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Between institutional quality and policy effectiveness: the case of the Basilicata energy agenda

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Introduction: Environmental Regulation, Policy Tools, Governance, and Government

One of the strategic objectives of recent international environmental summits has been energy security. In particular, the spread of decentralized energy models based on naturally renewable, low-impact sources - free from the influence of large economic players and, in theory, capable of granting greater decision-making power to a wide range of non-state actors - has become a priority.

The period from 2010 to the present has been marked by approaches aimed at "democratizing the energy transition" (Szulecki; Overland, 2020) and creating new forms of local governance. Innovations of this kind, in terms of political systems, constitute the concrete depiction of the questioning of direct representation as the only legitimate form of exercising political power, whose progressive decline in popularity has contributed to the emergence of new theories and approaches related to public administration (Mayntz, 1999). With the crisis of the vertical governance structure, which in some features lacked democratic and participatory processes (Smith, 2009), demands from various social segments for better forms of collective life management and organizational models began to grow (Theys, 2002). The concept of governance, and subsequently "governance without government" (A. Borzel et al., 2010), gained traction. This led to the increasing involvement of non-state actors in policy-making activities, as

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well as to the emphasis on non-institutional mechanisms to establish "hybrid" government actions across diverse fields.

In the field of local level policy, polycentric governance (Berardo et al., 2016) - based on a system of multiple decision-making centers where public entities collaborate with private actors to shape the social and economic structure of a territory - aims to achieve greater organizational heterogeneity. This is done by fragmenting decision-making power across interconnected levels (Petrovics et al., 2024). Due to these characteristics, the polycentric model is particularly suited to examining issues related to the energy transition specifically, the governance of renewable energy and green governance as a whole. This system presupposes greater democratization, less verticalization of internal decisions, and rests on three pillars: combating climate change, reshaping the energy market, and ensuring social justice (Thombs, 2019).

In this short case study, we aim to analyze energy transition dynamics by adopting a localist approach, using Basilicata, a small region in Southern Italy that has been investing in the renewable energy sector for years, as a case study. The objective is to highlight the limits that deficient planning - lacking bottom-up participation, attention to communities and to the needs of the territory – pose for local policies to implement processes such as the energy transition.

Political Priorities within the EU Energy Transition Process

In 2019, the Von der Leyen Commission launched the Green Deal, an ambitious sustainable growth plan through which the EU aims to balance competitiveness and environmental protection. Such an initiative was deemed necessary given the increasing frequency of extreme events, prompting the EU, already committed to mitigating the climate crisis internationally, to take a pioneering role, striving to become the first carbon-neutral continent by 2050. Numerous studies highlight the strong link between human activity and climate change, with fossil fuel use - a cross-sectoral factor in the global economy - playing a significant role. The EU's intent has been to formulate policy proposals to achieve a common goal: the creation and implementation of a long-term sustainable growth model based on a circular and "clean" economy. This model was enshrined in an agreement among EU member states, which, five years later, continue to work toward reducing fossil fuel use and greenhouse gas emissions as quickly as possible while ensuring energy security and facilitating access to renewables without compromising the Union's economic growth.

However, despite the forward-thinking nature of the Green Deal and the EU's leadership in climate action, there are still no effective mechanisms to assess whether the political measures taken at the community level will fully mitigate the climate crisis in the near future (Giuli et al., 2023). Current evaluation criteria focus on the ambition of emission reduction targets such as those in the FitFor55 package, which aims for a 55% reduction in CO2 emissions by 2030 and the flexibility of policy frameworks. As suggested by Oberthür et al. (2022), additional criteria should be considered to evaluate the Green

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Deal's effectiveness. In the energy sector, for instance, the following factors should be assessed:

(a) A weighted evaluation of the policy tools chosen by political bodies.
(b) The degree of integration of energy/climate policies into other policy sectors (Skagen et al., 2024).

(c) The coherence of local government objectives with the energy transition process.

(d) The ability of political bodies to involve non-institutional social segments in the design and implementation of energy policies.

This would provide a comprehensive framework for assessing the real effectiveness of energy policies. The threat of climate change and the commitment to emission thresholds gained international traction after the 1979 Geneva Conference, the first to bring together environmental experts, which led to key initiatives such as the UNFCCC in 1992. However, it was the Kyoto Protocol (1997) that solidified global consensus on the need to reduce CO2 emissions due to their climate-altering and health-damaging effects. Since then, numerous environmental policy tools have emerged, categorized into three types (Pacheco-Vega, 2020), based on Vendung's (1998) classification of public policies by coerciveness:

- **Regulatory instruments (stick strategy)**: Normative measures like command-and-control regulations, central until the 1990s but later deemed less appealing.
- **New Environmental Policy Instruments (NEPIs)**: Divided into economic tools (carrot strategy) and informational tools (sermons).

By the late 1990s and early 2000s, as climate urgency grew, environmental protection gained prominence in scientific research. Studies advocated for "new" governance approaches shifting from costly command-and-control tools to innovative NEPIs. This shift stemmed from the political belief that policy mixes made from combining regulatory, economic, and informational tools could balance coerciveness with flexibility, fostering innovation and tangible outcomes. However, governing the climate is complex due to high uncertainty, which can significantly alter a country's political, economic, and social landscape.

Beyond emergency responses, "good green governance" must also accurately plan environmental policies based on a territory's real needs, prioritizing critical system assets. Indeed, in energy governance, contextual factors and especially institutional quality are central to policy correctness and functionality (Dragana D., 2020). Thus, regardless of the policy mix chosen, all adopted tools regulatory, economic, or informational must be highly flexible to ensure environmental protection amid unpredictable or extreme events.

Planning logics and processes in policy instruments

Regulation encompasses all those processes, undertaken by a government, through which guidelines are planned that, once adopted, imply the affirmation of new

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behavioral norms, fundamental for the management of interpersonal relations, incorporated in a given territorial reality and equipped with precise sanctioning mechanisms. These norms come into play when the discipline on which they are based is not respected (Pachego-Vega, 2020). Most of the criticism of environmental regulation has been expressed with respect to the fact that, in some cases, the boundaries of enforcement of regulations, as well as the other aspects of the operation of regulations, are delimited in somehow an arbitrary manner, with little technical evaluation by policymakers regarding the risks that could result from deficient regulation, especially contexts that would require the setting of stringent thresholds, with infringement punished with severe penalties.

For such reasons, policy mix instruments would seem to have a greater degree of accuracy, as they are also often by their nature provided with regulatory-sanction mechanisms that in cases of negligence by a State or national authority responsible for implementing European legislation, could act as a deterrent. In the face of such assumptions, it becomes easy to deduce that, even in the case of environmental protection regulations, especially those related to encouraging the use of renewable energy, the establishment of a framework for regulating the subject must necessarily rely on three components: boundaries/areas of application, compliance and sanction mechanisms. If the mix of instruments a government, whether national or local, does not have the full range of these aspects, it will not necessarily be able to guarantee the efficiency and implementation of the policies adopted in the long run.

Energy public policies implementation at a local level

Theories on the choice of policy instruments (Howlett, 1991; 2004) have always wondered about the motivations that guide an administration to devise strategies to be deployed, in order to carry out a given policy. This strand of studies is particularly useful in identifying the criteria that reside behind decisions made at certain levels of government that, regardless of the local/national/international context, must necessarily be consistent with the objectives that the administration has set for itself and with the mandate it is called upon to carry out. The effectiveness of an environmental public policy is not only closely related to the mix of policy tools but also to other variables, such as the transversality and integration into all other public policies thought of in a certain system of government (e.g., energy efficiency of the agri-food sector, marine, automotive, etc...) and, crucially, the dynamics of participation and involvement of all the social segments that are part of a given system, in the decision-making process that starts from the conception and culminates, in the concretization and then in the implementation of policies. There is evidence that the ability of institutions to push citizens to participate politically and publicly can be a critically important factor for policy success and for the widespread establishment and recognition of efficient environmental governance (Jia et al., 2025). At the same time, it is equally true that the imposition of certain stringent decisions aimed at mitigating the climate crisis such as energy efficiency in housing infrastructure or the conversion of entire industries to reduce their carbon footprint also aims to empower civil parties and economic actors toward the adoption of more environmentally friendly practices. However, an awareness

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of this level is not automatic, especially in contexts in which citizens have a low level of trust in institutions. This is the case in Europe where support for regulatory instruments of a sanctioning or economic/financial nature in the environmental sphere is inversely proportional, for example, to support toward the contribution system, but it is also the case in other, less developed countries (Davidovic et al., 2020).

Planning limitations in RES strategies: the Basilicata (Italy) case

Shifting from an economy based entirely on fossil fuels to a new development model centered on renewable energy sources is a long and complex process, which is why the Green Deal itself envisaged a set of actions to be carried out in this regard, over a medium to long period of time ranging from now to the next 20 years or so. This is also due to the fact that not all the territories of the constituent MS of the European Union enjoy the same natural, infrastructural and economic characteristics, which makes it impossible to think of such a change, except in a gradual form and according to the specific needs of each territory. In the Italian context, the Mezzogiorno (in other words, southern Italy regions) still suffers serious problems related to the lack of infrastructure, an efficient public transport network and, in general, the lack of services and economic induced such as to accelerate as much as possible the process of transition to renewable energy sources.

Basilicata is inserted in this scenario, being one of the smallest regions in Italy with corresponding limitations, also from the point of view of job opportunities that, added to the aspects just mentioned, have facilitated over the years the affirmation of an extremely negative demographic trend, which is expected to worsen from here to the coming years (SVIMEZ, 2024). And yet for the South of Italy, climate change is a serious and concrete threat, especially for some rural areas already suffering from phenomena such as soil desertification and hydrogeological instability. In such a scenario, as natural energy sources such as sun and wind are massively present, the energy transition has been seen as an opportunity for the region to solve long-standing issues, such as unemployment.

The dynamics that have marked the implementation of regional policies focused on renewable energy - in particular wind power - in Basilicata since 1999, the year in which the Bersani Decree was approved and kicked off the process of liberalization of the RES (renewable energy sources) market in Italy, are particularly interesting to study. While it is true that thanks to wind power in 2020 Basilicata had managed to cover almost 80 percent of the regional electricity production deficit, it is equally true that the socio-territorial benefits associated with the increase of renewable plants in the territory, especially for local populations, continue to be limited. Therefore, the features influencing a only partially positive outcome, are above all the weak regulatory framework which defines the construction of plants in the region, and the relatively low capacity of the institutions to involve citizens during the process of devising and implementing policies that culminate in the construction of plants (Scotti, 2022). In addition to socio-political factors such as these, the benefits in economic and labour terms also remain limited, with few people employed in the construction and

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maintenance of the plants. The hope is therefore in a strengthening of local governance, for the promotion of bottom-up energy initiatives, starting from the bottom, to favor a fair transition, rather than market-oriented and profitable only for large economic players.

The regional regulatory framework's influence on RES development

As mentioned above, the regional regulatory framework influences the presence and efficiency of renewable energy plants in Basilicata, where the procedure for their construction, after the incentive systems have been set at a national level, is based on obtaining authorization processes from the regional authority. Regional legislation deals especially with regulating the use of natural resources, in particular soil and land, to ensure that installations do not interfere with environmental protection: suitable areas for installations are therefore identified and administrative procedures are then initiated. However, in Basilicata, the regional interventions carried out so far have been manifold and characterized by excessive regulatory vagueness (Saganeiti et al., 2020), which has led to the establishment of special conditions favorable to the construction of installations that, in the absence of stringent constraints, have led to an exponential increase in requests to place wind turbines on Basilicata's territory, even to the detriment of the rural agricultural and natural heritage. This has led to a situation where incentives drive the development of wind energy, in the absence of an authorization process that is also based on mediation with local actors and the communities involved and therefore, extremely simplified and conducive to increased profits from the energy market, especially for large companies, which the region has known for decades (Scotti, 2022). The limited connection between wind farms and local economies, moreover, can generate real resistance to renewable energy projects in the communities concerned, with the consequence that the real purpose - in theory - of the energy transition, that of guaranteeing high environmental quality and thus greater wellbeing for the people, takes a back seat to the perception of legalized exploitation of local resources, by almost always external actors[2].

Conclusion

A brief examination of the governance approaches that are most useful to the affirmation of policy strategies and policy mixes focused on environmental protection, in

[2] In Basilicata, the energy sector sees an extensive presence of large economic players, both in the field of traditional sources such as hydrocarbons as well as in the field of renewables. For example, ENI (Ente Nazionale Idrocarburi), represents the main player engaged in oil extraction in the Val d'Agri, where it collaborates with international partners such as TotalEnergies (France) and formerly Shell. In addition, in Basilicata ENI is aiming to develop new projects in the field of renewables between now and the next few years. Edison S.p.A., an Italian company part of the Électricité de France group, is active in Basilicata in natural gas production. In the renewables sector, to date, a significant role is played by groups and multi-utilities such as A2A, Enel GreenPower, and ERG. However, the presence of local and small-medium companies remains limited.

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particular on the push towards a system based on the use of renewable energy sources that nevertheless takes into account the demands and needs of a given local context, reveals how, in order to make the transition process effective and more equitable, it is fundamental to (a) take into account the socio-territorial dynamics that characterize a certain local context; (b) go beyond purely market-oriented policies, favoring mixed approaches that safeguard the legitimate interests of all the social partners involved in the transition; (c) adopt bottom-up models, focusing on the involvement of citizens in both the conception and implementation phases of a given policy. At the same time, it is essential to ensure a fair distribution of the benefits of renewable energies and procedural justice for those who are victims of possible violations of regulations. Establishing collaborative relationships between institutions, project developers and local communities is crucial to ensure that the energy transition is in line with local needs and priorities, a perspective that is often left on the back burner. Policies can be considered effective and fair when they manage to maximize the benefits, not only economic, for the community and, in this case, also for nature and the environment. In the case of Europe's rural areas, such as southern Italy and Basilicata, good green governance must also be able to address concerns and doubts about the environmental impact of plants and the degradation of the landscape: involving local communities in participatory processes is certainly the right way to avoid ideological opposition and promote a fairer transition as it is based on a 'bottom-up' approach.

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