

## **Title: BEING COMPETITIVE AND EXCELLENT IN RURAL AREAS: THE AGRI-FOOD SECTOR IN SOUTHERN CALABRIA**

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### **Abstract**

Competitiveness is the key strategy that firms, clusters and value chains have to follow nowadays in order to survive and grow in the global markets (Resmini, 2011). Internal and external economies are both fundamental for being competitive. Factors such as process and product innovation, quality and efficiency, are very important, as much as contextual factors such as market accessibility (related to transport infrastructures and services), security, availability of human capital, efficiency of the public administration (Martin, 2006; Annoni and Dijkstra, 2013).

In this respect, firms located in peripheral and marginal areas, such as some regions in Southern Italy, can obviously suffer an initial disadvantage compared to firms placed in central, highly accessible, and richly endowed of infrastructures and services, areas. Indeed, remarkable negative contextual factors (for example, low level of accessibility) can affect their ability to be competitive, that is to say, to be successful in global markets, at the end affecting the possibility for marginal areas to grow and develop.

For these reasons, it can be important to investigate if and how firms placed in peripheral and marginal in areas can be competitive and excellent. If we want to learn how firms can survive and grow in these locational environments, we have to study the cases of excellent firms that are located in these areas, what is their strategy, the mix of competitiveness factors that they which they follow, the approach which they have with respect to the shortages, the disadvantages (but also the strengths!) of the geographical context where they are based. Learning that, it can help to design and define adequate and effective policies for local economic development, how to deal with the locational disadvantages and how to support in this respect firms.

Objective of this work is to explore and study if and how firms of the agri-food sector can be competitive and excellent in rural and mountain area, such as the Tyrrhenian side of Southern Calabria. And then to learn from their experience in terms of policies. The paper, making basis on the existing literature at international and national level on high growth firms (Campo dall'Orto, 2009; Coltorti, 2009; Fondazione Nord-Est, 2005; Henrekson and Johansson, 2010; Kolar, 2014; OECD, 2002; Viesti, 2000), focuses on these entrepreneurial cases and experiences, using both quantitative methods, in order to evaluate their relevance and their performance, and qualitative methods (direct interviews), in order to understand and explain in depth their competitiveness strategy in such contexts.

The first section shortly presents the relevant literature on excellent firms, with particular respect on Italian firms. The second illustrates the characteristics of the geographical and socio-economic context under examination, and of the local agri-food sector. The third section

focuses on the analysis of the balance sheet of a sample of excellent firms located in this area. The fourth section presents and discusses the qualitative data coming from a set of direct interviews conducted with successful entrepreneurs of the agri-food sector, analysing their competitiveness strategy and their relation with the external context. Lastly, the sixth section depicts which are the key policies for supporting local firms, and reflects on which other strategies policies should be designed to improve this support.

**Keywords:** competitiveness, rural areas, mountain areas, agri-food sector, contextual factors, Calabria.

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