

Focus session #62  
“Social innovation in mountain areas”

# Organizational models and social innovation to revitalize Italian rural mountain economy

Francesco Loreggian, PhD student LERH school - Università di Padova

Giorgia Bottaro, PhD - Dep. TESAF, Università di Padova

Nicola Andrighetto, PhD - Etifor srl

# Outline

- Introduction and background (2)
- The problem statement and research questions (1)
- Methodology (1)
- Conceptual framework (1)
- Preliminary Results #1: categorization & characterization (2)
- Preliminary Results #2: some models in detail (4)
- Organizational models and forest ecosystem services
- Conclusions (1)

# Background

European Forest sector facing economic and societal challenges:

- ✓ Changes in ownership structure (restitution processes)
- ✓ Re-forestation and re-wilding EU policies
- ✓ Climate change
- ✓ Societal demand for environmental protection and services

(Kajanus et al., 2019; Stanišić et al., 2021; Zhang et al., 2021)

→ Forests and Forest-based business as socio-economic opportunity for rural areas, targeted by rural development programs

→ Demographic trends in mountain regions:

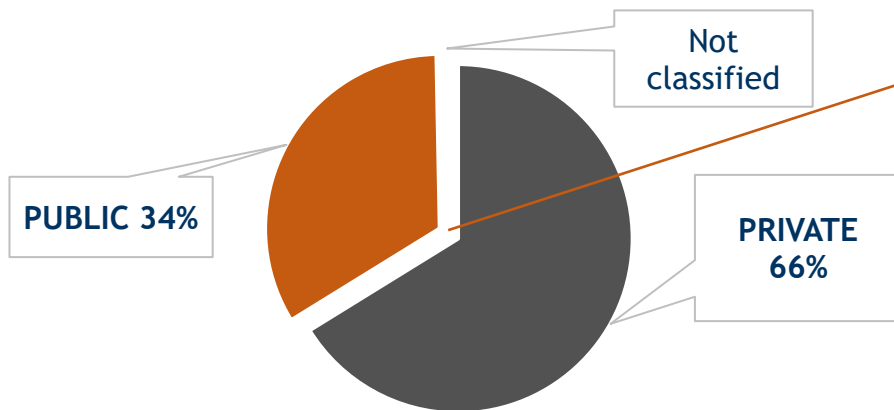
- Incessant overall **ageing and abandonment**
- **new mountain people** from cities + immigrants (Corrado et al., 2014; Membretti & Viazzo, 2017)

→ Renovated **interest for bottom-up collective actions** by local communities interested to local resources' management (Bassi & Carestiato, 2016)

# Background

Italian forests > 35% of the territory  
→ 65 % above 500 m asl  
+15% in the last 35 years, +70% from 1936

## Nature of forest ownership



Only 18% with Forest management Plan



66% private owners → 90% small owners (less than 10 ha)

→ many small/micro parcels = **low profitability** = very difficult to actively manage

→ **abandonment of private forests**

(Sources: RAF, 2017; Secco et al., 2017; Falcone et al., 2020)

# Problem statement and Research questions

Forest management can improve the **overall provision of Forest Ecosystem Services** and reduces **risks from natural hazards** (Romano, 2017; Chirici et al., 2019)

Most Italian forests are not managed. Forest land fragmentation and poor organization of the value chain are recognized within the major causes for land abandonment (Dir. Gen. Foreste MIPAAFT, 2017)



May innovative organizational models provide solutions for forest owners encouraging them to carry out active management?

## Research questions

1. What can we consider as “organizational model”?
2. Which are the main organizational models available in the Italian forestry sector?
3. Are there innovative organizational models? Where?
4. What impacts and performances can they achieve, with regards to forest management and towards local communities?
5. How can organizational models represent a solution to improve forest management?

# Methodology

5 research steps, design based on mixed methods inductive approach:

1. Conceptualization and development of an analytical framework
2. First categorization and characterization of OM in the European forestry sector
3. Identification of OM in the Italian forest sector
4. categorization and characterization of OM in the Italian forest sector
5. In-depth analysis of innovative OM in the Italian forest sector

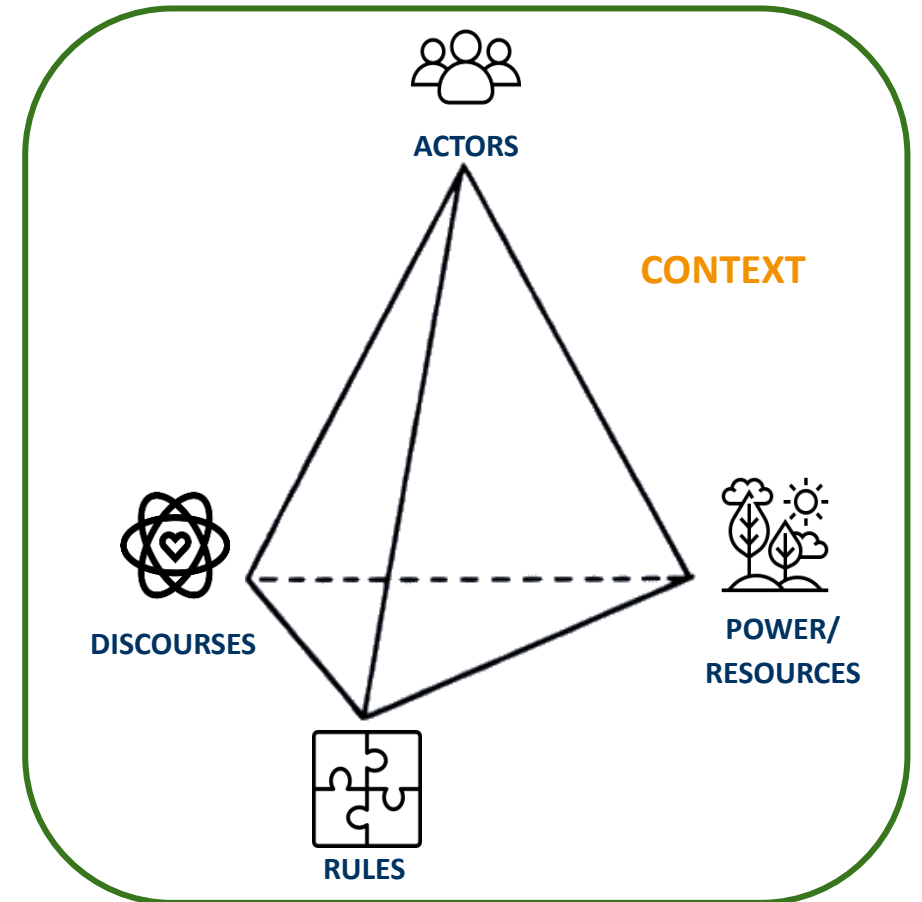
Methodological approach:

1. Semi-systematic literature review
2. Semi-systematic literature review, meta-ethnographic approach for content analysis
3. Analysis of the Italian legal framework for organizations in the forestry sector
4. Application of the analytical framework developed within step 1
5. Case study: multiple-case study selecting between Italian innovative OMs

# Conceptual framework

ORGANIZATIONAL MODEL (OM) → a representation of the way one or more **actors** establish internal and external relationships, set order (**rules**), manage **responsibilities (power) and resources**, to achieve their **purposes** according to their **values (discourses)**.

29 variables nested within the 4 key dimensions characterize organizational models.  
Set of indicators to describe the 29 variables



(Source: modified from Van Tatenhove & Leroy, 2003; Wiering & Arts, 2006)

+ SES framework for the CONTEXT analysis

(Ostrom, 2009; McGinnis and Ostrom, 2014; Leslie, 2015; Partelow, 2018)

# Preliminary Results






## A first categorization and characterization of European OMs

	State Forests' Management Organizations (SFMOs)	Private Forest Owners Organizations (PFOOs)	Community forests (CFs)	Community-based Forest Enterprises (CBFEs)	Forest-based Social Enterprises (SEs)	Forestry Enterprises (FEs)
<b>Actors#1 (Members)</b>	The State, Regional and Local administration	Forest owners	Local communities	Communities; Communities with entrepreneurs	Social entrepreneurs, communities, people sharing common values and vision	Forest workers
<b>Actors #2 (Forest ownership)</b>	Public	Private	Collective	Private, public or collective	Private, public or collective	Private, public or collective
<b>Rules #1 (legal form)</b>	Joint stock companies; State agencies	Cooperatives or Associations	decentralization/ devolution of forest rights to rural communities (special laws)	Various. Small-medium enterprises, different forms of companies	Charities, Not-for-profit/social enterprises, cooperatives	MMEs and SMEs, different types of company (depending on national laws); Cooperatives.
<b>Rules #2 (int. governance structure)</b>	Hierarchical	Democratical (cooperative principles)	endogenous organizations	Democratical (participatory)	structured with a Board, frequently "flat" internal hierarchies	Very simple in MMEs (hierarchical); More structured (democratical) in cooperatives
<b>Discourses #1 (values)</b>	Public interest, efficiency	Trust	resources and landscape conservation; tradition	Care; cooperation; engagement	Solidarity; trust; Care; Cooperation	n.f.
<b>Discourses #1 (value proposition)</b>	Timber and NTFP, forest commercial services (recreational, education) + non-market (environmental) services	INTERNAL - Services for the members (to guide and advise); EXTERNAL - Timber (raw material)	Forest products	Forest products; forest services; mixed	Forest services; Forest products; mixed	Forestry operations (logging, transport) for third parties
<b>Power/resources #1 (Forest management)</b>	Internal. FM plans developed by external consultants in smaller SFMOs	Individual owners directly plan and manage OR Joint management (either internal or external professionals)	Internal, but not always clearly distinguished between members, employees and board members	Internal, employing foresters or contracting external professionals	The manager is responsible for considering the multiple interests of different stakeholders and balancing the objectives	None. Contracted by third parties only for forestry operations. Limited power to negotiate for favourable contract terms and worksites.
<b>Power/resources #1 (Financial sources)</b>	Revenues from sale of products and services	Financial support from public funds + Membership fees + Revenues from selling of services	Revenues from selling of forest products (and services) outside the community	Revenues from selling of products and services	Commercial revenues + grants (Financial security is a critical factor)	Tenders for contracts, paid by forest owners or by forest firms



# Preliminary Results

## Identification, categorization and characterization of OMs in the Italian forest sector

	<b>CONSORZI FORESTALI</b> 	<b>PROPRIETÀ COLLETTIVE</b> 	<b>ASSOCIAZIONI FONDIARIE</b> 	<b>COMUNITÀ DEL BOSCO</b> 	<b>COOPERATIVE DI COMUNITÀ</b> 
<b>ACTORS#1 (Members)</b>	Forest entrepreneurs (private) or Public forest owners	Families holding rights to participate (delegates)	Forest owners (private and public)	Citizens of a forest region + Stakeholders	Members of a local community with strong identity
<b>ACTORS#2 (Forest ownership)</b>	Shareholders, contracts	Local community's ownership	Shareholders, contracts	Contractor	Contractor
<b>RULES#1 (Legal form)</b>	Contract. Can become enterprise C.c. artt. 2602-2616	Special legal form (L. n.168 del 20/11/2017)	Association LR Piemonte n.21 - 2/11/16 LR Lombardia n 31 - 5/12/08	Association Rif. LR Toscana n° 11/2018	Cooperative (labouristic model) LR E.-Romagna n.12 – 27/07/22 LR Toscana n.67 – 14/11/19
<b>RULES#2 (int. Govern. structure)</b>	Democratic	Democratic (closed)	Democratic (open)	Democratic (open)	Democratic (open)
<b>DISCOURSES#1 (Purpose)</b>	Transaction costs reduction = enhancement of forest management profitability	To produce resources and richness for the local community	Transaction costs reduction = enhancement of forest management profitability	Sustainable Forest Management oriented to local socio-economic development and landscape conservation	Socio-economic development of the local community
<b>DISCOURSES#2 (Value proposition)</b>	Forest products and services	Products and services from forests, breeding and agriculture	Forest management plans, Support for administration, marketing and logistics	Forest products and services, Projects for raising financial opportunities	Forest products and services, for the benefit of the community
<b>POWER/RESOURCES#1 (Forest management)</b>	Internal responsibility, eventually supported by ext. professionals	Internal responsibility, eventually supported by ext. professionals	Management responsibility contracted to professionals	Management responsibility contracted to professionals	Internal Management responsibility or contracted to professionals
<b>POWER/RESOURCES#2 (Financial sources)</b>	Financing from shareholders + commercial revenues	commercial revenues	General and dedicated Grants + (rarely) Financing from shareholders	Fund Raising + commercial revenues + Grants (PSR, ecc.)	Fund Raising + commercial revenues

# Forest Consortia

## a traditional organizational model with entrepreneurial character

Defined and regulated by the Civil Code (artt. 2602-2616)

It's a **CONTRACT** between entrepreneurs and/or public administrations, establishing an associate organization to carry out precisely defined purposes and activities.

It was common in Italy to manage State/Regional forests, first abandoned in the '80s-'90s, some new experiences are raising (Lombardy) with mixed public-private membership

- ✓ Consortia **can become enterprises**, adopting diverse legal corporate forms
- ✓ The main purpose is **to reduce transaction costs of forest management**, concentrating administrative, planning, marketing and logistics' activities
- ✓ They are temporary (eventually long-lasting)
- ✓ Internal rules are defined by the members and must be written in the consortium's contract (bylaws)
- ✓ Typically characterized by **limited liability**, a fund can be created by the members to guarantee the organization's obligations
- ✓ Financed by the commercial revenues and with members' fees.

# Forest Owners' Associations

an innovative organizational model resulting from institutional innovation

Inspired by French forest owners' associations, in Italy are called «ASFO» = Land Association

Can **associate both private and public forest owners**, to group together woodlands, pastures, agricultural and abandoned lands, to encourage a production-oriented sustainable management.

→ Northern **Regional administrations** started encouraging this model, with Regional Laws and dedicated Tenders:

- Lombardy → LR n. 31 - 5/12/08, but only recently some ASFO established
- Piedmont → LR n.21 - 2/11/16; circa 30 associations managing 3000 ha of pastures and forests
- Friuli Venezia-Giulia → LR n. 28 - 21/07/17;

→ Democratic internal governance structure: all members participate to the assembly for decision-making

→ The association provides management plans for the ensemble of its members' land (**ownership is warranted**)

→ Strongly **reliant on public financial sources**



REGIONE AUTONOMA  
FRIULI VENEZIA GIULIA



# Woodland Community

## “Institutionalizing” social innovation

Very singular experience in Tuscany, inspired after a **big forest fire** that destroyed >1000ha of forest on Monte Pisano.

5 Municipalities, the Mountain Union and Tuscany Regional Administration signed an agreement to set up a «**Woodland Community**», with the goal of restoring and protecting landscape, and fostering local socio-economic development based on active land (forest) management.

→ Regional Law n.11 - 20/03/2018 introduced «Woodland communities» among the strategic **organizational solutions for implementing sustainable forest management**.

→ The Woodland community «Monte Pisano» was established in october 2019, as an association («ETS» = Third Sector Entity)

- ✓ People from the local community and forest stakeholders are members;
- ✓ Democratic internal governance structure: all members participate to the assembly for decision-making;
- ✓ Forest Management Plans are contracted by the Association
- ✓ Development projects and application for grants

# Community Cooperatives

## an innovative model resulting from social innovation

First experience from 1991 → Coop. Valle dei Cavalieri (RE)

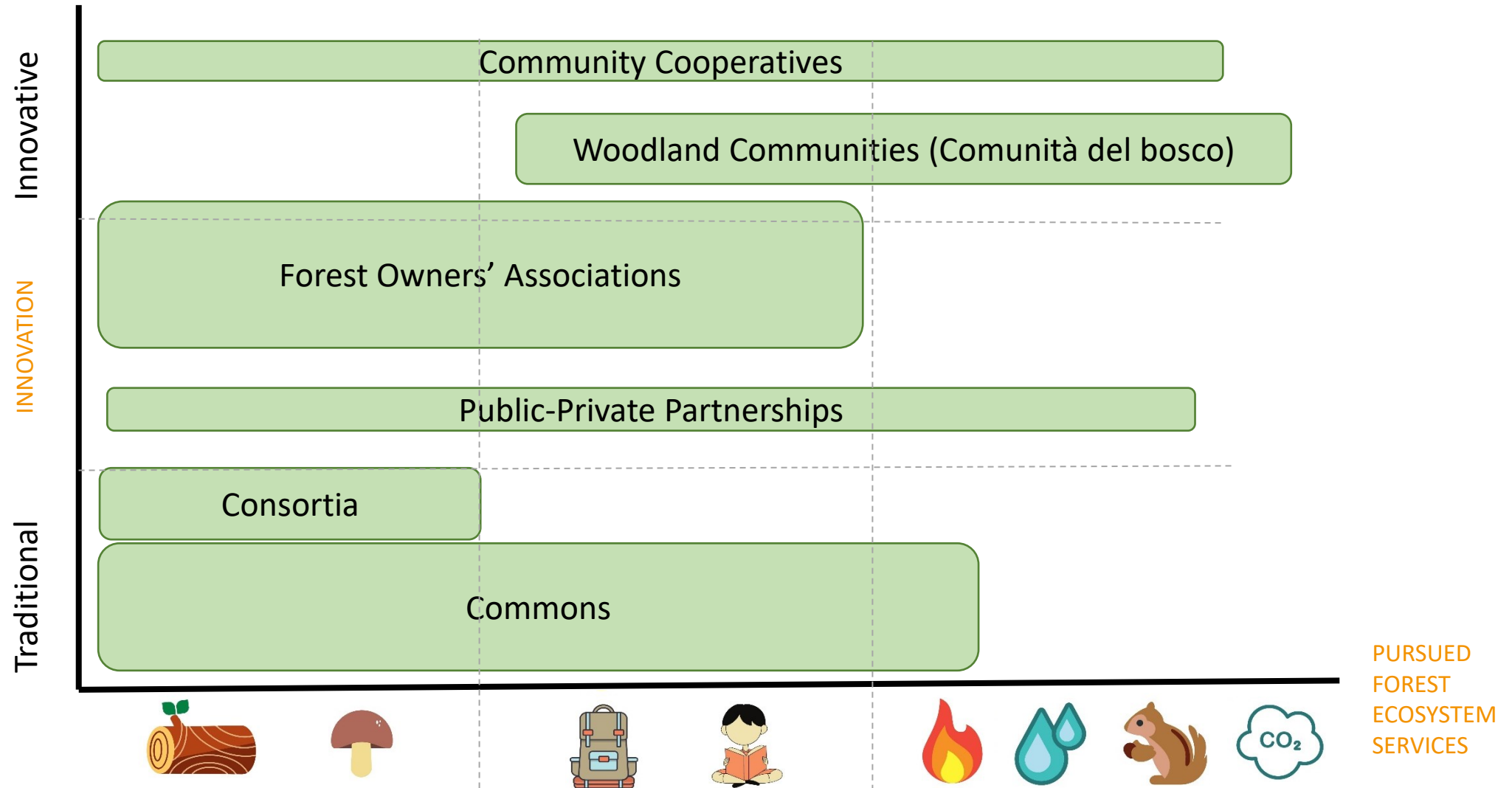
First legal recognition: Apulia Region in 2014, then other Regions → Regional Laws can only characterize such model above the cooperative model defined by the state law

188 community cooperatives mapped by 30/06/2021

A brand new organizational model, with direct (and exclusive) involvement of the **community for governance, decision-making, management**. Prevailing **labour cooperative** model.

- ✓ Typically multi-activity/cross-sectoral
- ✓ Beyond mutualism, **the purpose is to benefit the whole community** (even if not necessarily all community members are shareholders of the cooperative)
- ✓ Starting from local resources, (re-)activate businesses, creating new job opportunities and revenues for the community
- ✓ Democratic internal governance structure;
- ✓ Several Regions are supporting the establishment of community cooperatives with grants

# OMs and Forest Ecosystem services



# Conclusions

- Organizational form ≠ Organizational model → a complex and dynamic concept
- High relevance of the **context** (not described through the OMs framework)
- Central position of actors (**Members** and **Forest ownership** are the independent variables of OMs, all the others being the result of their choices)
- **Business** model is a key component of organizational model
- Organization can change over time → **adaptation** and organizational learning are key attitudes to be developed
- Organizational models may influence the provision of **ecosystem services** and the overall **impact** of an organization's activities (more research needed)

...waiting for case study!

An aerial photograph of a mountain valley. The foreground and middle ground are filled with dense green forests. In the center, a small village with several buildings is visible. A river flows through the valley on the right side. In the background, there are large, rugged mountains with some snow patches under a clear blue sky.

**Thanks for your attention!**

Corresponding author: Francesco Loreggian  
[francesco.loreggian@phd.unipd.it](mailto:francesco.loreggian@phd.unipd.it)