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Preserving and Developing Small Italian *Borghi*. An Economic Strategy to Enhance Sustainable Cultural Tourism?

Antonietta Ivona ¹ and Lucrezia Lopez ^{2,*}¹ Department of Economy and Finance, University of Bari, 70121 Bari, Italy; antonietta.ivona@uniba.it² Department of Geography, University of Santiago de Compostela, 15782 Santiago de Compostela, Spain

* Correspondence: lucrezia.lopez@usc.es

Abstract: During recent years, a lot of attention has been given to economic and demographic trends in different rural areas. Considering this, the main aim of the present work is answering the following research question: Can a robust resilience of small towns and villages (also called *Borghi*, in Italian), bolstered by powerful planning and financial force through the NRRP, reverse the abandonment process? Our case study refers to Italy. In physics, resilience refers to the ability of a system to recover shape and balance after some form of turbulence. Applied to regional and urban development, this term is generally construed as the ability of a system to respond to changes that occur at different territorial scales. Beyond the interpretative differences, the potential of the concept of resilience for the analysis of the economic growth dynamics of the territories remains significant. The initial findings of this work reveal how the interventions in marginalised areas have failed to correspond to the intended 'territoriality', thus compromising their effectiveness.

Keywords: resilience; *Borghi*; cultural resources; development; NRRP; Italy



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1. Introduction

The long-standing concern over the lack of development opportunities available in the Italian hinterland (also referred to as *Inland Areas* and *Inner Areas*) has repeatedly sparked cyclical scientific and political debates. Notwithstanding an array of measures proposed by governments over the years, some rural communities still show traits of marginalisation that are also associated with deficient infrastructures and services, albeit with nuances in each territory. The recent wave of economic and financial crises has also exacerbated the difficulties of less prosperous areas, e.g., the Apennine range and southern Italian areas in general. Considering the foregoing, it is more crucial now than ever to reevaluate a developmental trajectory that emphasises the rehabilitation of these disadvantaged *Inland areas*. Such a path should be forged to strike a dynamic balance between economic growth and valorisation of local resources, including environmental and cultural assets, wine and food products, and knowledge and craftsmanship, among others, according to well-established principles of sustainability, social cohesion, and local participation.

The suggested perspective for a new development trajectory for these territories is linked to the concept of resilience, a foundational pillar of the *National Recovery and Resilience Plan* (NRRP). Originally, Berkes and Folke [1] applied this term to the social-ecological systems with the aim of proposing an integrated perspective of humans-in-nature. In this sense, the capacity to adapt or transform present dynamics into benefits to enact human wellbeing is arbitrary and artificial, as it depends on time and willingness [2,3]. This point of view can be traced in the economic and regional resilience perspective, as it refers to

the ability of an economy to adapt, to transform, and to learn from events in order to plan and manage endogenous resources differently to achieve recovery. In regional and urban development, the term resilience generally refers to the ability of a system to respond to changes occurring at different territorial scales.

Considering these brief premises, this paper addresses three main research questions. First of all, how did the investments affect the *Inland Areas* (and Italian *Borghi*)? Second, does the resulting balance depend on strategies and plans that have been implemented during the last decade? And third, will the strength of the resilience of these small towns and villages (*Borghi*), accompanied by powerful planning and financial force coming from the NRRP, be able to reverse the process of abandonment and motivate local actors to improve the performance of their territory? Indeed, this last issue is strongly related to the resilience ability of territory to resurge and recover its socio-economic situation according to correct choices and projects. Some geo-economics authors define resilience as the ability demonstrated by a system to re-establish the initial economic equilibrium after the period of uncertainty brought about by shock [4,5]. Beyond differences in interpretation, the potential for using resilience to analyse the economic growth dynamics of territories remains significant.

Apart from the introduction, the paper is structured into four main sections, of which the following is Section 2. *Inland Areas: Borghi and the Seasons of Intervention* points out the role of the *Borghi* within the Italian hinterland. Then, we move to analyse and reflect on the resources for the Italian National Recovery and Resilience Plan (NRRP), their redistribution, and their impacts. Special attention is given to Section 4: *The NRRP and Italian Borghi*, as their cultural essence and tourism potential are key factors to enhance the territorial development. Then, we move to *The Results of Empirical Research* and, finally, *Conclusions*.

2. *Inland Areas: Borghi and the Seasons of Intervention*

For several years now, initially in scientific circles but then later in political circles, the significance of hinterland areas has become central to their definition and, thus, their inclusion in accompanying development measures. After a spate of interventions focusing on cities as centres of development, scholars have spent over two decades attempting to 'fathom the role that certain *Inland Areas* have within a process of territorial change' [6] (p. 7). The focus was first and foremost on the southern regions, intended to form part of an articulated process of revitalising those parts of the country, lagging so far behind in the development process that they seemed marginal [7–9]. State interventions since World War II have mainly stemmed from emergencies (such as the *Cassa per il Mezzogiorno* economic stimulus package) or the contingency of the specific case (earthquakes and/or other natural disasters) rather than from planning of structural and specific measures for marginal areas. These interventions, therefore, had failed to yield consistent economic arrangements. Focusing specifically on the Italian hinterland, Coppola argued: 'Once again, the "bone" of the *Mezzogiorno* has been tossed aside, comprising areas that could be defined as inland and poorly accessible not only based on location and physical connections, but also—and often above all—in terms of social remoteness and cultural attitudes' [10] (p. 4).

Scholars would then begin to turn their attention to the rest of Italy, convinced that the marginality found in the southern hinterland was a common trait of all *Inland Areas* [11–14] and that, therefore, the analysis should also cover the entire country. The Italian hinterland covers nearly three-fifths of the country and accounts for just under a quarter of the Italian population. However, these areas seem markedly uneven in terms of distribution of resources, population, central locations, and, thus, a lack of services, marking boundaries in terms of territorial development. Despite economic-territorial policies aimed at bridging

the gaps between North and South, the problematic issue was and remains centred on the imbalance between population and resources [15].

For [16] (p. 1), 'Inland areas have been hit by a drift whose main effects have been depopulation, emigration, social and productive rarefaction, land abandonment and landscape modifications. Protected areas, tourism and other local forms of economy have only partially managed to curb, from North to South, a centuries-long process of building a large Italian periphery as a counterbalance to the phenomena of urbanisation and littoralisation of the population and production activities. The mountains, inland hills, secondary valley floors have been the sacrificial victims of the economic development of our contemporary age, also inexorably affected by negative environmental effects: from hydrogeological vulnerability to landscape transformations, uncontrolled renaturalisation to the loss of anthropic values (settlements and historical infrastructures)'.

The realisation that the country's hinterland was lagging prompted the government to promote a plan to revitalise them. The National Strategy for Inner Areas (Italian: Strategia Nazionale per le Aree Interne—SNAI) was, therefore, set up as early as 2013. It emerged as a possible solution to the long-standing unresolved issues of Italy's hinterland, including distance from the primary supply centres of essential services (education, health, and mobility); availability of important, yet under-exploited, environmental and cultural resources; and a profoundly diversified territory (differentiated natural systems and anthropisation) [17].

The *National Strategy for Inner Areas* (SNAI) defines these inner areas (hinterland) as parts of the national territory facing the effects of a declining or ageing population; here, the weak development prospects lead to increasingly difficult living conditions for resident citizens. These areas cover 1077 municipalities (16.7% of the surface area in Italy) and are home to roughly 2.1 million Italians, or 3.5% of the country's population. The SNAI endowment funds, coupled with the funding associated with the National Recovery and Resilience Plan, account for a total of €1.125 billion.

Much like the SNAI strategy, State bill No. 899 of 2017 ('Provisions for the support and enhancement of small municipalities and the redevelopment of Italy's rural and mountainous areas') also sought the redevelopment and revitalisation of municipalities facing depopulation through resources for the support of small municipalities and their enhancement, including provisions for the redevelopment and restoration of historic centres, earmarking €100 million for 2017–2023. The eligible municipalities should have a maximum of 5000 inhabitants and be in affected areas characterised by hydrogeological instability, a dwindling resident population, settlement distress, and inadequate essential social services. There are 5591 Italian municipalities in such conditions, representing roughly 70% of all Italian municipalities, and they are home to over 10 million inhabitants. Moreover, the Italian Minister for Cultural Heritage and Activities, in line with Tourism Directive No. 555 of 2 December 2016 ('2017—Year of Italian Borghi'), defines these municipalities more precisely as *Borghi* (small towns and villages), i.e., Italian municipalities 'with a maximum of 5000 inhabitants characterised by a valuable cultural heritage, the preservation and enhancement of which are factors of great importance for the country system as they represent authenticity, uniqueness and beauty as distinctive elements of the Italian offer'. The vague qualifications of 'authenticity, uniqueness, and beauty' further complicate the fact that these *Borghi*, and even small municipalities, are characteristically heterogeneous by virtue of their geographical locations. For instance, the characteristics of coastal *Borghi* attest to their territorial disparity, structural disadvantages, and, thus, an economy often unbalanced towards the domestic market and lacking any competitiveness, yet at the same time determining unique and valuable conditions, such as extraordinary landscapes and heritage, that should be safeguarded and passed on to future generations, while assuming a multifunctional and sustainable assessment. Territorial identity thus emerges as substantial

in the definition of the *Borghi*, highlighting the individual history and distinctive features, situating the town or village between the past, present, and future, as a place of life and growth, activity and work, where landscape elements, in keeping with the Council of Europe Landscape Convention, also become distinctive elements of these *Borghi* [18].

Due to such economic and socio-cultural isolation of numerous inland small municipalities (not only in Italy) and *Borghi* (using the new terminology), residents move to larger centres with ample services, infrastructures, and job opportunities, which is only further compounded by the inadequacy of their housing stock with respect to the needs of contemporary society. The results of this long-standing conflict between the centre and the periphery are: steady depopulation, an overall degradation of these sites, and the loss of an invaluable cultural heritage that is both tangible (monuments, architectural structures, nature preserves, and much more) and intangible (local cultural heritage, farming traditions, craft skills). Notwithstanding the ongoing process, these territories still testify an unchanged 'spirit of place', at least in the 'instrumental' sense, as the attitude prevails to consider the place primarily as a resource that provides goods, opportunities, and authenticity [19]. There are also unique characteristics in terms of identity and memory: a historical-architectural and artistic heritage of widespread interest and an environmental and landscape context with little contamination.

Depopulation of small towns and villages can be attributed to the dynamics of contemporary society, where cities are the answer to globalisation. Yet, the hinterland serves a fundamental role, not only in safeguarding historical and cultural heritage and the existing landscape, but also insofar as it has the potential to promote an alternative to metropolitan lifestyles and foster the development of innovative economic and social models capable of combining tradition and contemporaneity. The gaps appearing from demographic shifts could yield an opportunity for the rebirth of smaller towns through strategies such as widespread hospitality, production, local culture, identity preservation, and cooperation [20].

Several small municipalities across Italy have been seeking to increase their population numbers for years by incentivising the exodus with grants for purchasing homes, remote work, or even symbolic rents. There are 5529 Italian municipalities with less than 5000 inhabitants, representing 69.98% of the total number of Italian municipalities. Piedmont is the region containing the highest number of small municipalities (1045), with 18.90% of the national total, followed by Lombardy (1036). In this regard, Lombardy has the highest overall population (2,052,085) residing in municipalities with fewer than 5000 inhabitants (Figure 1).

The main incentives for repopulating small towns include the €15,000 non-repayable Housing Bonus active in Sardinia, potential for symbolic rents, and the Remote Work Bonus. There are alternative subsidy types in Tuscany, Emilia-Romagna, and Molise for mountain municipalities and townships of under 2000 inhabitants. The Calabrian municipalities of Santa Severina, San Donato di Ninea, Aieta, Civita, Caccuri, Albidona, Sant'Agata del Bianco, Samo, and Bova, which are all municipalities with fewer than 2000 inhabitants, are the beneficiaries of the Calabria Regional intervention, allocating €28,000 for repopulation, intended for young people interested in opening or taking over a business. Further repopulation incentives have been undertaken by the Apulian municipalities of Roseto Valfortore and Candela and the regional administrations of Sardinia and Emilia-Romagna. Interventions in Veneto and Piedmont mainly concern mountain municipalities.

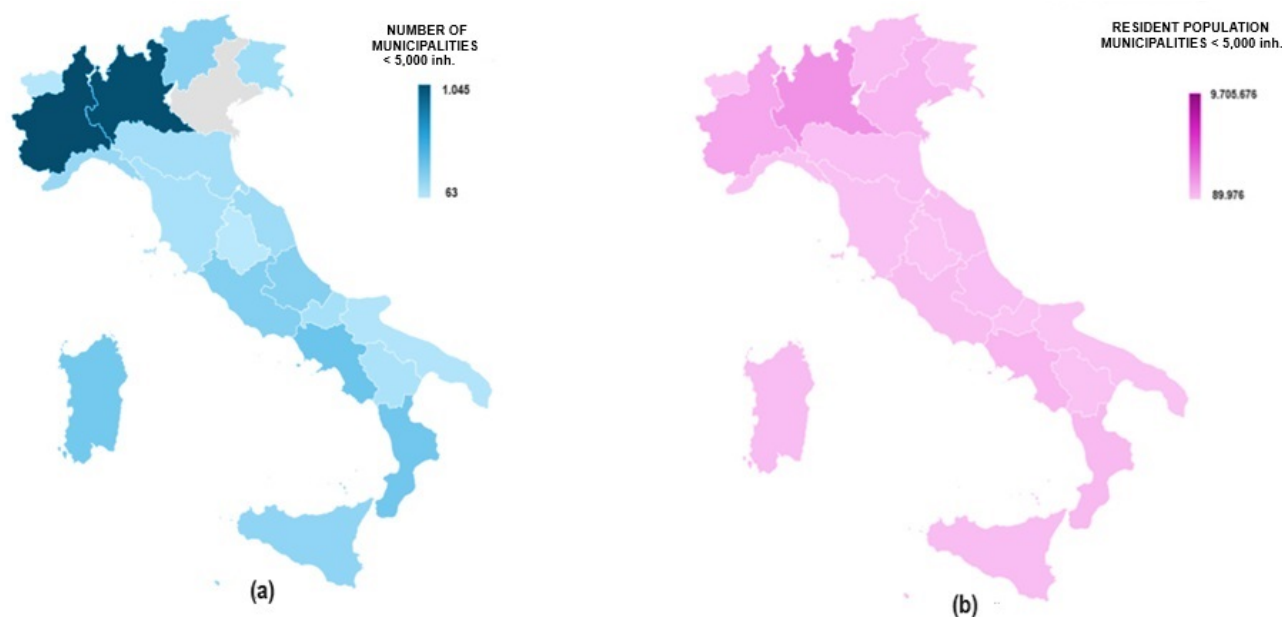


Figure 1. Number (a) and population residing (b) in municipalities with less than 5000 inhabitants. Source: Authors' processing based on data from Tuttitalia.it, 2024.

3. Resources for the Italian National Recovery and Resilience Plan

The NRRP is implemented within this regulatory framework (deficient on the one hand, and euphemistically permissive on the other) and subsidised by the Recovery Fund or Next Generation EU. Marradi points out, 'fundamental positional differences, starting with the lexicon: "new generation" vs. "resilience"; "creating the future" vs. "restoring the foundation of the past" [21] (p. 335) are different terms with one common denominator, i.e., a long look at future generations through the lens of the past (e.g., 'recovery' invokes restoration, recuperation, preservation of the existing). Next Generation EU nevertheless seems to indicate the recipients and/or beneficiaries of the financing measures.

The long-term EU budget, together with Next Generation EU (NGEU), are the temporary instruments designed to kick-start the recovery and the largest stimulus package ever financed in Europe. A total of €2.018 trillion will be spent on rebuilding post-COVID-19 Europe.

Well over 50% of the long-term and Next Generation EU budget underpins modernisation, e.g., through research and innovation through the Horizon Europe programme; climate and digital equitable transitions, through the Just Transition Fund and the Digital Europe programme; preparedness, recovery, and resilience, through the recovery and resilience facility, rescEU; and a new health programme, EU4Health. The package will also finance the modernisation of traditional policies, i.e., cohesion policy and the common agricultural policy, to maximise their contribution to the Union's priorities; the fight against climate change, to which 30% of EU funds will be allocated, which is the highest percentage ever in the EU budget; and, finally, the protection of biodiversity and gender equality.

In place for a term of six years (2021–2026), the Recovery and Resilience Facility (RRF) is the core of the overall European Next Generation EU intervention. It will make available €723.8 billion in loans and grants (€385.8 billion and €338.0 billion, respectively) to support reforms and investments by Member States. For that purpose, Member States were required to draw up National Recovery and Resilience Plans (NRRPs) outlining the allocation of funds. The remaining Next Generation EU funds are disbursed to EU Member States through various European programmes: the Recovery Assistance for Cohesion and Territories of Europe (REACT-EU), Horizon Europe, InvestEU, the European Agricultural

Fund for Rural Development, or the Just Transition Fund (JTF), totalling some €807 billion in funding.

Furthermore, while having the common objective of promoting economic, social, and territorial cohesion, the basic difference between the RRF and the European Structural Funds, apart from the source of funding, lies in the fact that while the latter are implemented under shared management between the Commission and the Member States, the former is implemented under direct management by the European Commission services that dictate the timing of disbursement and implementation in stages. Prior to any disbursement under the Recovery and Resilience Facility, the Commission assesses the satisfactory achievement of each target and objective declared by the beneficiary country. It is essential to let each Member State assume full responsibility for the implementation of the Recovery and Resilience Plan (RRP)/NRRP, particularly concerning the attention given to the reforms and investments needed to implement them, in which regard, each RRP/NRRP was duly substantiated and justified (Table 1).

Table 1. Annual distribution of NRRP resources transmitted to the European Commission (billions of euros).

	2020	2021	2022	2023	2024	2025	2026	TOTAL
RRF SUBSIDIES	0.0	6.9	14.8	21.2	13.4	8.3	4.3	68.9
RRF LOANS	1.6	6.8	12.7	16.2	29.4	30.1	25.8	122.6
REACTEU SUBSIDIES	0.0	4.0	4.3	5.3	0.0	0.0	0.0	13.5
ADDITIONAL NATIONAL RESOURCES (SUPPLEMENTARY INVESTMENT FUND)	0.0	3.0	6.0	6.8	6.2	5.5	3.2	30.6
NRRP TOTAL	1.6	20.8	37.8	49.4	48.9	43.8	33.2	235.6

SOURCE: [22], p. 5.

Italy's NRRP considered the following sources of funding:

- The RRF amounted to €191.5 billion, of which €68.9 billion in grants and €122.6 billion in loans were earmarked to achieve the targets and objectives set for 2021–2026.
- The European REACT-EU fund (Recovery Assistance Package for Cohesion and the Territories of Europe), for €14.4 billion in non-repayable grants, of which €9.45 billion (or 67.6% of the total) was earmarked for the *Mezzogiorno*, to be deployed over 2021–2023.
- The Plan's national fund for additional investments, amounting to €30.6 billion, is intended to finance specific actions that complement and supplement the Plan.

Spain and Italy received the largest share of RRF grants (Spain 69.5 billion; followed by France with 40 billion; Germany 26, Poland 24, and then the other 22 countries) (Figure 2).

While subsidies have no impact on public finance balances and do not contribute to debt accumulation, they can have a favourable impact on GDP. In fact, if we look at the impact generated by the disbursement of funds on national GDP, the greatest benefits are particularly evident in Greece (16.68), followed by Romania (12.17), Croatia (11.01), and Italy (10.79) before the remaining EU countries. (Figure 3). The Italian GDP YOY growth in the three-year period 2020–2022 was higher than expected in the respective economic and financial documents and is set to increase by at least 1 percentage point in the final three years of the NRRP to an estimated 3.2 for 2026 [23].

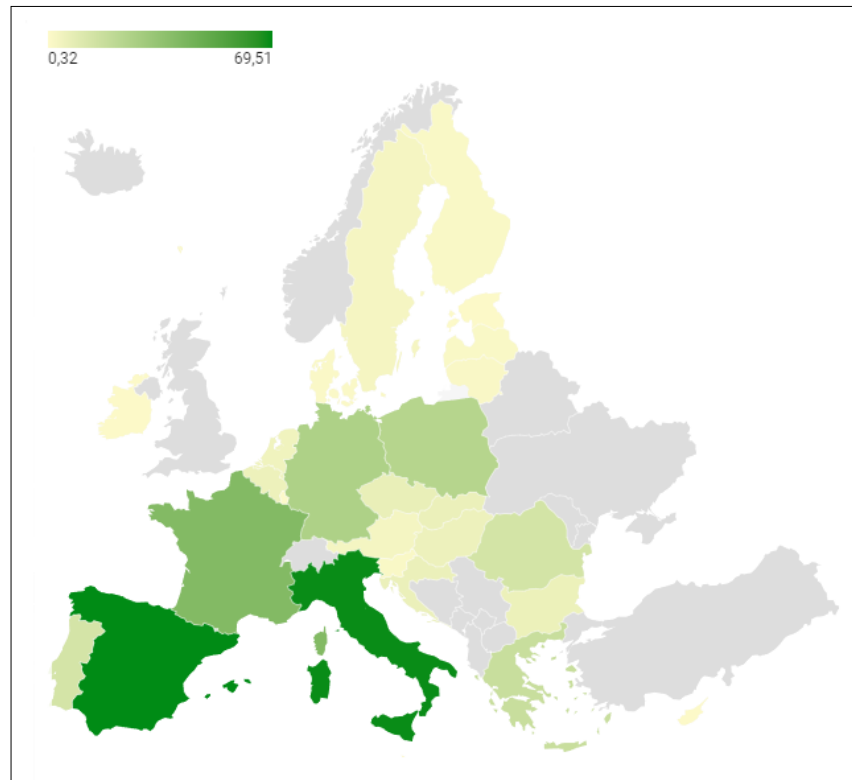


Figure 2. Non-repayable Grant Disbursement Map until 2022. Source: Authors' processing based on data from European Commission, 2024.

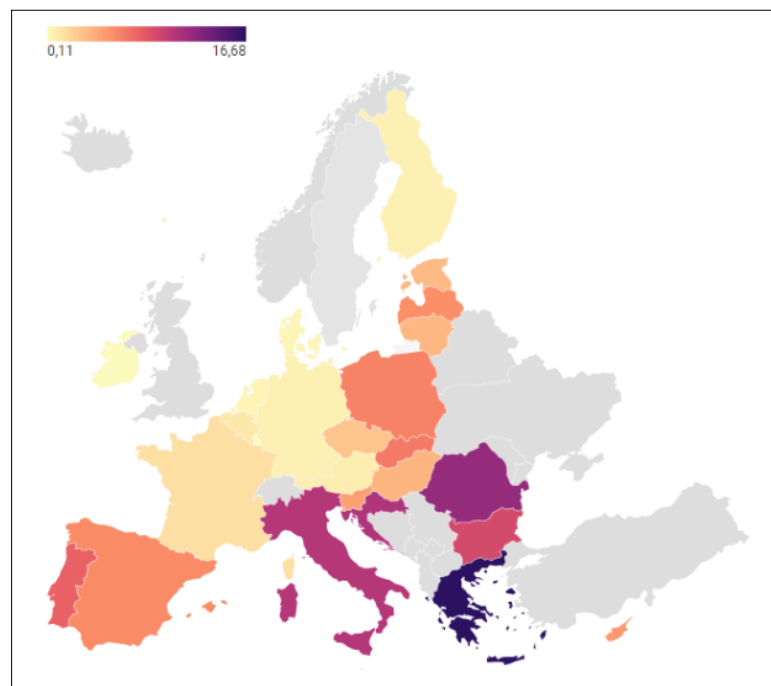


Figure 3. Effects of RRP allocation as a percentage of national GDP to 2022. Source: Authors' processing based on data from European Commission, 2024.

In short, the National Recovery and Resilience Plan, therefore, can perhaps be considered a more up-to-date version of the classic leapfrogging strategy, through which latecomer countries skip certain technological steps and leapfrog to more advanced developments through institutional or organizational strategies. However, the literature has yet to comprehensively demonstrate any compelling and robust evidence that this

strategy works reliably [24–28]. Clearly, creating a unified model to anticipate what lies ahead is quite tough, if not outright impossible. However, an interpretation tending to delineate clear ascending and descending forces is perhaps risky, given the complexity of the dynamics that govern the global market [29]. For Italy, the NRRP may represent a perhaps golden opportunity to regenerate the country’s entire socio-economic structure from a truly sustainable perspective.

From a quantitative standpoint, the situation currently raises some doubts as to whether the entire project will be completed by 2026. Figure 4 depicts countrywide project completion delays, with the macro-area of the North slightly ahead and the Centre significantly behind (9.0% in the North, 5.3% in the Centre, and almost 5.0% in the *Mezzogiorno*). The projects launched to date have called for a €66.4 billion commitment over the entire implementation horizon, of which €19.2 billion has been translated into actual expenditure. Actors have implemented 231,140 projects: 95,502 in the North, 36,528 in the Centre, 81,609 in the *Mezzogiorno*, and 17,501 nationwide. National projects demonstrate the lowest degree of completion, which can plausibly be explained by the fact that they are large-scale infrastructure projects that take longer to complete [30].

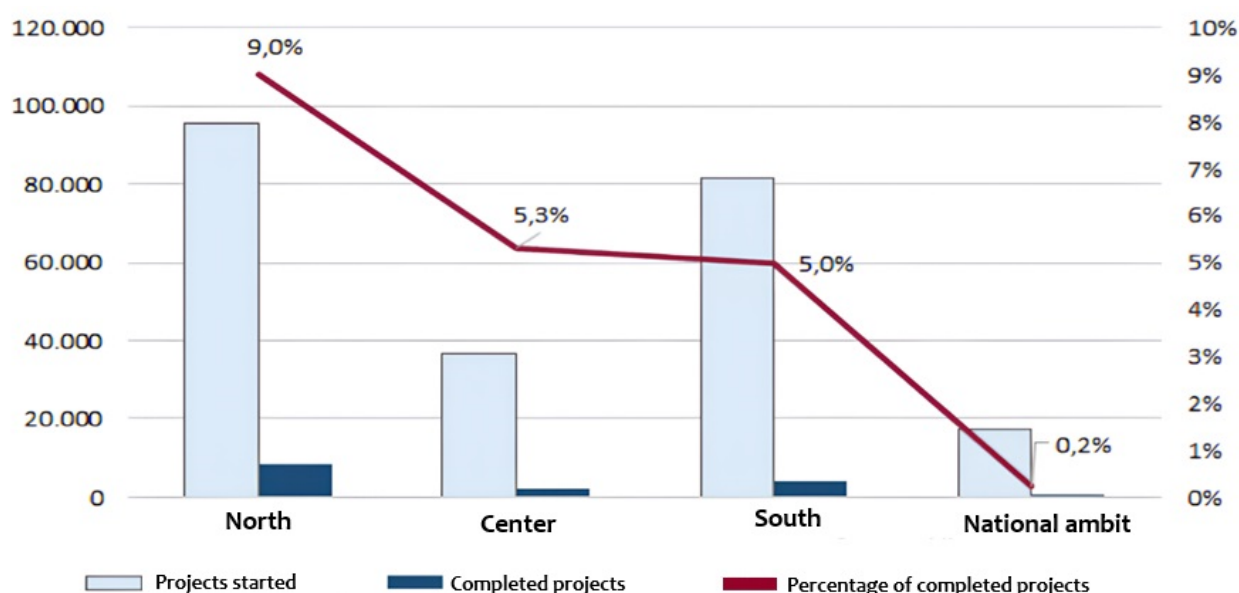


Figure 4. Projects started and concluded by macro-area (number of projects and percentages). SOURCE: [30], p. 13.

The next two years will therefore presumably amount to a race against time to conclude the huge number of initiated and unfinished projects.

4. The NRRP and Italian *Borghi*

Over the past decade, an increasing number of small towns in the Italian hinterland, the so-called *Borghi*, appear to be able to build new development prospects by using (or perhaps reusing) their local resources and adapting them to the current historical and social context. *Borghi* should, therefore, embrace the concept of adaptive (or evolutionary) resilience, which places greater emphasis on the ability of a system to continuously adapt and evolve in response to change. According to this definition, Simmie and Martin [31] describe resilience as an ongoing process rather than a recovery to a stable (pre-existing or new) state of equilibrium. Research into resilience of this sort often borrows from the literature on complex adaptive systems to analyse the response and adaptation of a system in response to a shock or crisis [32]. The NRRP responds to territorial specificities by anticipating targeted interventions geared to sites with precise characteristics, such

as *Borghi* and small islands, or to individual attractions that can act as a lever for the activation of development processes, such as historic parks and gardens. Within the general framework of the NRRP, the funds earmarked for *Borghi* have the clear objective of stimulating revitalisation by regenerating the endogenous entrepreneurial capacities or attracting those far away. This central aim would be the key force for a progressive economic and demographic territorial recovery.

The six missions of the Plan also include Mission 1, ‘Digitalisation, Innovation, Competitiveness, Culture’, which has a budget of €41.34 billion, or 21.26% of the total amount of the NRRP (€194.4 billion). One of the three components of Mission 1, ‘M1C3—Tourism and Culture 4.0’, is earmarked for €6.68 billion. The Mission aims to ‘Relaunch tourism and culture with a digital and sustainable approach’ for the enhancement of historical and cultural sites, improving their safety and accessibility, especially for rural and peripheral areas [33]. The ‘Tourism and Culture 4.0’ component, in turn, is divided into four action areas (Figure 5).

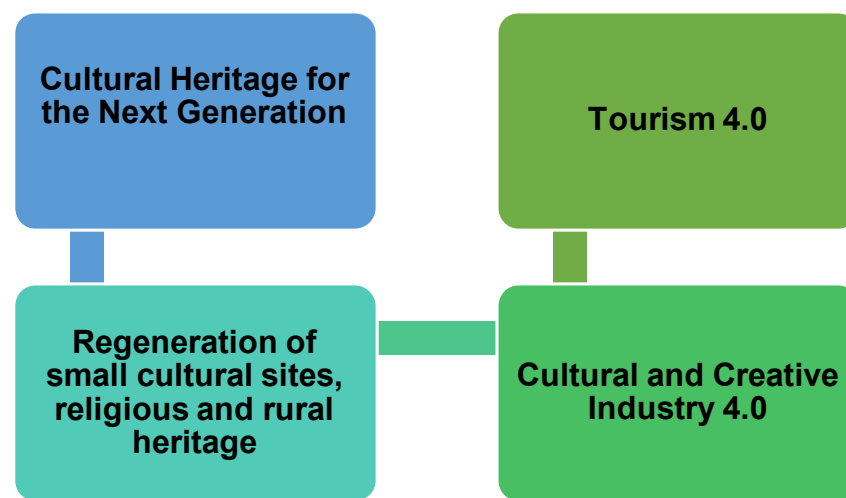


Figure 5. The four areas within the component M1C3 -Tourism and Culture 4.0. Source: elaboration by authors, 2024.

These investments will enable an enhancement of the great heritage of history, art, culture, and traditions existing in small Italian towns and rural areas: by supporting the recovery of the cultural heritage; by activating entrepreneurial/business initiatives (e.g., new types of accommodation); by revitalising the socio-economic fabric of places (e.g., by favouring the revitalisation of traditional trades, such as handicrafts), and; by combating the depopulation of territories and by favouring the preservation of the landscape and traditions. In order to ensure that the measure complies with the Technical Guideline ‘Do no significant harm’ (2021/C58/01), any activities that could pose environmental harm are not permitted.

Interventions in this area will be implemented through the “National *Borghi* Plan” (*Piano Nazionale Borghi*), a programme to support the economic/social development of disadvantaged areas based on the cultural regeneration of small towns and the revitalisation of tourism. The actions are based on integrated local projects on a cultural basis. The dedicated investment amounts to €1.20 billion (as a loan). Up to January 2024, a total of 3783 projects have been submitted.

The estimated percentage of project completion at the end of Q1 2024 should have been 66.67%; instead, it is 20%. The realisation of the projects, therefore, is significantly delayed. The deadline observed is the entry into force of the Ministry of Culture decree for the allocation of resources for the attractiveness of *Borghi* (*Decree of the Ministry of*

Culture for the allocation of resources for the attractiveness of Borghi), finalised in June 2022. This step was indeed important because the Ministry of Culture is in charge of allocating resources to municipalities for the attractiveness of *Borghi*. Participating in improving the attractiveness of the *Borghi* are the 250 municipalities/townships that have submitted intervention programmes to the Ministry of Culture. Criteria established jointly by the Ministry of Culture (MiC), the regions, the National Association of Italian Municipalities (Associazione Nazionale Comuni Italiani—ANCI), and the *Inland Areas* must be applied to select the 250 *Borghi* which must first identify the eligible territorial areas in view of the complementarities between the different programmes. *Borghi* are then shortlisted based on (a) territorial, economic, and social criteria (statistical indicators) and (b) the project's ability to affect tourist attractiveness and increase cultural participation. The statistical indicators considered are demographic size (municipalities with a population of less than 5000 inhabitants) and corresponding trend; tourist flows, museum visitors; tourist offer scale (hotels and other accommodation facilities, B&B, rooms, rented accommodation); demographic trend of the municipality; degree of cultural participation of the population; size of cultural, creative, and tourism enterprises (profit and non-profit); and related personnel. Contracts awarded to tendered projects selected under competitive requests for proposals must state the following: (a) eligibility criteria ensuring that the selected projects comply with the technical guidelines on the application of the principle of 'no significant harm' (2021/C58/01) through the use of an exclusion list and the requirement of compliance with relevant EU and national environmental legislation; (b) commitment to ensure that the climate contribution of the investment according to the methodology set out in Annex VI of Regulation (EU) 2021/241 represents at least 25% of the total investment cost borne by the RRF; and (c) commitment to report on the implementation of the measure at the mid-term and at the end of the duration of the scheme.

The "National Borghi Plan" has provided for two lines of intervention to finance at least 250 *Borghi*; the first (Line A) allocates €420 million, divided among 21 regions and autonomous provinces, to a 'pilot' *Borgo* at risk of abandonment where interventions aimed at its repopulation are to be carried out. Each intervention will amount to €20 million, targeting the economic and social revitalisation of uninhabited *Borghi* or eligible towns and villages characterised by an advanced process of decline and abandonment. The projects are expected to provide for the establishment of new functions, infrastructures, and services in the field of culture, tourism, social work, or research, such as schools or academies of arts and cultural professions, dispersed hotels, artists' residences, research centres and university campuses, nursing and residential care facilities where cultural programmes can also be carried out, and residences for families with smart working and digital nomads.

The second (Line B), in contrast, earmarks €580 million to be distributed among 229 small municipalities. Specifically, €380 million will be directed to support proposals submitted by municipalities, while the remaining €200 million are earmarked as aid to micro, small, and medium-sized enterprises located in, or intending to establish themselves in, the selected *Borghi*. Local economies will be revitalised through support for cultural, tourist, commercial, agri-food, and craft activities, in addition to businesses operating in the fields of hospitality services, development of local products, knowledge, and technical know-how.

The beneficiaries include small individual or aggregated municipalities with a resident population of up to 5000 inhabitants in which there is a clearly identifiable and recognisable historic *borgo* (or, in the case of very small municipalities, which are themselves historic *Borghi*). Aggregations of municipalities may concern neighbouring municipalities or municipalities in the same region sharing the same themes. In the case of aggregations of several municipalities up to a maximum of three, each municipality must have a historic *borgo*.

In addition to the above two lines of intervention, there is a third segment of intervention, 'Tourism of the Roots' (*Turismo delle Radici*), bearing a budget of €20 million for tourism initiatives aimed at the vast number of Italian descendants and *oriundi* Italians worldwide (estimated at around 80 million) to relaunch the sector after the pandemic.

5. The Results of Empirical Research

Accadia in Apulia is among the 21 Italian municipalities eligible for the €20 million Line A funding. The Apulian Regional Council chose to focus primarily on *Inland Areas* and, in particular, on the Monti Dauni area, as it is characterised by greater economic disadvantages and higher territorial and social marginality. Among the proposals received by the Daunian municipalities, the one submitted by the municipality of Accadia received funding, as it is the most peripheral area of the Daunian Sub-Appennines, with the highest depopulation rate ever (−70% between 1991 and 2020). Moreover, the candidature of Rione Fossi (Figure 6) is valuable for being unique in the regional panorama, as it is an historical housing compendium entirely owned by the public. The regeneration pilot project aims to promote an integrated system of investments in cultural, natural, and housing heritage, to implement a new development matrix, with the activation of new functional economies aimed at repopulation and the (inter)active involvement of economic operators, contemporary artists, new professions, and tourists. The project seems to fit the principles of sustainable tourism practice, as it includes a comprehensive recovery of the natural and cultural heritage and of public residential units, integrated incentives for creative enterprises, the contemporary *musealisation* of the 'Ruderi Park', and the vast underground network of hypogea. No less important are the creation of a permanent system of artistic and creative residences and the valorisation of ancient crafts that can be turned into cultural tourism resources while contributing to the local community by involvement in the project.



Figure 6. The Rione Fossi in Accadia. Source: Authors, 2024.

A total of 27 projects were financed, all of which were aimed at building renovation, restoration, and maintenance.

The regeneration project of the "Rione Fossi" (Figure 6) in Accadia includes a series of integrated interventions to enhance the cultural, naturalistic, and housing heritage. Some of the main points of the project include the recovery and enhancement of the cultural heritage

through the restoration and enhancement of the cultural assets of the village, including pre-Roman hypogea and other historic buildings; recovery of public residential units to welcome new residents and tourists; incentives for new creative businesses and those linked to experiential tourism; tourism and cultural enhancement; creation of a European school of community law, through memoranda of understanding with universities, which will welcome students from all over Europe for master's degrees and advanced training courses; recovery of traditions through the establishment of training courses in the field of music and the arts, with a school of crafts and one with an artistic-cultural focus; approximately 70 artifacts will be redeveloped to promote local food and wine and cultural excellence, creating a widespread hotel; and, finally, a botanical park will be created to enhance the naturalistic heritage of the area. The recovery of the cultural heritage will be managed through a series of coordinated and integrated interventions. The Ministry of Culture, in collaboration with the Municipality of Accadia and the Superintendency, will be responsible for the protection and enhancement of cultural assets, following the provisions of Legislative Decree 42/2004. These interventions aim to preserve the cultural heritage of Accadia while promoting the economic and social development of the village. The work is expected to be completed by 2026.

Although there are two years left until the end of the funding, field research was necessary to empirically capture any changes taking place. The research involved semi-structured interviews with privileged observers, understood as people who, due to their professional or political position, are relevant to broaden the knowledge framework. The survey, which was carried out in December, also included visits to the places that are, or will be, the subject of interventions funded by the PNRR. The first results of the interviews (which will be cyclically followed by others until the end of the funding) highlight contrasting feelings; from the political side, the hope is that the development of Accadia becomes structural with the involvement of local tourism operators and neighbouring municipalities that, although not being direct beneficiaries of the funding, will be able to insert themselves into an economic multiplier effect of the area. The opinion of the professionals who, in some cases, also expressed an opinion as residents is that of being able to attract the lasting interest of young people by developing new professional skills in these years to stem an effect that is now endemic of abandonment of places such as the Monti Dauni. However, consistent with the whole measure, only 20% of the works have been executed compared to the 60% planned for 2023 and even 88% for 2024 (<https://openpnrr.it>, accessed on 17 September 2024). A review of other funding that the municipality of Accadia is also receiving, including in urgent areas such as social inclusion, reveals an overall delay that leaves little cause for optimism. In fact, implementation delays are rife for the 21 Line A-funded projects. These delays lead to further reflection on the appropriateness of allocating such a large sum (€420 million) to only 21 municipalities in the hope that the spatial spread by expansion could involve the surrounding areas, perhaps even through the passage of innovative models of local resource management as in the case study of Accadia. However, this spread has yet to occur.

Since the beginning, the objective of the NPRR's Piano Borghi has been the sustainable and quality growth of small towns. In addition, it also aimed to create a sustainable tourism model to be replicated throughout Italy, independently of NRRP funds. This implies an approach that respects the environment and local communities while promoting economic progress. The sustainable initiatives envisaged by the plan include support for eco-tourism projects, the redevelopment of natural areas, and the promotion of responsible tourism practices. This approach will help preserve the country's natural and cultural resources, ensuring a sustainable future for tourism. Since the investment dedicated to the attractiveness of the villages is distributed across the territory, between 288 municipalities

and across all twenty Italian regions, it is hoped that the regenerative effects will be widely visible at the end of 2026.

6. Conclusions

Concurring with Corna Pellegrini's assertion that 'geographical research methodology therefore seems to have to adapt to the new circumstances by introducing a more systematic observation of the variable dynamism of territorial events in addition to the traditional focus on their location' [34] (p. 23), there is a growing need to reflect on the characteristics of a dynamic and interpretative geography capable of embracing the main trends in gradually shifting changes because of socio-economic and cultural reasons, or even black swans such as pandemics. An attempt was therefore undertaken to interpret the processes underpinning NRRP investments from a geographical perspective. Hägerstrand and Törnqvist's theory of spatial diffusion was thought to be the theoretical basis for interpreting the first outcomes of such immense investments in the still underdeveloped Italian territories. The central idea of the entire project is, in fact, the dissemination of new practices that can favour the realisation of the ecological and digital transition and the recovery of the delays that have historically penalised the country, relating to young people, gender equality, and the territorial divide. Yet, there is more to it than that: Ullmann's model of spatial interaction, applied not only to goods but also to transfers of information, can also support the understanding of the effects desired by the Plan and currently not yet manifested. Although the trajectory of the project would seem to suggest a close realisation of the horizontal relations in order to favour a process of propagation of the multiplicative effects of the investments, these have not yet propagated their visible effects more than three years after the approval at the European level and two years after the first instalment of €21 billion (€10 billion in grants and €11 billion in loans) that the European Commission paid to Italy. There are many reasons for this, but one of them is certainly the accumulated delay in project implementation, as already mentioned. The effectiveness of the interventions contemplated in the NRRP is directly proportional to the capacity to utilise the public resources made available. Given that these capacities are distributed very differently between territories, there may well be a risk that the gaps will be perpetuated, even if they are remedied.

The percentage of resource allocation in the South is clearly very different between ministries and is particularly low in the case of the Ministry of Business and Made in Italy (24.6%), as well as for tourism. The incentive measures for businesses are very substantial in the original PNRR: 38 billion. However, half of them is earmarked for Transition 4.0, which finances tax credits for digital investments and which does not include any territorial destination constraints. Consequently, most tax credits are and will be recognized in the strongest regions (starting with Lombardy, Veneto, Emilia). This amplifies the risk that Italian industrial development will become even more polarized. Furthermore, if production capacity is not strengthened in the South, the long-term impact of the PNRR will be very limited because additional demand will mainly be directed towards imports and will not stimulate local production [35].

It would seem, therefore, that even this new "season of intervention" to support the peripheral and internal areas of Italy (after the SNAI strategy and the others previously mentioned) is not generating the desired effects.

In view of the multi-year development of the NRRP, a comprehensive assessment of the implementation and effectiveness of the broad and articulated set of planned interventions can, however, be made in some time. It is also important to understand the extent to which the NRRP will be able to affect Italy's deep geographical disparities, achieving those objectives of rebalancing and territorial cohesion indicated among the Plan's explicit

goals. A long-term view of the NRRP's results undoubtedly opens new opportunities for the lagging territories, but it also poses unprecedented challenges for a country in which historical regional imbalances have been compounded in recent years by new disparities created by the polarisation effects of innovation and the mobility of human capital [36]. Although the Plan expressly recognises overcoming the historic backwardness of southern Italy as a transversal priority, stipulating that at least 40% of the resources be allocated to the regions of the *Mezzogiorno*, it does not seem that these resources are producing the hoped-for effects in view of the way projects are identified and implemented, based on the competitive tendering tool, which makes the provision of personnel and skills in local administrations key factors for the effective use of resources. Another important issue relates to interventions that have not been 'territorialised', in most cases, sufficiently in advance.

In conclusion, small towns with their identity heritage and equally indispensable value as garrisons of the territories are the centre of public interest. The term *Borghi*, as well as resilience, is mentioned numerous times, and the NRRP reports that many small historic towns offer enormous potential for alternative sustainable tourism, thanks to their cultural heritage, history, arts, and traditions. The indication of a "National Borghi Plan" is an important step that recognises the roles of numerous small towns in economic revitalisation. This means that, from a resilient perspective, these cultural and urban realities do present a lot of potential to improve or transform the economic performance of the inland territories. It should, nevertheless, be emphasised that not all small things are interesting or should be effectively promoted as a source of development. Moreover, current evidence shows that two years after the Plan's conclusion, the disparities between areas of the country are unlikely to be closed. The NRRP's investments aim to bridge these disparities, but as the latest report issued by the *Mezzogiorno* industrial development association SVIMEZ (*Associazione per lo Sviluppo dell'Industria nel Mezzogiorno*) [37] also shows, interventions were not planned based on a territorial mapping of investment needs, but rather through tendering procedures, with the response capacity strongly influenced by the administrative capacities of local authorities. In addition, the coordination of NRRP interventions with European programming should be strengthened since the resources of the 2021–2027 programming of the European Funds for Cohesion may represent the natural continuation of those NRRP interventions that might not achieve the objectives set and agreed with by the European Commission by 2026.

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