An Integrated Conceptual Framework for Territorial Governance
<Forum Session: The Viable Systems Approach (VSA)>

1. Introduction

The actual global and local competition of various entities, economical and social organizations, and their evolution cannot be understood without a territorial analysis. Sometimes there is a tendency to see the territory as a bin of tangible resources without a destination. In this case the vision focuses only on operand resources (Lusch and Vargo, 2008) that are static and largely material. In fact, *operand* resources without *operant* one have no sense and the optimization of the first without considering the second is an elusive initiative. Perhaps, we can try to speak about the goodness of capabilities (skills) and competencies giving a way of resource management through the viable systems' operations. Resources on themselves don't matter. The co-creation of value comes out only when resources are allocated and used with effectiveness and efficiency. For doing this, we cannot avoid the network and many-to-many logic that is a configuration of many actors which interact with each other for a common finality (Gummesson, 2007; 2009). These complex resource configurations exercising service actions are called service system entities that co-create value transforming operand resources through skills and competencies (operant resources). Service entities thus act as resource integrators of various resources (such as knowledge, skills, know-how, competencies, material resources, money, and so on) as a working unit within a larger organization and/or through a wider network (Spohrer *et al.*, 2008).

Hence, the territory is a set of resources (operand resources), but also of capabilities and competencies (operant resources) derived by the presence (physical or not) of systemic entities that populate the territory. That's why the territory can be viewed as a viable system, where, giving the recursive property of systems, it includes other systems assuming the configuration of a socio-economic organization.

All the viable systems are characterized by an operative structure and a government body (Golinelli, 2010). Because the territory is a system, a viable service system (Barile and Polese, 2010), as a consequence arises the necessity of *territorial governance* (Vesci, 2001; Golinelli, 2002). This type of socio-economic organization is at the same time a service system and a network of many actors.

The strategic decisions in the case of viable system territory are articulated and fragmented through various actors (institutional and private) and the decision making process become so complex, more than in a business firm.

A point to be clarified is that value co-creation has no meaning for the territory in itself. The objective remains the satisfaction of the relevant stakeholders (citizens, businesses, environmentalists, cultural and artistic organizations, unions, etc).
The satisfaction of territorial stakeholders by the local government body conditions the viability of the territory as a system.

2. The conceptual framework: toward an integrated paradigm

The conceptual framework of this paper includes physiologically a variety of recent models introduced to manage better viable systems, be them individuals, groups, business organizations, political organizations, cities, etc. Because we have a systemic and a network vision, these models are also braided with each other forming a net-paradigm.

The main objective of this paper is the territorial governance and for this reason we have created a complex matrix in which we explain the links existing between different models of analysis. By this matrix we try to describe unitary how can be governed a territory; which is the decision making process and the actors in this process; which are the organization plan and design of various structures, the network and the many-to-many relationships derived; which is the value co-creation process and how systems can behave in a homeostatic way. These questions and many others are synthesized in the figure 1. Then we will use the matrix in order to read some (territorial) data collected in a previous research.

The table (matrix) has six columns and three rows. The dimensions of the matrix are the evolutionary aspects and flash point aspects. The first dimension refers to the territorial evolution toward an accomplished system; the second one refers to the instantaneous moments and to the spectrum assumed by the territory in a specific phase of its fulfilment degree. In particular, we distinguish *territorial governance and network decision making*, *plan and design of structure types*, *structural and systemic harmony levels* (these variables originates from VSA), *network configurations* (this is from network theory, many to many approach and VSA), endowments elements of territory (these variables derives from Service-Dominant logic, Service Science, and VSA) and value co-creation process (this concept derives from Service-Dominant logic, Service Science and Many-to-Many marketing). The phases of the evolution process can be interpreted as embryonic phase, evolving phase and the accomplished phase of the viable system territory. The evolution of the viable system depends on operative conditions and strategic directions. Sometimes systems exist from the operative standpoint but the activity of governance is absent. We must underline that every viable system in its embryonic phase has only an operative structure characterized by the intensity of

elements' connectivity and the degree of auto-organization (Liguori and Iannuzzi, 2008). During the system's evolution, the government body appears but is not consolidated. When the government body begins to define the guidelines of the system through the decision and the organizational power, receiving at the same time the legitimacy of the context, than the system can be considered as accomplished.

Figure 1 Integrated Paradigm of Territorial Governance: (VSA) – (Network Theory) – (Many-to-Many approach) – (S-D Logic) – (Service Science)

	FLASH POINTS					
	Territorial Governance and Network Decision Making	Endowment Elements of the Territory	Plan and Design of Structure Types	Network Configurations	Structural and Systemic Harmony Levels	Value Co-Creation Process
Embryonic Territorial Viable System	Local Authority (main Gov. Body)	Resources (Operand Resources)	Structure Idea	from Random Many-to-Many Elements' to the research of Ordered Connections	from Noise to Order	Value Existence (potential value)
Evolving Territorial Viable System	Coordinator Service Entity (and/or local authority)	Capabilities (Operant Resources)	Extended Structure	from Dyadic Components' Relations to the research of Many-to-Many Components' Relations	from Dyadic Consonance to Contextual Consonance research	Value Propositions (value co-production)
Accomplished Territorial Viable System	Proponent Service Entity (and/or coordinator entity; local authority)	Competencies (Operant Resources)	Select Structure	from Contextual Many-to-Many Relations to the research of Systems' Interactions	from Consonance to Resonance research	Value in Context (value co-creation)

(Left vertical label spanning rows: **EVOLUTIONARY ASPECTS**)

Hence, the fulfilment degree of territory and generally of the viable systems can be assessed taking into consideration the operative structure and the government body (Golinelli, 2011).

Now, let's make a systemic analysis of the matrix which will be the theoretical reference of our empirical study.

2.1. Territorial governance and network decision making

As we mentioned before, all systems are characterized by an operative structure and a government body. Because the territory is a system, a viable service system, as a consequence arises the necessity of territorial governance. The crucial question is about the government body which has the responsibilities about strategic decisions.

Business firms as accomplished viable systems can simply identify always a specific decision maker; instead in the viable system territory the government decisions are more articulated and fragmented among different logical levels. That's way the territorial decision making is performed in a network perspective.

In the case of territory, as Barile and Golinelli (2008) are expressed, can be highlighted three logical levels of territorial government:

- The local authority – L.A (municipality) as the main government body. This service system deals with the environment, scanning and extracting from it various contexts with which other systems can potentially interact. The action lines of each context, respecting the finality of local authority, can be implemented by the same subject or delegated to others. It is necessary to underline that a context does not exists objectively but is a fruit of an observer (in this case the local authority). It is evident that environment is an objective reality that exists outside the observer. Instead the context is part of the environment extract by an observer. In other terms the context is the derivate of the observer's opera, is the "invented reality" (Watzlawick, 2006). So, the extraction operation of the context is an exclusive asset of the observer Maturana and Varela, 1992).

- The coordinator service entity – C.S.E. The present service entity formulates, internally of the contexts extracted before by the L.A, territorial ambits of potential projects. The territorial ambits, so called conventionally, are contexts extracted by the C.S.E internally of the contexts extracted before by the L.A. In other words the L.A observes an environment from which extract one or more contexts. These contexts are environments for the C.S.E that extracts others, conventionally called territorial ambits of projects.

- The proponent service entity –P.S.E. This subject deals with the evaluation of the possible territorial ambits, proposing different projects coherently with the finality of the local authority. The territorial ambits are at the same time contexts extracted by the C.S.E and environments of possible operations of context's extraction from P.S.E. As we can deduce, the contexts extracted by the proponent service entity are called projects. The following figure synthesized what we said, allowing a better comprehension.

Figure 2 Contexts, territorial ambits and projects observed by the government body
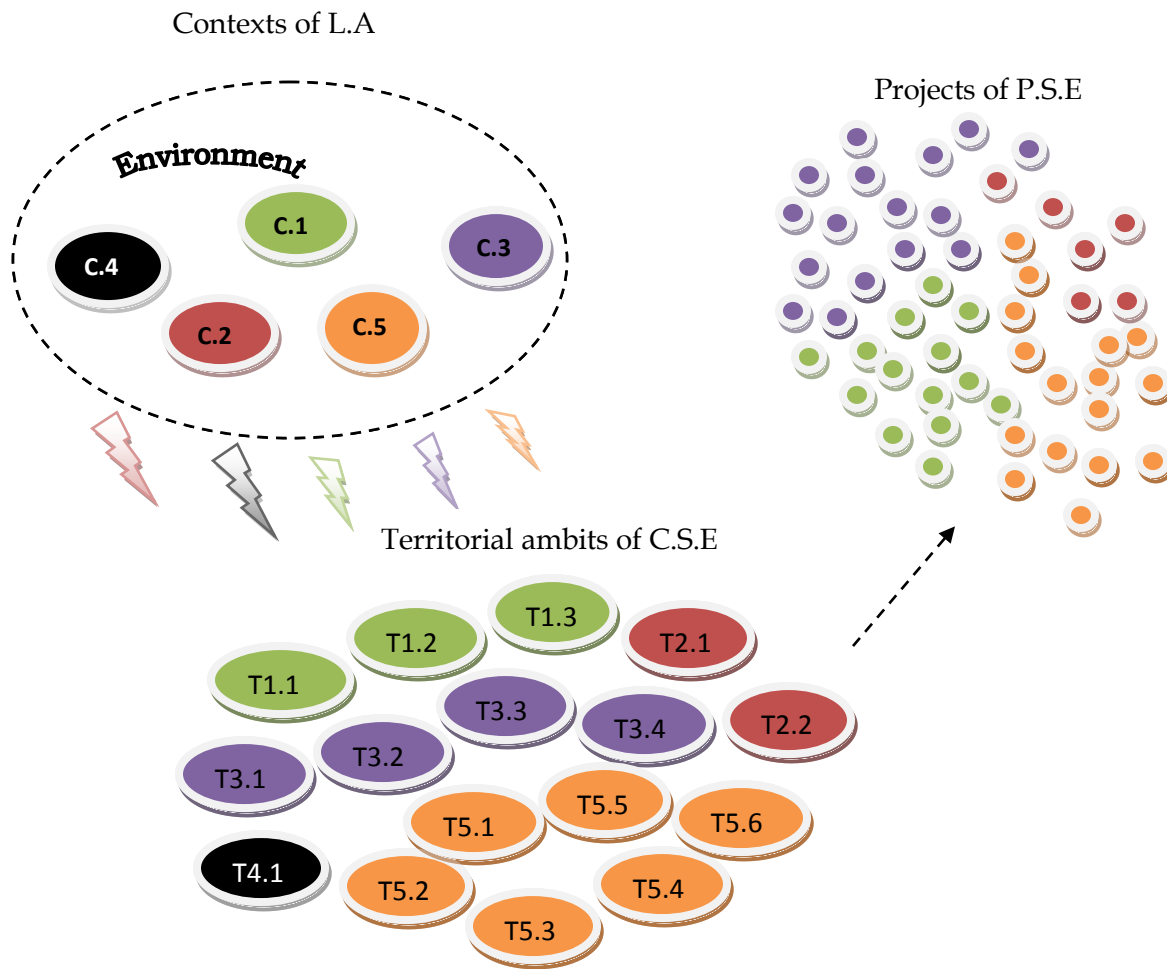
Source: our elaboration

Should be clarified the fact that the distinction between the three subjects is not so much underlined because there are some projects that can be performed by the same subject (the local authority), even though in complex systems, like territory, the distinction is physiological due to the core competencies of each government level.

However, the local authority is present in all the territorial evolution phases, at least in monitoring activities.

Another particularity to put into evidence is that the main government body is necessarily an institutional service system. Instead the coordinator and the proponent service entity can be institutional, private organizations, or a middle way (mix organizations).

2.2. Endowment elements of the territory

The territory, like all viable systems, is an expression of the cycle resources-capabilities-competencies (Siano *et al.*, 2008). For a territory, resources are the basic assumptions why one or more subjects can express their capabilities. Capabilities in themselves remain in a potential level because they have not a context and finality defined. Context and finality make an evolution of capabilities, transforming them into competencies. As a result competencies are contextualized and finalized capabilities (skills).

For instance, having a computer is a resource (technological resource); knowing how to use it is a capability; using it for a specific purpose and achieving a certain result, is a competence.

The trichotomy resources-capabilities-competencies is similar with the dichotomy operand resources-operant resources. "Operand resources are those that are acted upon; they are static and usually inert. They require other, more dynamic resources to make them useful. Most natural resources are operand resources" (Lusch *et al.*, 2008, p.7). The service-dominant logic has prevailed over operand resources focusing more on operant one. It doesn't mean that operant resources are more important than operand. Both are necessary for viable service systems because part of the same cycle; one is structural (operand resource) and the other systemic (operant resource). If it's true that operand resources are those that are acted upon, from the moment of their inexistence there is nothing to act upon and the importance of operant resources in itself diminish.

Operant resources are often intangible and they have the benefit of acting on operand resources and also on operant one, producing effects and enabling value-creation. The S-D logic recognizes that many potential resources, and especially potential operand resources, are neutral until humans learn what to do with them (Zimmermann, 1951).

Regarding the government activity, firstly, at the level of embryonic system, the local authority identifies the resident resources of territory which are basically operand (e.g. natural resources). The classification of territorial resources by the same subject culminates with the extraction of different contexts.

Later, in the phase of evolving territorial viable system, the coordinator service entity identifies internally of the contexts extracted before by the local authority the most opportune operant resources. The operant resources of this level are characterized by the adequate capabilities to act upon operand resources.

Then, at the level of accomplished system, other operant resources appear. These resources are found by the proponent service entity, which proposes to the government body of the superior level, a variety of projects to be realized. The P.S.E recognizes the possibility of transforming the territorial ambits into effective projects. At the same time, he understand that operand resources – deriving by the L.A's contexts and combined by the operant resources which are present in territorial ambits defined by the C.S.E – can be transformed in real projects through the competencies of the viable service systems individuated by the P.S.E. Figure 3 presents a summary.

Figure 3 The process of observation and resources classification

Governance	Observation	VSA and S-D logic resources
Local Authority	Contexts	operand resources (resources)
Coordinator Service Entity	Territorial ambits of projects	first level of operant resources (capabilities)
Proponent Service Entity	Projects	second level of operant resources (competencies)

Source: our elaboration

2.3. Plan and design of structure types
Every territory is a service system that emerges from a specific structure.

It is possible to plan and design the components of the territory's structure. After that, it is probable to design the relations of the components and activate the interactions. To do this, we should start from a structure idea.

The *structure idea* refers to the planning of the logical components. Thus we can define a structure idea "as a set of logical components suitable for performing a specific role in compliance with pre-established rules and based on specific bonds/relationships with other components" (Golinelli, 2010, p.69). Then the logical components will find an expression through physical components belonging to an *actual structure*. In other terms the logical components will not be part of an abstract level, but will continue in a cycle of specific functions and roles in which will find their actualization. Briefly, the structure idea of the viable system territory refers to the identification, classification and enhancement of territorial resources by the local authority. The main government body scans the environment extracting from it various contexts. Every context is the representation of logical components. An example might be the isle of Capri. Marine, gastronomic, artistic and cultural tourism can be considered as logical components (contexts) of the island to be exploited. All these components are local resources that can be acted upon through the ideation and the implementation of various projects.

Once the territorial resources are identified and classified, emerges the necessity to make out the internal/external relations between physical components and involve those components that are able to express the identified resources through dynamic capabilities. The structure planned in this case is called *extended structure*, an expression of potential relations between internal physical components (of the considered system) and external physical components (of suprasystems). At this level a coordinator service entity should be present to govern the coordination of resources and to involve the most relevant suprasystems, whom, with their capabilities, should find the adequate combination of resources. The C.S.E might be the L.A itself or another subject (institutional or private). In reference to the above example, the coordinator service entity designs the extended structure finding different territorial ambits of projects. For instance, within the context of marine tourism the C.S.E identifies as possible territorial ambits of projects the marine infrastructure in terms of transport, public and private beaches, etc. After the organization plan of components' relations there is a need to design, select and activate the most opportune relations between systems' components. The organization design continues with the select structure.

The *select structure* conveys the whole capability supporting the development roles indicated in the structure idea, and therefore, through the activation of processes identified in the organization plan, the evolution of the system through the implementation of its probability of survival. The territorial government body projects

the select structure to allow the best use of resources through the preparation of interactions between viable systems. In this phase the role of proponent service entities consists in proposing specific projects for the defined territorial ambits.

2.4. Networks, harmony and value

This paragraph includes the last three columns of the figure 1.

In this paper we admit that the territory assumes a configuration of many nodes and connections setting up a network. The network encounters different stages of its stability during the environmental changes and evolution. There is a possibility through the network plan and design to identify many-to-many relationships starting from dyadic one and passing from elements to components, from environment to context, and from relations to interactions. In other terms, the configuration of the territory as a network is seen in a dynamic perspective where the network manifests a continuous evolution, passing from its embryonic phase to an accomplished one. As Gummesson (2009) says, "networks are often thought of as structures, but network theory is increasingly used to study and manage processes and transformation". Some authors (Lomi, 1991; Butera, 1997) describe networks in terms of nodes and connections. The VSA goes beyond traditional considerations explaining the nature of nodes in terms of elements and components and those of links in terms of connections and relations.

As we mentioned before, the evolution of network, in terms of their fulfilment degree, passes through three stages: embryonic, evolving and accomplished stage.

In the first phase, that of embryonic network, the territory seems like a puzzle in which the biggest problem consists in finding the different pieces to put them together in successive stages. These pieces are the nodes and the process of putting them together refers to the connections (links). The same stage presents, in the eyes of the observer, environmental many-to-many nodes/elements' connection in a *random grouping* way without a purpose. It is evident that firstly the government body looks the environment as a chaotic container of elements that produces noise. The noise, in the sense given here, is a consequence of chaotic many-to-many relationships between elements without a purpose (e.g., a self regulating traffic flow in a crossroad missing the traffic lights). Therefore, any territorial area has different operand resources. If the local authority do not identifies and classifies these resources they will remain unallocated creating a random grouping of elements. The relationship in this case is simply characterized by the fact that elements coexist within the same environment. For example, when somebody (a casual observer) goes to live in a new building, probably,

he doesn't know which exactly the habitants of that building are. The first days he looks a flow of people but cannot distinguish which of them is part of the building (in the sense that lives there) and which is not. In the eyes of the observer, for the moment, the elements (people) have not any nexus of combination. After some efforts, observing the parts more closely, the observer will find a logical aggregation of elements. In this way, a *random grouping* (of people) becomes an *ordered set of elements* (habitants) finding a nexus of homogeneity between them. So, after some days, the observer will be able to distinguish which are the habitants/neighbours of the building in which he lives.

In other words, as Golinelli (2010) is expressed, generally, a random grouping refers to elements without a nexus of combination, and an ordered set refers to an aggregative logic between elements which is always subjective and depends from the observer's standpoint.

Because the homogeneity of elements exists and because elements can be connected, the operative structure of the network arises. Now, the network appears through its operative structure and can be classified as embryonic because it is missing yet the strategic directions of the government body.

The present stage, said in terms of Granovetter, is characterized by absent ties in its initially phase – where the elements are presented in the environment as a flow of chaotic many-to-may relationships – toward weak ties between elements, when the random grouping of them becomes an ordered set. According to Granovetter, "…the strength of a tie is a (probably linear) combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services which characterize the tie" (Granovetter, 1973, p.1361).

Now, because a random grouping of elements (e.g., unallocated operand resources), through the local authority's observations and interventions, becomes an ordered set of them, it means that the local authority has passed from noise/chaos to a relative order (e.g., identification and classification of resources). It is due to the elements existence and their many-to-many chaotic relationships that the territorial local authority sniffs a potential value of the territory. Hence, the value co-creation process cannot begin if the perception of the local authority regarding the value existence does not exist.

During the evolution of the network the government body appears and begins to make some modifications on the network's operative structure giving a sense-making to the operative conditions. Now, the nature of environmental many-to-many relationships changes; elements become components and connections become relations. In other words, nodes and links evolve changing the configuration of the network which thus becomes an evolving network.

What differentiates an element from a component is the role assigned to the component, the behaviour design, the number and typology of rules and constraints to respect and the functional area in which they should operate. And what differentiate a connection from a relation is the communication code between components, their compatibility and the conditions created for a possible interaction.

In this phase the coordinator service entity identifies all the necessary components to act upon the operand resources. Through the negotiation processes, initially, the C.S.E researches the dyadic consonance[1] with specific service systems (operant resources). Although the dyadic consonance has the potentiality to reinforce the relation between two systems subsist the risk of dissonance with the context. Hence, the C.S.E must keep in mind that the dyadic consonance should be characterized by strong ties, and contemporaneously, the contextual consonance should be characterized, at least, by weak ties. This gives the possibility to the government body to satisfy all the systems presented into the context even if at different degrees. Should be clarified the fact that the government body can establish contractual and non-contractual relationships with the components of the network. These relationships are fundamental to manifest the interdependence between the territorial viable system and the service system that populate the territorial area.

The contractual relationships are a feature of dyadic relations, and, therefore, refer to the dyadic consonance. But these types of relationships cannot ensure long-term relations and network stability. The government body must keep in mind the limits of contractual consonance, and therefore should make an effort to overcome these limits opening the horizon toward a consensual consonance. Anyway, both contractual and consensual relationships or dyadic and contextual consonance, are the essence of the network harmony (i.e. the territorial harmony).

The harmony of the context can be verified by the value propositions of different service systems, coordinated by the C.S.E. According to S-D logic, value propositions are service offerings that can be promoted by conversation and dialogue, and can be distributed by processes and networks.

Accordingly with Service Science, service systems are co-producers of value[2], but the culmination of value co-creation emerges when the value proposed is used in a specific context. Hence, the value actualization legitimates the value production.

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[1] Consonance refers to the compatibility degree between structures of two or more systems aiming a potential interaction. When the compatibility is between only two systems the consonance is dyadic, instead when is rated between more systems or in reference to the context the consonance is contextual.

[2] "Service systems comprise service providers and service clients working together to coproduce value in complex value chains or networks" (Spohrer *et al.*, 2007).

At the third phase, that of accomplished system, the government body through the organization design selects the components that judges as useful for the network's goal. The components are not anymore part of the environment, but they belong to a context defined by the observer. Once designed, the components are prompt to interact. The network (the territory), now with a functional operative structure and with a consolidated government body, is ready to interact and assumes the colours of an accomplished network.

In this stage, the proponent service entity selects from the amplified variety of value propositions those that are more likely to satisfy the territorial needs. In other terms, the P.S.E identifies and proposes for the territorial strategic planning the second level of operant resources (the competencies).

Now, starting from the contextual many-to-many relationships between service systems, and from the consonance conditions, the P.S.E researches the resonance or the interaction between service systems part of the context.

What happen in this stage are exactly *relationships*, *networks* and *interactions* (Gummesson, 2008). Relationships connect nodes with each other (once tested the consonance conditions) and interactions make nodes move or behave for a common goal (resonance). Therefore the value co-creation process is completed by the value in context (the context extracted by the government body).

The concept of value in context, also called value in use, as the culmination and finalization of the value co-creation process, induces the government body of the viable system territory to consider the value from the suprasystems perspective (citizens, businesses, social organizations, unions, churches, museums etc) aiming the contextual consonance as a condition of a possible interaction (resonance). The value in context, a concept developed by S-D logic and Service Science, cannot be understood, firstly, without the context analysis, a topic analyzed in depth by the VSA. The same we can say for the value co-creation in general: the co-creation of value occurs when, and only when, systems involved are consonant with each other. So, the consonance is a fundamental premise of value co-creation. This is simply to understand because if the consonance is absent the interaction (resonance) does not take place, and if the resonance does not happen, the value in context remains something potential; as a consequence the value co-creation process stops.

3. Data, method, and context

The theoretical framework built was partially tested through data from a survey administered in 2008 by Botti and Vesci, then published in 2010. It is therefore of secondary data.

The context in which we move is one of the strategic plans drawn up by Italian cities. The changing competitive environment led many cities in the world to design their own future through the activation of a strategic planning process and the territorial government.

The Botti and Vesci survey covered all cities listed to RECS (Network of cities with strategic plans). The association has the scope of facilitating the development and consolidation of the processes of territorial strategic governance. Beginning from a total of 33 cities concerning the network, Botti and Vesci created a sample of 18 cities. They realized a qualitative research using two of the main procedures for collecting qualitative data through research literature recommended (Creswell, 1998), i.e. the documentary analysis and interview in depth.

"The documentary analysis was aimed to highlight the relations and dynamics enacted in the construction and implementation phases of the strategic plan, as well as the operative mechanisms activated. To this end, certain techniques of content analysis were employed, of a type that is not exclusively quantitative (Krippendorf 1980; Stempel 2003) subdividing the documents into paragraphs and searching for the necessary references for attributing a score. […] The interview was used […] as a tool for examining in-depth some deductions that emerged from an analysis of the documentation and to reconstruct, as recommended by the literature (Weiss 1994), a more complete framework of the phenomenon, searching, through open questions and answers, for relational aspects and mechanisms which do not emerge from a mere study of the documentation." (Botti & Vesci, 2010, p. 55).

In the study they published relevant data about the phenomenon description, the mechanisms stimulating the enactment of decisions, the process of negotiation.

3.1. Empirical evidence

In relation to the network government and decision making process (Figure 1, column 1) the start-up phase of the strategic plan has been initiated by the local authority in 15 cases on 18. The implementation of the plan is entrusted to external structures (e.g. stakeholder associations) in 7 cases (table 1).

It is highlighted a delegation to a proponent service entity. This subject takes care of identifying the relevant and competent stakeholders aiming the implementation of the

plan's operations, including different actions and projects. At the same time, the P.S.E takes care of maintaining relations with the various participants in the network by assigning to each one the execution of tasks and specific projects considering their competence background.

Botti and Vesci (2010), related to the city strategic plan construction process, distinguished between two or three phases: the initiating phase, the construction phase (design) and the implementation phase. Sometimes the first two phases are brought together.

The Botti and Vesci (2010) investigation showed that during the initiating phase, the local authority intervenes through the identification of territorial resources (through a SWOT analysis in 16 cases out of 18) to be subsequently valorised by the C.S.E and the P.S.E; often, resources are identified generically but are not enabled. So we conclude that the identified resources remain at the operand level.

Botti and Vesci (2010) research has shown that in 15 cases on 18 (but for 2 cases there has been no answer to the question) has been an identification of stakeholders, already at the phase of gestation of the idea developed by the subject who initiated the process (in 7 cases there was also a pre-mapping). It is clear therefore that the actual processes occur at the level of the structure idea (Figure 1, column 3, row 1). Appears confirmed that the local authority tries to bring into order the chaotic whole of elements that are present in the environment.

The network construction is still very unstable: there are service systems that enter into the network and those who leave it. It follows, therefore, that everything is still subject to context background noise and there is no type of consonance and resonance (Figure 1, column 5, row 1).

Table 1 Startup process and implementation of the plan

Service entity who initiated the process of building the plan	N.	Service Entity that implements plan	N.
Local authority	15	Local authority	8
Stakeholders Association (suprasystems' network)	2	Stakeholders Association (suprasystems' network)	7
Other	1	Other	0
Undetectable	0	Undetectable	3
Total	18	Total	18

Source: adapted from Botti & Vesci, 2010, p. 61

At best it can be tried an order between identified resources. At this stage there is a simple search of potential value that can only remain latent: there is only the present value (value existence) of random territorial elements (Figure 1, column 6 row 1).

In the construction phase of the plan it has been a tendency toward an evolving network (second row of the array) as verifiable through the data in Table 2 and 3.

The operational structure of the network is accompanied by some signs of governance and involvement of other systemic entities (potential suprasystems of level L+1 or infrasystems of level L-1).

This phase is characterized by meetings with stakeholders, negotiations and potential agreements on the modalities of development. Botti and Vesci (2010) has shown that while stakeholders identified in a preliminary way are numbered in a swinging from a minimum of 5 to a maximum of 70 with an average of 31, stakeholders that are really heard throughout the entire planning process, apart from their preliminary detection, range from a minimum of 12 to a maximum of 500. There is therefore an increasing number of stakeholders involved. On the other hand, apart the preliminary mapping (in 7 cases out of 18), we have an increase of the number of the stakeholder listened after the initiating phase in 8 cases out of 18 an we register that almost always (13 times out of 15) stakeholders are heard.

Table 2 Transition from the start-up phase prior to the consolidation of the planning process

Value	Preliminary identification of stakeholders to contact (Cases)	Increase of stakeholders listening after preliminary identification (Cases)	Listening and involvement of stakeholders in the process regardless the preliminary identification (Cases)
Yes	7	8	13
No	6	1	2
Undetectable	5	9	3
Total	18	18	18

Source: Our elaboration on Botti & Vesci dataset

Botti and Vesci (2010) underline that the most frequently motivation (6 out of 18) which leads to listening to stakeholders is represented by the identification and evaluation of problems and needs of collectivity administered. In two cases the motivation lies in defining the vision and the other two cases is functional to the development of SWOT analysis. Significant is the fact that only in one case is used the listening instrument to define the method of working together with the stakeholders involved (Table 3).

Table 3 Motivation which leads to listening stakeholders

Motivation on listening	Value
Collectivity administered assessment problems	6
Visioning	2
Work method definition	1
SWOT	2
Undetectable	5
No listening	2
Total	18

Source: Our elaboration on Botti & Vesci dataset

It is evident (table 2) the intentionality to increase the structural equipment of the system (Figure 1, row 2, column 3) through the establishment of relations with the largest number of individuals identified through the design of the extended structure. In other words are pre-select those operant resources having (potentially) the necessary skills to achieve specific objectives (Figure 1, row 2, column 2). The network is still in a developmental stage (see Figure 1, line 2) characterized primarily by a dyadic consonance between actors (Figure 1, row 2, column 5).

Similarly there is an obvious attempt (table 3) to identify issues to be resolved by mutual agreement between the various participants in the network, and there is an obvious attempt to transform a simple connection into a relation.

The next step in the evolutionary dynamics of viable systems is the definitive emergence of the government body and the fulfilment of the system. It is evident the fact that the passages from one phase to another is not said to be marked by specific moments of rupture. It is possible that at any moment there may be signs of tension that give a hypothetical aspiration towards evolution and transition to a successive consolidation.

It is good to clarify that in reality developments and processes occur along a continuum in which the different articulation of variables can never be clear and precise. It is therefore clear that the proposed matrix presents an ideal and desirable evolutionary analysis or, better, a weberian "ideal type".

The Botti & Vesci data (2010) showed that in three cases it has tried to raise the degree of stability of the network through some mechanisms of stimulus for the further implementation of the decision.

The mechanisms which the coordinator service entity used were:

- Preliminary Protocol (generally based on the description of fundamental principles of strategic planning);
- A detailed convention on stakeholder's behaviour retained relevant for specific objectives and actions;
- Implementation of a control system of the plan;
- Identification responsible subjects, wholly or partially, of the buildable projects;
- Involvement of stakeholders in the definition of buildable projects.

In about 70% of the cases detected (9 out of 12, where for 6 cases has not been possible any detection), cities make use of the stipulation of a preliminary protocol.

This preliminary protocol aims to strengthen participation in the planning process through the sharing of objectives. The protocol does not analyze the problems of development in detail but is characterized by the extreme simplicity, discipline, describing the general lines of action. In the protocol are not provided penalties in case of no further participation by other systemic entities (potential suprasystems of level L+1 or infrasystems of level L-1).

Only in three cases out of fifteen stakeholders has stipulated formal conventions assuming the commitment to carry out, to the extent of their competencies, specific activities related to the implementation of projects provided by the strategic plan.

In the same three cases, it was noted that already in the design phase have been envisaged control mechanisms with respect to the advancement of development activities provided by the plan and similarly there was a direct involvement of stakeholders in the definition of buildable projects with the assignment of specific responsibilities with regard to the implementation of the projects themselves (Table 4).

In these three cases it is an obvious attempt to evolve, already during the construction of strategic plan, towards a fulfilled viable system.

Table 4 Stimulus mechanisms on experienced decisions

Stimulus mechanisms for implementation of decisions taken	State	Presence	Absence	Undetectable	Total
Preliminary protocol		9	3	6	18
Convention with individual stakeholders		3	0	15	18
Implementation of control system		6	11	1	18
Identification of stakeholders responsible for buildable projects		3	0	15	18
Involvement of stakeholders		5	0	13	18

Source: Our elaboration on Botti & Vesci dataset

The development planner seeks stabilization of the network through contractual and not-contractual mechanisms with relevant systemic entities, which are thought to be operant resources with appropriate skills and competencies.

It is evident that in these three cases the degree of contextual consonance (at least among the signatories of the conventions) tends to grow as it becomes possible to locate even a value co-creation among the different partners of the network (Figure 1, column 5, row 2 and 3). It is however still a potential value because part of a planning document and for which there was still not the value transfer to the territorial collectivity through the implementation of the activities. Only at the implementation time of the strategic plan, in the realization of the different actions will be possible to identify the value generated. Probably at this stage of planning, although the beginning of value co-creation process among different actors, is prevalent the aspect of value co-production precisely because it is still absent the experience of consumption. Only at this stage it will be possible to assess the magnitude of value co-created. It is good to clarify that the subjects involved in the two moments, those of value co-production (in terms of value proposition) and value co-creation (in terms of value in use) change: planners of choices and government bodies in the first case, consumers in the second. Precisely for this

reason, in this analysis, it is possible to distinguish the two moments of co-creation and co-production of value.

We should underline that contractual mechanisms cannot guarantee the effectiveness of relations and interactions, at least at middle and long term. Table 5, based on a binary system 0/1, where the number "1" means presence and the number "0" means absence, proposes a relationship between presence/absence of contractual mechanisms and the rate of plan's implementation. It is simple to note that the rate of plan's implementation is not connected with the contractual mechanisms. For instance the plan n° 2, in which contractual mechanisms are not present, has essentially the same average annual rate of plan's implementation to the plans n° 5 and 8 where is registered a total presence of contractual mechanisms.

Table 5 Contractual mechanisms and the rate of plan's implementation

Mechanisms	Plans*	1	2	5	6	7	8
Preliminary protocol		1	0	1	1	1	1
Dyadic agreements with individual stakeholders		1	0	1	0	0	1
Total		2	0	2	1	1	2
Percentage rate of implementation on 31.12.2007		73%	12%	50%	56%	66%	30%
Average annual rate of implementation		15%	12%	10%	11%	13%	10%

* For reasons of confidentiality the names of cities have been replaced with numbers

Source: Adapted from Botti & Vesci, 2010, p. 62

4. Open conclusions and implications

The exploration of weak and strong ties between VSA, SS, SDL e M-to-M and the construction of an integrated framework, aiming the analysis of territorial governance, offers a holistic key reading of governance phenomenon.

The proposed model and the empirical evidence underline that the government organ assumes the task of network management, or rather furnishes the meta-organizational services (Rullani, 2000) for the contextual network architecture aimed to find the contextual consonance with sub and suprasystems. During the service offerings the government body, articulated in different logical layers, tries to reinterpret the environmental chaos through identification of relations among various stakeholders and through the efforts to pass from a one-to-one in a many-to-many logic.

The research evidences the high risk of system's incompletion and the risk of absence of value in context. The model offers a perspective to help territorial government bodies aiming the territorial value co-creation transforming operand resources through operant one. Local authorities must keep in mind that operand resources don't matter themselves; they should be acted upon through skills and competencies to produce value.

An important conclusion is that the effort of stipulating only contractual mechanisms with stakeholders is not sufficient to satisfy the territorial needs. Contractual mechanisms basis prevalently on dyadic consonance and this doesn't represent the territorial harmony. It is the contextual consonance what the collectivity wants. Contextual consonance creates the conditions for contextual resonance or many-to-many interactions that are necessary for the territorial value co-creation.

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