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THE REFORM OF ITALIAN RETAIL POLICY by Francesco Adamo, Università del Piemonte Ovest "A. Avogadro"

The decree law of 31 March 1998, no. 114, entitled "Reform of the regulation of the retail sector" – known as the "Bersani decree" from the name of the minister responsible – repealed almost all the previous legislative measures concerning domestic commerce and introduced new principles and rules in Italy, particularly for the socio-economic and territorial organisation of retailing, which is what interests us most here. It will certainly be possible to evaluate the probable impact of the reform introduced by this decree only in a few years, as the Italian Regions, to which the government has delegated most of the actual regulation of retailing have in general only recently defined "the general guidelines for the location of retail activities" – a task that the Regions should have done within a year of the publication of the decree itself, in other words by 24 April 1999 (art.6 c.1).

In this paper, I will therefore attempt only to assess 1) the potential applications of the new decree law which I believe most appropriate to the needs of Italian society in the era of globalisation of the markets and European monetary union; 2) the guidelines that the Regions have produced on this.

For both analyses, I will necessarily make reference to what I believe are the priority problems of Italian retailing and the main trends and contradictions in its development (Adamo, 1975 and 1993), attempting to highlight: for the first objective, the limits of the previous legislation, and its applications, and the key points of the new decree; for the second objective, in what way the various Regions have wanted to and been able to grasp the essential innovations in the new decree and have responded to the different needs of their communities related to retailing.

1. New and old problems of retailing in Italy.

The private exercise of the free retail trade, which was established with the extension to the whole country of the liberal state, was impeded for the first time in Italy by the royal decree law of 16 November 1926, no. 2174, with which access to the retail trade was subjected to a system of licences, issued by the municipal authorities after hearing the opinion of a Commission made up of 2 trade representatives, 2 representatives of workers' unions and by the representative of the municipal authority. This legal measure theoretically embraced the idea, which I believe correct, of those that saw retailing in that

period as an important inflationary factor, because the widespread unemployment of the post-war years had led to excessive growth in the number of shops in the main cities, and also because of the rigid demand expressed by the population, which was rapidly becoming urbanised.

In practice, however, this regulation of trade did not put a brake on the proliferation of small shops, which continued for at least a further 50 years, mainly for two reasons. The first important reason is undoubtedly the fact that this national law, by not setting any objective criterion which the local authorities had to respect when granting retail licences, became in effect an easy instrument for the development of patronage relations that, especially in this sector (Cusinato, 1989), but also in others, conditioned Italian politics considerably for at least 50 years, especially at the municipal and provincial levels. A second fact not to be ignored is, however, the very number of requests to open shops, which in general were excessive for a long period (higher than the rise in income and consumption) and above all urgent and indicative of its function as a safety valve for those who could not find work or did not accept the jobs available in relation to their level of education and professional qualifications. This consideration is true not only for the regions of the South, characterised by urbanisation without industrialisation, but also for the regions of the North, whose industrial cities were the destination of southern emigration until the early seventies (Adamo, 1984).

This patronage which had a major impact on relations between local institutions and operators should instead stand accused of a much worse effect than the proliferation of small traders, both shops and market traders: it slowed down the spontaneous process of renewal of the retail network and its structural adaptation to the gradual standardisation of products of mass and general consumption, hindering the spread of capitalist retail businesses and more in general of organised retailing and more productive retail forms. On the eve of the approval of the law of 11 June 1971, no. 426, with which new regulations for retailing were finally introduced in Italy, it appeared evident, in fact, that the structure of the sector had still maintained intact the features of fragmentation that were typical of times when production was still mainly fragmented and of a craft nature, a type of production which by then had practically disappeared, at least for mass consumer goods. It was also clear, despite the difficulty in comparing international data, that the huge differences in the structure of Italian domestic retailing and that of other European countries, such as France and Germany, did not merely reflect the gap between their respective incomes, which in reality was being rapidly reduced; it highlighted, instead, the greater backwardness of retailing compared to other sectors in the Italian economy and underlined the need for a gradual but profound structural change, indispensable to reduce the costs of retailing and keep prices down, and, in brief, to contribute to the containment of the costs of urban life. This also meant containing labour costs, which were rising and were increasingly worrying, right at the end of the sixties, for the competitiveness of the major industries, still largely concentrated in the major cities.

One fundamental reason behind law 426/71 was certainly to fill the serious gap in the 1926 regulations, fixing objective criteria for the granting of licences, as the opposition and even some parties within the government coalition itself had been demanding since the 1950s. On this question, the law regulating access to retailing laid down the following: 1) it established the Retailers' Register (Registro degli Esercenti il Commercio, REC), obliging all those who wished to trade as retailers to enrol in this

register and made enrolment conditional on the possession of a number of set standards; 2) it obliged all municipalities to create a “Retail development and adaptation plan” and subordinated the granting of authorisations to open new sales points to exactly what was laid down in the Plan.¹

However, law 426 went well beyond this basic objective and it can rightly be considered the first Italian law that regulated retailing as a whole and organically, although having a number of limits which I underlined at the time (Adamo, 1975) and which I will recall here as they are in part the same ones that lie behind the latest reform of the regulation of retailing, but which if we look closely are limits of application rather than of the law itself.²

“For the granting of new authorisations, the [municipal] plan” should decide “possibly with reference to individual zones, the maximum limit in terms of overall area, separately for each trade sector, for the retail network for goods of mass and general consumption in order to promote, partly through the adoption of modern techniques, the productivity and development of the system and ensure the respect of free competition as well as an adequate balance between the different forms of retailing.”(art. 12, 2° c.). In defining the maximum limit of sales area that could be authorised (an operation termed “*contingentamento*”, curtailment), the plan also certainly had to move towards the best possible equilibrium between demand and supply (as specified in article 11, on the general principles), but this was not to hinder the response to the needs for the objectives of productivity and development of the system. The curtailment of the sales areas by zone was also intended to respond to the important objective of a certain gradualness in the process of reducing traditional retailing, but it could not be considered merely as a defence mechanism for traditional retailers, although in many plans, because of their great political influence at the municipal level, curtailment was seen above all in this sense³

Law 426/71 could have been the occasion to overcome structural shortcomings and/or also for a more balanced development of Italian retailing on the spatial level. On

¹ It is not possible, however, to agree with those – like, for example, Cusinato (1989) – who have reduced the objectives of law 426 to merely setting criteria to limit the margins of discretion of local authorities to grant new licences, nor can we accept the interpretation given by the same author according to whom, while not being able to avoid acknowledging that this law changed the relations between local institutions and citizens substantially, legislators “deliberately carved out” for local authorities “a new and ample discretionary space in the phase of defining the plans” and above all that “the very mechanisms laid down by law 426 have meant that”... “a new in terms of patronage could once again, in other words, be made of this margin”. On the first point, it is evident that the definition of the contents of a plan is a human, political process, and could never be “objective”. On the second aspect, the political use that members of the Commissions (rightly) make of their power in fixing the contents of the plan should not be confused with the use of power for patronage purposes.

² No law can (fortunately) regulate everything, and neither should it attempt to do so. Otherwise, development, which is change, and progress, which is change for the “better”, would be possible. It is up to those who apply it not only to observe the obligations and rules set down with precision, but also to respect the principles.

³ To avoid confusing this consideration with a reflection typical of hindsight, it is worth specifying that this policy ~~did~~ did not exist.

⁴ This concept, that commerce is also a service to provide the consumer, is essentially reiterated in art. 3 which recalls the retailer’s obligation to sell, sanctioned by the civil code.

this last point, one of the most serious problems in the early seventies concerned the vast suburbs of the major cities. These had grown rapidly as the result of building speculation and were characterised commercially by a decided under-endowment, with sales outlets largely scattered, problems that remain today only in part and to which a suitable solution can now be found more easily. Another general structural shortcoming consisted in the shortage of modern and efficient forms of retailing as well as of commercial organisations capable on the one hand of negotiating better purchase prices and, on the other, of competing with the large-scale retailers of other European countries which even then were exerting pressure to expand in Italy.

For the creation of a plan in line with these objectives (which are in part shared by the new reform), and not one of just bureaucratic implementation of legal obligations, it was realised that: 1) there was the need to use the experience of other countries (benefiting from the only advantage of those who arrive late) in order to avoid the repetition of basic errors, consisting in putting too much faith in large capitalist businesses and above all in allowing the location of huge sales units outside the cities; 2) together with the plan, there was a need for an active policy to develop the retail network, for shopping centre projects in line with the plan, to be implemented with the participation of small and large retailers.

This last need, which if satisfied would have made it possible to satisfy the first one, too, demanded, however, a national policy of incentives, given the then limited responsibilities and possibilities of the local authorities. In particular, it was clear that, without such a policy, the restructuring of Italian retailing needed to reduce distribution costs would have happened “top-down” by new capitalist businesses – as it appeared from contemporary trends – and not “bottom-up”, through various possible forms of association of operators in the sector and consumers, as demanded by Italian society. The reduction in retail costs was unlikely in the Italian situation to benefit consumers, but would instead have been translated into an increase in profits. This is, in fact, what happened, as had already happened for some years, and was to continue until the late eighties.

The definition of the maximum sales area that could be authorised by trade sector and zone (i.e. the “curtailment”) was certainly a defence of the small retailer and slowed down their elimination from the market, as was socially desired; although the municipal commerce plans have often been contradicted by the policies of the Regions and the defence of small shopkeepers was soon weakened by later national legislation (by decree law 697/1982 that made it possible to expand and transfer existing sales outlets to a maximum limit of 400 m², then raised to 600) and then repealed by decree law 375/1988, which made the commerce plans virtually inoperative and pointless, removing the remaining constraints on the expansion of existing sales outlets and the possibility of intervention by financial groups.

Up until this date, the national government and regions had favoured the expansion of small, traditional Italian large-scale retailing groups and new, modern retailers launched in the mid sixties by financial groups, property and construction companies.

As long as the growth of large-scale modern retailing, in Italy then based on essentially medium-sized sales points (#superettes and supermarkets), could limit itself essentially to being a function of the additional demand generated by the rise in income, a certain defence of small shops was instrumental to large Italian retailers: it was strategically necessary for their expansion. In fact, for years the presence of small,

traditional retailers allowed the larger retailers to make super-profits. Moreover, small retailers and their associations were effectively the best allies of large Italian retailers in the attempt to stop – and certainly discourage and slow down – access to the Italian market for large foreign groups (which, at least at the time, were more powerful than the Italian ones).

In conclusion, an active policy capable of really defending the small retailers by creating incentives for them to group together and/or specialise was never formulated for precise political interests, and not for any lack of understanding at the time: it was never formulated because of the convergence of the mainly defensive-conservative positions of the small retailers and their powerful associations with the, only apparently competing associations, of large-scale Italian retailers (both capitalist and co-operatives).

The defence of small retailers, which could be pursued with municipal plans in purely conservative terms, was effectively entrusted to them and, indeed, it often becoming their main goal, so that small-scale retailing could play the instrumental functions mentioned above, while there was a real social need for the modernisation of the retail network and the elimination of small retailers to be achieved gradually.

However, the main objectives of law 426/1971 were certainly not the defence of small retailers and the conservation of the existing commercial structure; its goal was to block the continuous proliferation of new, small sales outlets, to reduce fragmentation and increase sales areas, with the purpose, in common with previous laws, of reducing retail costs and thus containing price rises. These fundamental results were largely achieved, thanks also to the economic growth of the country. However, because of the lack of a development policy with objectives of social and territorial re-balancing, new and serious problems were also created.

Up until the eighties, the growth of supermarkets (of average size, from 1000 to 2000 m²) in the city peripheries made it possible to overcome the under-provision that characterised these areas and thus eliminated or greatly reduced pointless journeys towards congested and polluted city centres, while also increasing the productivity of the retail system. Following this, large-scale Italian retailers, by then with substantial capital and extensive sales networks – together with companies from other European countries, which had expanded their presence in Italy over the previous decade – went through the following changes: 1) first, they greatly increased their sales units, shifting from the supermarket (which also tended to grow in size) to the hypermarket, usually as part of a shopping centre, a structure which was also fairly new in Italy; 2) in addition, and this was the worst innovation, they located their new structures outside the towns, thus creating pointless, socially expensive and environmentally damaging car traffic. These new planned shopping centres are now being built on the edges of small and medium-sized towns, often eliminating the possibility of bringing new life to town centres by improving the quality of shops.

2. The reform of 1998-1999.

For years now, the key problem of retailing has no longer been the proliferation of small sales outlets and thus the structural fragmentation that had led in 1926 to the introduction of the system of authorisations, confirmed by law 426 of 1971. There was, in fact, a constant reduction from the 1970s on of the number of sales units and an

increase in the average area, first in the food sector, because of the spread of modern commercial structures which increased even more in the nineties. The key question has become to guarantee competition and customer service.

The system of authorisations, if it has lost its meaning for small shops, is still valid for large retail premises. This is evidently for other reasons: because of their great impact on social life and the physical environment as well as on the retail economy.

The recent reform (D.L.114/1998) this rightly maintains authorisations as the means of control of expansion and location of large retail units in order to prevent the possible negative impacts that I have mentioned and, above all, to ensure competition. This is one of the crucial points of the reform, on which in essence the Regions have had to decide in recent months, defining the “General guidelines and planning criteria for the location of fixed retail premises”, and later the municipalities which then in practice have the task of integrating commercial programming with urban planning

The decree law with which the national government decentralises these responsibilities establishes clearly, however, not only the basic purposes and principles, but also precise objectives, constraints and instruments for the programming and management of commercial activities. I will limit myself to highlighting the main points.

1. First of all, it is worth reporting in full the purposes of the new retailing regulations (art.1), in that they constitute one of the main points of reference for the evaluation of implementation. These are:

- a) the transparency of the market, competition, free enterprise and the free circulation of goods;
- b) consumer protection, with particular attention to information, the possibility of purchase, nearby service, assortment and safety of products;
- c) the efficiency, modernisation and development of the retail network as well as the technological evolution of supply, in part to contain prices;
- d) the pluralism and equilibrium of the different types of retail structures and the different forms of sale, with particular attention for the recognition and enhancement of the role of small and medium-sized businesses;
- e) the enhancement and protection of commercial services in urban, rural, mountain and island areas⁴.

2. Article 4 defines unequivocally a number of fundamental terms and concepts for commerce, such as wholesale, retail, sales area, neighbourhood shop (this with a sales area up to 150 m², in municipalities with a population up to 10,000 inhabitants, and up to 250 m² in larger municipalities), medium sales structures (over 150 m² and up to 1500 m², in municipalities with a population up to 10,000 inhabitants; over 250 m² and up to 2500 m², in larger municipalities), large sales structures (units of over 1500 m² in municipalities up to 10,000, over 2500 m² in municipalities with a population over 10,000), shopping centre (a medium or large sales structure in which a number of retailers share infrastructures and service areas run jointly).

3. The type of goods classification is reduced to two categories: food and non food.

⁴ This concept, that commerce is also a service to provide the consumer, is essentially reiterated in art. 3 which recalls the retailer’s obligation to sell, sanctioned by the civil code.

4. The conditions for access to running a retail outlet in the food sector includes the need to have successfully attended a training course recognised by the Region.

5. One new element is the possibility of more flexible organisation of opening hours that can certainly allow better management of shops and better service to consumers. With the exception of Sundays and public holidays, retail outlets may stay open to the public, on all other days of the week, from 7.00 to 22.00 to a limit of a maximum 13 hours per day. While respecting these limits, the retailer is free to decide when to open and close (the effective opening hours must be displayed for the public). In addition, the law envisages the possibility for retailers of exemption from the obligation to close on Sundays and public holidays on the days and in the areas identified by the municipality, having heard the opinion of the consumer organisations, retailers and employees; and it states that these days include as a minimum “those in the month of December, as well as a further eight Sundays or public holidays in the course of the other months of the year”. Finally, the municipalities can also authorise the opening of shops at night, although “limited exclusively to a limited number of neighbourhood outlets”. Complete freedom in deciding opening hours, together with the possibility of exemption from the obligation to close on Sundays and public holidays is given to retailers in mainly tourist locations and in Italy’s historic cities, limited to the main periods of tourism. The identification of these periods and the municipalities concerned is delegated to the Regions.

6. The most important measures are, however, those in the “Programming of the retail network”, contained in art. 6, not only because they have a direct impact on spatial organisation and are of immediate geographical interest, but also because they introduce numerous innovations in the process of commercial planning that the law entrusts to the municipalities, on the basis of the “general guidelines for the location of retail outlets” and the “programming criteria” defined by the Regions within one year of the publication of the decree law, observing the measures in the decree itself that are worth noting almost in full.

6.1. According to paragraph 1 of art. 6, in defining the general guidelines for the location of retail outlets, the Regions must pursue “the following objectives:

- a encourage the creation of a retail network that, together with other service functions, ensures the best productivity of the system and the quality of services for the consumer;
- b ensure, in indicating the objectives of presence and development of large sales structures, the respect of the principle of free competition, encouraging the balanced development of the various types of retailer;
- c make the territorial and environmental impact of retail outlets compatible especially with factors such as mobility, traffic and pollution, and enhance the commercial function so as to improve the urban fabric, in particular for run-down urban districts so as to reconstruct an environment suitable for the development of commerce;
- d protect and improve the historic town centres also through the maintenance of the physical features of the buildings and respect for regulations concerning the protection of the artistic and environmental heritage;
- e protect and improve the retail network in mountain, rural and island areas also through the creation of multifunctional commercial services, in order to encourage the maintenance and reconstruction of the commercial fabric;

- f encourage commercial units intended to aid recovery of small and medium-sized enterprises that already operate locally, so as to safeguard real employment levels and with the faculty to create incentives for this purpose;
- g ensure, through the municipalities and chambers of commerce, industry, craft and agriculture, a co-ordinated monitoring system with reference to the size and efficiency of the retail system by creating special observatories, with the participation of representatives of the local authorities, of the consumers' organisations, of retailers and employees, co-ordinated by a National Observatory established at the Ministry of Industry, Commerce and Crafts."

For almost all these commercial location policy objectives – except for the first very general one already present in law 426 – their explicit definition in law is undoubtedly an innovation and a very important one⁵.

6.2. In defining the general guidelines for the location of retail outlets, the Regions (c.3 art.6) must take into account “principally the characteristics of the following territorial zones:

- a the homogeneous metropolitan areas so as to achieve integrated planning between the centre and peripheral areas;
- b supra-municipal areas that appear as a single user catchment area for which homogeneous development criteria must be identified;
- c historic town centres, so as to safeguard and improve the presence of retail and craft activities capable of providing a neighbourhood service, protecting premises of historic and artistic value and avoiding the process of expulsion of retail and craft businesses;
- d demographically smaller towns, so as to develop their socio-economic fabric also through the improvement of infrastructure networks and in particular road links.

6.3. In addition, the Regions (c.2. art.6) “set the criteria for urban planning with reference to the commercial sector in order that municipal planning tools identify:

- a the areas to be assigned for commercial premises and, in particular, those in which it is possible to locate small and medium-sized retail structures;
- b the limits to which retail sites are subjected in relation to the protection of the artistic, cultural and environmental heritage as well as the urban #arredo, in historic town centres and in localities of particular artistic and natural interest;
- c planning constraints and especially those concerning the availability of public spaces or ones for public use and the minimum quantity of space for parking related to the various types of retail outlet;
- d the relation of the procedures for granting building authorisation or permission concerning the premises or complex and the authorisation

⁵ The pursuit of these objectives, especially those not strictly commercial, that take into account the relations of commerce with other activities and of its role in urban improvement, was not prohibited and was therefore possible even under the previous law; in effect, these objectives were evident in many municipal commercial plans.

for the opening of a medium or large sales structure, #eventualmente prevedendone la contestualità."

6.4. For issuing the guidelines and programming criteria for the retail network, the Regions (c.4 art.6) "must hear the opinions of the representatives of local authorities and will also consult the consumers' and retailers' organisations".

6.5. By the deadline set by the Regions, and in any case after no more than 180 days, the municipalities must "adapt general and specific planning instruments and local by-laws to the regional measures"; in the event of non-observance by the municipalities, the Regions will act in lieu.

In contrast with the previous law, which envisaged a sector plan, the new law entrusts the realisation of the objectives of retail outlet policy to urban planning. This important innovation, together with the #substitutive powers of the Regions, should in theory be seen very positively as the integration of retailing into the ####Territorial Plans is not only necessary for greater efficiency of the retail network and an improvement in service for consumers, but also because of the non-commercial objectives that the commerce regulations pursue.

In the Italian case, however, it is perhaps this innovation that makes the pursuit of the main objectives of the programming of the retail network indicated above more problematic. There are few "Italian planners"⁶, especially amongst those working for local authorities who have theoretical or practical understanding of the problems of retailing or of its organisation and development trends. This difficulty – unfortunately common to other sectoral policies and environmental policy, despite the fact that they need to be included in ##territorial plans – makes the task of the Regions even more important and delicate. They can attempt to overcome this difficulty only by defining as clearly and in as much detail as possible the guidelines for the location of retail outlets and the specific criteria of urban planning for the sector.

One even more important new element, as it makes the pursuit of the objectives in the decree law on commerce credible, concerns the overall policy and the new system of laws on local development and planning, of which the Bersani decree is a part. One example are the incentives for small and medium sized enterprises, including commercial ones, or the financial contributions that can be obtained in the framework of the programmes for urban renewal and improvement⁷

⁶ Their university education is exclusively or predominantly in architecture, which neglects both disciplines that enable the analysis of socio-economic variables and the ones that study the natural aspects of the territory. Despite this, the architects' official register gives them the monopoly over the drawing up of ##territorial plans.

⁷ The main means of intervention are the following: 1) i "Programmi di Riqualificazione Urbana", art.2, L. 179/1992, volti al recupero edilizio e funzionale di ambiti urbani specificamente individuati, innescandone il processo di riqualificazione; 2) i "Programmi Integrati d'Intervento", art.16 della L. 179/1992, volti al recupero urbano attraverso interventi di riorganizzazione urbana; 3) i "Programmi di Recupero Urbano", introdotti dall'art.11 della L.493/1993, indirizzati al recupero dell'edilizia pubblica; 4) le "Sovvenzioni Globali", introdotte dalla delibera CIPE 16 marzo 1994 e 8 agosto 1995, per l'incentivazione di iniziative di sviluppo locale; 5) i "Contratti d'area" e i "Patti territoriali", di cui alla L. 662/1996 e alla delibera CIPE 21 marzo 1997, volti a promuovere lo sviluppo locale; 6) i "Contratti di Quartiere", introdotti con Decreto del Ministero dei Lavori Pubblici del 20 ottobre 1997 e finalizzati al recupero di aree soggette al degrado fisico e caratterizzate

3. The orientation of the Regions

As of the end of March 2000, all Italian Regions had passed legislative measures to implement decree law 114/98, although in many cases rather late compared to the deadline that had been set (24 April 1999) by the same decree.

From an initial comparative analysis of these measures⁸ (Barbale, 2000) it seems evident that most regions have implemented these but maintaining as far as possible the traditional programming guidelines and criteria for commerce, i.e. those typical of the previous national and regional regulations, and in particular the criterion of curtailment of sales areas according to the demand in the planned market areas.

Only a few Regions (Piedmont, Marche, Emilia Romagna) – amongst those in which problems of territorial demand/supply imbalances either no longer exist or are marginal, nor where there are significant needs for a quantitative expansion in supply – have ignored this approach, which in the debate in progress (on which I will reflect in the conclusion) is called “quantitative planning”, in favour of an approach known as “qualitative planning”. This may appear more flexible, but it does not rule out the possibility for the Provinces⁹ and municipalities to set even greater constraints, and stands apart from the traditional approach above all because in directing the location of commerce it only sets constraints of territorial compatibility. In some cases, as in the exemplary one of Emilia Romagna, one of the most advanced regions in terms of planning and commercial policy as in other areas, the regional legislation (D.G.R. 23 September 1999, no.1253) defines these compatibilities quite precisely and in such a way as to lead Provinces and municipalities to pursue the goals of enhancing commerce and the urban fabric. These are the main needs in this region, and in any case avoid the errors of the past mentioned above.

For the location of major sales structures, either formed *ex-novo* or through the grouping of medium-sized structures and neighbourhood shops, the region’s territory has in general been divided into sub-regional market areas, which correspond to (or, rather, have been made to correspond to) the territories of the provinces or even to smaller territorial units (usually supra-municipal ones, except in the case of large cities like

da tensione sociale; 7) i "Programmi di Riqualficazione Urbana e di Sviluppo Sostenibile del Territorio", lanciati con Decreto del Ministero dei Lavori Pubblici dell'8 ottobre 1998, volti prioritariamente alla definizione di un sistema organico di infrastrutture territoriali; 8) la Legge Bersani L.266/1997 Art. 14 "Interventi urgenti per l'economia", il D.M. 255 dell'1/7/1998, "Regolamento concernente modalità di attuazione degli interventi imprenditoriali in aree di degrado urbano", e il D.M. 14/7/1998. (Ministero dei Lavori Pubblici, 1999).

A questi strumenti occorre aggiungere la cosiddetta Legge Merloni *ter* (L. 415/1998) che introduce il "project financing" quale strumento di promozione dello sviluppo territoriale a disposizione delle Amministrazioni Pubbliche e le Leggi Bassanini, con le quali la Pubblica Amministrazione ha subito una profonda e salutare riforma (decentramento di competenze e snellimento di procedure), e particolarmente la cosiddetta Bassanini *ter* (L. 191/1998) che impone tra l'altro l'obbligo del rispetto delle esigenze di tutela dell'ambiente, nell'ambito delle attività di promozione dello sviluppo economico da parte dello Stato e degli Enti pubblici.

Per un'analisi dei nuovi strumenti di pianificazione territoriale e dei relativi problemi d'applicazione si rinvia a C. Emanuel e R. Afferni (1999).

⁸ All can be found on the Internet. See the sites www.anci.it or those of the individual regions (e.g. www.regione.piemonte.it).

⁹ In Italy, the Province is the intermediate local authority between the municipality (Comune) and the Region.

Rome, where they coincide with the area of the capital). In general, the Regions themselves have therefore set, area by area, the total area that can be authorised for the opening of major new structures, the maximum sizes of the single sales units and also, in some cases, in what types of municipality (defined by each Region, usually on the basis of the population size, as well as on the basis of other characteristics included in the decree) the location of these sales structure is admissible.

Among the many interesting location policy guidelines, it is in my opinion worth noting at least one, which also emerges from regional laws that limit themselves to providing some general lines, postponing or referring to later measures, as is the case, for example, of the Puglia law (L.R. 4 August 1999, no.24. Learning from the negative experiences of some of the more advanced regions of the Centre-North, one directive of this southern Region states that it will guarantee a retail “service” in each sub-regional area (corresponding to the province) “avoiding the excessive concentration of large sales structures in *ambiti ristretti* and just outside the areas of highest residential density”, i.e. in the peri-urban areas. This is an essential directive, for the reasons that I explained earlier, which is effectively implemented by many of the Regions that have used a transparent quantitative approach and have thus defined the maximum areas permissible and also by some of the Regions which have defined only the territorial compatibilities of location.

This last territorial constraint is generally valid for medium-sized sales structures. The definition of their total overall, number and features is, however, entrusted to the municipalities concerned. The decision on the location within the municipal territory is also the responsibility of the individual municipality, but various regional laws specify explicitly the zoning criteria for the entire municipal area so as to guarantee a certain balance between the zones; in addition to the decree included in the national decree of identification and delimitation, in the framework of urban plans, of the areas to be allocated specifically for the location of these structures and for large-scale ones.

Many Regions have given absolute priority to or reserved shares of sales areas that can be authorised to consortia and other forms of association between retail businesses. Priority has also been given to the expansion of existing sales units, for which authorisation is granted automatically in various regions.

To integrate commerce into territorial planning, the regional measures have in general been limited to subordinating the location of medium-sized and large sales units to what is laid down in the Piano Regolatore Generale (P.R.G., the master development plan), i.e. the traditional municipal planning instrument. As this is essentially static and restrictive, the municipalities will need to make specific adaptations (“Varianti di piano”) in relation to the planned commercial development objectives. For this, the regional laws (L.R.) with which the Regions adopted D.L. 114/98 have not fixed any criterion, nor in general have they given any indications or, above all, any incentive or other useful tool, delegating the matter to future decisions by the Regional Executive; today, almost all regions have taken these decisions, under pressure from the trade associations, Confcommercio and Confesercenti, and especially the Associazione Nazionale dei Comuni Italiani (A.N.C.I.)¹⁰.

¹⁰ I should be noted that the A.N.C.I. has not only organised and continues to organise conferences and seminars on the problems of commercial planning when applying the regulations laid down by D.L. 114/98, but has also put forward proposals to adjust planning regulations. These are needed to overcome some difficulties in interpretation of the decree and, especially, the interpretation by some Regions, in

Action to enhance the historical town centres, included in the decree, are generally approached in regional laws either in rather vague terms, merely stating the need to safeguard the historical and artistic values of the urban landscape or offering the possibility for municipalities and provinces to include restrictions in their planning regulations or by directly specifying constraints of territorial incompatibility for certain commercial structures. Among the Regions which have adopted the most interesting measures and above all which lay the foundations for an active policy, including providing financial incentives for municipal or private/public projects, it is worth noting: Lazio, whose law explicitly states the possibility of specific municipal regulations to safeguard the “urban fabric of historical origin” which is certainly of great importance for a city like Rome; Tuscany, Emilia Romagna and Piedmont, which envisage among other things municipal programmes to protect their historical centres and the possibility of adopting procedures for the assessment of the impact of commercial premises on the urban environment and thus the possibility of banning commercial activities (even by product category) inappropriate to environmental and landscape features, in addition to envisaging as in other regions such as Campania, projects to safeguard “historical premises” or in any case structures considered as part of the “cultural and environmental heritage”.

Other Regions concern themselves not only with the quality of commercial structures and their environment but also with the commercial promotion of typical local products. It is worth noting, for example, Tuscany which with its "Vetrina Toscana" project, indicated in the measures implementing D.L 114/98, intends to create a network of neighbourhood shops that upgrades the regional range of commercial and tourism services and, by guaranteeing a unitary image, consolidates the offer of local products, highlighting their particular qualities.

Finally, few regional laws attribute an active role to the Provinces, as would be not only politically appropriate but also necessary in order to integrate commerce into the Piani Territoriali di Coordinamento Provinciale (P.T.C.P.), whose geographical scale is certainly much more suitable for planning the location of major sales structures.

In conclusion, for those interested in the first regional differences in the implementation of the reform of commerce and in particular the territorial planning of the retail network, I would underline above all: 1) the one between the Regions of the Centre-North and the Regions of the South and 2) the one between “ordinary” Regions and those with a special statute.

The first is above all a reflection of the traditional disparities in economic growth and development, of which commercial and retail network planning policies must necessarily take into account, more than the expression of a disparity in terms of political progress or of their planning and commercial culture.

The second distinction, which emerges from the comparison between regions of the two categories of equivalent economic levels, highlights a certain backwardness in the commercial and planning policy of the Regions with special statutes, with some exceptions, such as for Trentino- Alto Adige; this difference would seem to demonstrate that greater autonomy is not always a factor of progress.

contrast with the national decree and, above all, in conflict with the concept of the independence of the municipalities.

I do not think, instead, that the distinction between Regions that have adopted a “quantitative” plan and those which have adopted a “qualitative” one, the subject of much discussion in Italy today (Barale, 2000), is as significant. As I have mentioned, the latter are identified with the few Regions that have not explicitly used the criterion of curtailment, nor have defined directly the total sales area available for new premises.

It is worth specifying that quantitative planning does not in itself rule out qualitative planning; nor has this second approach been excluded by Regions which have adopted the former, most of them having integrated the two approaches.

Furthermore, the Regions which have limited themselves to defining the territorial compatibility for the local of particular types of commercial structures or have implicitly taken into account, even if very elastically, the quantitative criterion of curtailment (demand/supply) or have transferred the problem to the municipalities (and/or the Provinces) where the places (centri, "addensamenti", "localizzazioni", "ambiti" or areas or single streets) identified for the location of specific commercial activities are found. In order to size and delimit in planning regulations the overall area to allocate for retailing in specific places these local authorities must (explicitly or implicitly) take it into account, even if roughly or such as to allow a certain flexibility for the future, and they must therefore also define a certain zoning of market areas and sub-areas, even if with a very large mesh.

Obviously, these needs are posed if there is a real desire to pursue the objectives specified by the national law, such as the optimisation of service to the consumer and thus a certain equilibrium between demand and supply, so as to avoid futile and harmful journeys, a certain equilibrium between forms of retailing and types of business, so as to ensure competition and contain prices, avoiding positions of privilege and monopoly practices in general.

On this point, no less important than the need for quantitative criteria is certainly the need for qualitative criteria and in particular the explicit rule that authorisation is granted only where competition is guaranteed not only by different forms of retailing but also within the same form, i.e. between a number of sales structures and companies of the same category¹¹. Criteria aimed at guaranteeing the presence of a variety of retail businesses have been adopted by only a few Regions, at least in their regulations. Among these are Regions such as Piedmont, which has defined only territorial compatibilities, and ones such as Emilia Romagna which have set the total area that can be authorised.

The contradictory contrast between quantitative and qualitative planning is not just the expression of two different ways the parties concerned defend their own interests. It reflects the difficulties in interpreting D.L. 114/98 found by local authorities and especially the difficulties of the dominant planning culture in integrating the needs of commerce and the programming goals for the retail network in local planning. These difficulties help us to understand the delay of the Regions and above all the further delay accumulated by the local authorities in actually implementing the Bersani reform.

The illusion of those who interpreted the new law as a measure to “liberalise” retailing appears evident from the direction taken by the Regions and also some large cities (such as, for example, Turin, Naples, Rome, Bologna etc.).

¹¹ In breve, se ad esempio in un dato luogo d'insediamento si prevede di destinare alla grandi strutture di vendita una superficie complessiva di 10.000 mq dovrebbe essere incompatibile l'apertura di unità commerciale di superficie superiore a 5000 o meglio ancora superiori a 2.500 e garantita la presenza di più imprese della grande distribuzione.

4. Towards sustainable, quality retailing

In conclusion, considering the prospects of the on-going reorganisation of Italian retailing, I will limit myself here¹² to underlining the many reasons for being optimistic: in other words, the belief that the objectives of quality and environmental sustainability for urban commercial structures, high productivity of the retail system and quality delivered to the consumer will soon be reached.

One reason is certainly the new national law itself and the overall direction that emerges from the regional laws on commerce, not only because they set these objectives, but because they, together with other local planning and business development measures, provide financial incentives and other conditions to reach these objectives; one important, although “undeclared” objective is the defence of local businesses from the invasion of foreign groups, even if essentially from other European countries for the time being. On this, the previous law 426/71 offered essentially the possibility of passive defence. The new law and related instruments offer, instead, the possibility of active defence, providing the conditions to increase the competitiveness of local businesses, even small ones.

Another important reason is that the current trends are effectively moving towards the objectives indicated, dictated by the growing awareness of businesses that consumers (rich, and increasingly rich despite the unemployment created by technological innovations) increasingly want not only quality products but also quality services. These trends clearly intensified in the 1990s, with a further boost at the end of the decade, as the effect of the first responses by businesses to the new challenges and competitive opportunities opened up by the new law on commerce. In general, these were positive responses, including initiatives taken by small businesses.

On this, the first figures available for the trade associations seem to be significant. They would seem to confirm the fears, the expectations, “the will to react, creating the conditions especially of large-scale retailers to improve productivity”, and in brief the results of a survey¹³ conducted a little more than a month after the reform came into force. To counter the competition from large retailers, the retailers interviewed “believe that the best way is to specialise their own sales activity (46%), together with other retailers to turn their own street into a fully-fledged shopping centre (29%), to form a purchasing consortium (27%)”. These (and especially the first one) were in fact the answers from small and medium-sized retail businesses that have not been eliminated from the market since the “invasion of large-scale retailers” began; these should be, and indeed seem to be, the responses of small retailers even more today. It should be considered, in fact, that the small, non specialised, sales units, scattered geographically, that enjoyed a certain privileged position (corner shop) until the reform, are suffering increasingly from the competition not only of market traders but also of new shopkeepers who can open a small shop, facilitated by the abolition of the authorisation system, and

¹² For an analysis of the chief transformations in the 1970s and 1980s and the trends of the 1990s, which have essentially continued to the present, see the paper presented at the IGU Tokyo Meeting - Commission on Commercial Activities (Adamo, 1993).

¹³ The SWG-Confesercenti survey, conducted from 4 to 10 March 1999, showed that only 42% of retailers were aware of the Bersani reform. As far as the use of the opportunities offered by the reform are concerned, 27% intended to “increase the product range”, 27% to lengthen opening hours, 9% to expand the sales area, and 9% to close the business and cash in the benefits offered.

who remain competitive by settling for a lower income (the unemployed, immigrants) than that expected by previous local retailers.

The main reason for optimism lies, however, in the fact that broad consensus is being created around the reform's more general objectives, in the growing collective awareness of environmental, socio-economic and cultural problems (pollution, waste of time, waste of individual and collective material and financial resources, social and individual tensions etc.) generated by uncontrolled growth of the retail network and the irrational use of local resources. The improvement of the urban environment, of which commerce is an essential element, is important not only for the improvement of retail activities but also to make Italian towns and cities more attractive as places of residence for the high quality (skilled, creative and collaborative) human resources that are demanded for the high quality production on which economic competition is based in the era of globalisation.

One priority that the mayors of the major Italian cities have shown themselves to be well aware is certainly the improvement of the urban peripheries, a process which can and must play an essential role, not only because it enables the promotion and realisation of the necessary #property projects, but also the creation of urban sub-centres of the organisation of community life, as places of social aggregation, helping to rebuild a local identity and aid progress in social relations.

Another priority is undoubtedly the improvement and, where necessary, the revitalisation of the historical town centres – objectives for which the development of sustainable commerce also plays an essential role, given that in most Italian towns the historical centre often corresponds to the only or main shopping centre. In addition, to being an important resource for many towns as a tourist attraction, the historical centre also plays an essential social role for its resident community. The values of the historical centre are important factors of conservation and ####residential attraction of the urban environment of any town, ####fattori di ricreazione delle sue risorse umane. Protecting and growing them helps to conserve and strengthen the urban identity of every town and, last but not least, their citizens' cultural identification, dignity and social integration.

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