we can see that Friuli-V. Giulia has a higher degree of autonomy (decentralization) RAI=18, in comparison to Puglia RAI=14, it has a lower rate of unemployment in the period of 2000-2006. Hence, one can assume here, that a higher degree of decentralization corresponds, in general, to a lower rate of unemployment.

Graph 3: Decentralization and unemployment rate



Unemployment is calculated on basis of gender (female/male) and age (15 years old and over)

Source: EUROSTAT, 2010 and Schakel, 2009; own calculations

However, from the graph it is observed that a sustainable degree of decentralization over the first years corresponds to a slow decrease and increase of unemployment rate in Friuli-V. Giulia, and a rapid decrease and increase in Puglia (which has a lower degree of decentralization) over the years. Hence, we can conclude that decentralization is also an influential factor in enhancing social development of both regions and in reducing social disparities over the years.

It is clear from the graph that in Puglia (ordinary-statute region) there is a higher variation of unemployment rate than in Friuli-V. Giulia (special-statute region). Therefore, one can assume here that the higher the degree of decentralization, the lower the variation of unemployment rate over the years.

In conclusion, we can assume that from these empirical findings, it is very clear that there is a positive link between decentralization and GDP per head and unemployment rate. A higher degree of decentralization-as in Friuli-V. Giulia-corresponds in general to a higher GDP per head, and to a lower rate of unemployment than in less decentralized Puglia. Even though, there is an oblique correlation between decentralization and the GDP growth, we can assume that decentralization has a greater influence over the economic and social development of more decentralized region. Consequently, we can assume that stated Hypothesis is accepted for the GDP per head and unemployment rate indicators, and partially accepted for the GDP growth indicator.

5. Concluding Remarks

The first section shows the most important theoretical arguments regarding the positive impact of decentralization (understood as the sum of competences that sub-national jurisdictions have), in economic and social development of country and regions. However, in order to show if there is any link between decentralization and socio-economic performance in Friuli and Puglia, a new decentralization index - Regional Authority Index- is introduced. Hence, in the second section, the RAI was used to measure the authority exercised by regional government according to two dimensions: self-rule and shared rule. As a result regional government in Friuli V. Giulia enjoys more capacity than in Puglia to shape, and influence central decision-making with respect to its territory, involving negotiation between the regional and national legislature concerning the constitutional changes. However, both regions have an independent legislature and executive body, policy competences and capacity to tax limited executive control but no law-making capacity.

The third sections tried to explain if there is any correlation between decentralization and socio-economic development. Therefore, some statistical analyses have been performed in order to prove the assumed correlation. From empirical findings, it is very clear that there is a positive link between decentralization and GDP per head and unemployment rate. A higher degree of decentralization-as in Friuli-V. Giulia corresponds in general to a higher GDP per head, and to a lower rate of unemployment than in less decentralized Puglia. Even though there is an oblique correlation between decentralization and the GDP growth, we can assume that decentralization has a greater influence over the economic and social development of more decentralized regions. Consequently, we can assume that the stated Hypothesis is accepted for the GDP per head and unemployment rate indicators, and partially accepted for the GDP growth indicator. However, we can conclude that decentralization has a highly significant influence on socio-economic performance of both regions, meaning that decentralization can be an explanatory factor of the persistent economic and social gap between two regions.

In conclusion, we can summarize that decentralization is an influential factors in strengthening the economic and social cohesion of Friuli - V. Giulia and Puglia. However, we also have to assume that the empirical findings in this paper are relevant only to the pre-established economic and social indicators.

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