

# Urban crisis or urban decay?

Italian cities facing the effects of a long wave towards privatization of urban policies and planning

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Considering the urban crisis and the spatial planning crisis affecting cities in advanced countries, the Italian case presents some peculiarities closely linked to reforms in spatial planning implemented in the past two to three decades. Owing to these peculiarities, exit from the crisis seems rather uncertain and difficult. Italian urban policies have been characterized by a continuous and pervasive deregulation process that has led to generalized disregard for common goods and a reduction of urban quality and livability, though not everywhere with the same intensity. What has happened is a sort of bifurcation of planning culture and planning practice, with some instances of innovative and rejuvenated planning in a few regions and middle-size cities, but a radical back-to-the-market approach in spatial planning in many others – especially large cities like Rome, Milan and Naples (Baioni, Boniburini, Salzano, 2012).

Today, the list of unsolved problems and emerging new ones is lengthy: high levels of old and new urban poverties impeding exercise of the right to the city; ceaseless agricultural and open space land consumption due to uncontrolled sprawl; poor safeguarding (or outright abandonment to degradation) of an immense cultural heritage; inertia in activating preventive strategies in a country affected in large part by seismic and hydrogeological risk, growing infiltration by organized crime in building, construction and large-scale projects, not only in southern regions but also in northern ones, particularly in Lombardy (Legambiente, 2013).

These problems combine with, and are exacerbated by, the uneven distribution of power between rent interests (landowners/finance) and public administration due to the weakness of regulation in the field of urban transformation. Instead of a tough but fair confrontation between the private and the public spheres, this condition has generated what has been called a “monstrous brotherhood” (De Gaspari, 2013), hampering the chances of exiting the crisis through advanced and forward-looking regeneration projects, improved livability and social cohesion, and advanced economic development schemes. These are the main causes of an urban crisis that I interpret as a true and unrelenting process of ‘urban decay’.

Section 2 presents evidence of urban decay in Italian cities and their underlying causes. Section 3 conducts more in-depth analysis of Milan and its urban region, which still represents the economic capital of Italy, but no longer its ‘moral capital’, at present losing competitiveness in the European context. The peculiar kind of spatial planning adopted by the municipality will be analyzed, because it is considered to be one of the major causes of Milan’s decay. Section 4 draws some conclusions.

## **1. A COUNTRY THAT SEEMS TO HAVE FORGOTTEN ITS PAST URBAN EXCELLENCE.**

Italy is a ‘country of cities’, where the urban hierarchy has evolved in close and harmonious relationship with the countryside. As Carlo Cattaneo wrote<sup>1</sup> in the mid-19th century, in the age of “free municipalities” dating back to the medieval era, cities in the Northern and part of Central Italy became powerful hubs of political control, production of sophisticated goods, supralocal trade, financial innovation, sublime art and culture. Cattaneo maintained that their “intimate union” with the agricultural hinterland, especially in North and Central Italy, was the main reason for the formidable competitive advantage with respect to other European countries that Italian cities achieved in the long term.

This competitive advantage was very evident at the beginning of the industrial revolution, especially in Lombardy, an “industrious and

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**1** | In particular, in his essay of 1858 on “*La Città considerata come principio ideale delle istorie italiane*” (Castelnuovo Frigessi, 1972).

civilized” region (Cattaneo, 1975). Here, as in many other European regions, industrialization began in rural areas – in the dry piedmont areas – where capital deriving from primitive accumulation in a highly modernized agricultural region located south of the River Po was first invested. But a more important and generalized competitive advantage, which concerned the entire national city system, was the cultural heritage and beautiful landscape accumulated across the centuries which made Italy and its cities the destination of the *grand tour* by European intellectual élites, and which still survive despite constant assaults (Bevilacqua, 2005).

Moving to contemporary times, it looks rather paradoxical that, in a country so rich in urban history as the “*Belpaese*” (a term dating back to Dante and Petrarca), spatial planning and cultural heritage conservation have received such little attention from public opinion and large part of cultural and technical debate, especially since the 1980s. From the reconstruction period after World War II until the 1980s, urban policies, and the relative urbanization processes, generated rather controversial outcomes ranging between two extremes: from pillage of big and beautiful cities like Palermo, Naples and Rome assailed by building speculation, to some significant conquests in the fields of general interest and safeguarding the cultural heritage (the latter constantly put at risk by private-interest oriented interpretations of the Constitutional Law (De Lucia, 2006 and 2013). But a radical attitude in favor of delegitimizing urban planning and its comprehensive and regulatory approach has appeared only in the past twenty years, with the approval by Regions of many ‘second generation’ spatial planning laws<sup>2</sup> of diversified nature and deeply influenced by the political majorities ruling the individual regional governments.

In parallel, during the 1990s the country saw the political success of a radical back-to-the market, neo-liberal approach to planning policies and tools clearly influenced by the centre-right majority ruling the central

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**2** | In Italy, legislative power on spatial planning has pertained to regional governments since 1972: the first generation of laws on spatial planning (lasting for two decades) was reformed in the 1990s, giving way to legislative apparatuses, which differ, greatly across regions.

government, but which was also legitimized by strong cultural and technical support.<sup>3</sup>

The Italian case therefore presents significant specificities in the international context because, in the past twenty years, it has undergone one of the most radical processes of urban planning de-regulation and privatization of urban policies ever experienced in advanced Europe (Salzano, 2011)<sup>4</sup>. The main outcomes have been that Italy has not invested sufficiently in improving the public city, guaranteeing social cohesion, safeguarding the commons, or upgrading economic and transportation infrastructures. This is because the spatial transformation process has been mainly assigned to market mechanisms, thus weakening the essential role of the state as the regulator, and not just the facilitator, of private interests (Calafati, 2009).

It is for these reasons that, with regard to Italian cities, it seems more appropriate to use the term 'decay', rather than 'crisis' to portray and interpret what has happened: a long-lasting trend of destruction of common goods, involving above all the major urban poles but also the country as a whole, and which has relentlessly consumed open and agricultural periurban spaces around cities, irreversibly degraded wonderful landscapes and cultural heritage, and cementified coastal areas in both the densely and sparsely populated regions (Settis, 2012a). The negative effects of this decay are very evident: a constant loss of quality for both cities and countryside exacerbated by recurrent natural and human disasters<sup>5</sup>. This long-lasting process of urban decay has accelerated and intensified in recent years with the global crisis affecting advanced

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**3** | One of the favorite catchphrases of erstwhile Prime Minister Berlusconi was "everyone is master in their own house" (Gibelli, 2006).

**4** | Somewhat comparable to urban policies under the Thatcher government, but implemented in a different phase of urban development: a phase in which qualified development had already become the main challenge for cities and their regions; not a phase of decline and deindustrialization as it was in the UK when the Inner City Policy was implemented.

**5** | Italy has a fragile territory, largely artificial, second only to the Netherlands with regard to hydrogeological risk, struck by earthquakes every five years, which require constant prevention and care. Guaranteed over the centuries, this has been entirely neglected in recent decades (Guidoboni, Valensise, 2013). The failed reconstruction of L'Aquila after the earthquake, with the correlated episodes of

countries, and it has impacted on spatial planning in two ways. First, resources for the provision of public infrastructures and public goods have diminished further. Second, in very recent years, a major crisis has hit the building and construction sectors after the 'golden period' 1996-2007 when transactions and private surplus values skyrocketed.

The crisis, or better the decay, should have been countered by relaunching national spatial guidances and rules, supported by critical reflection on the negative effects of the privatization of urban policies and planning. In parallel, required at local level were new visions and strategies for cities based on a renewed attention to sustainability and livability. This did not happen; and responsible was also the considerable part of planning culture fascinated by the discourse on 'streamlining the city'. Some quantitative empirical evidence can be cited in this regard. From 1990 to 2005, the surface of cultivated agricultural land abandoned or urbanised amounted to 3,663,000 ha (more than the surface area of two Italian regions – Lazio and Abruzzo).

The loss of agricultural land was accompanied by heavy land consumption for urbanization due to the constant urban sprawl allowed by the 'flexibilization' (in fact, the delegitimization) of planning rules and tools, and the simplification of implementation procedures. However, despite the economic downturn, land consumption and soil sealing continued to grow in 2012, doing so at a pace of 70 ha/day. Northern Italy leads the phenomenon because the Lombardy and Veneto regions have permanently sealed 10% of their territory. At municipal level, Milan was top of the list in 2012, having consumed 61.7% of its open space resources, immediately followed by three middle-size cities of Northern Lombardy (Monza: 48.6%, Bergamo: 46.4%, Brescia: 44.5%) (ISPRA, 2014). Moreover, all these data are underestimated because they do not include illegal building (probably 9% in 2006; 16.9% in 2013) and 'ghost' building.

Whilst at the turn of the century, sprawl containment became an important issue on the EU's environmental agenda (EEA, 2006) and in many national policies and local plans, in Italy, despite the alarming evidence of growing public and social costs (Camagni, Gibelli and Rigamonti, 2002), no national or regional guidance to halt urban sprawl

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corruption, the frequent collapses in Pompeii are only recent examples – reported also by the international press – of a constant assault on common goods.

was approved or implemented (with some rare exceptions in certain regional and municipal contexts) (Gibelli and Salzano, 2006).<sup>6</sup> Thanks to national and regional laws aimed at dismantling previous urban planning rules and operational tools through simplification of building permits procedures – by allowing cubage bonuses and even, as in the case of Lombardy, by abolishing functional land use zoning, and thanks to *condono edilizio* (legalization of illegal building upon payment of a fine<sup>7</sup>) – from 1995 to 2009 in Italy, at a time of demographic stagnation, 4 million houses were built: mainly second homes or buildings which did not remedy the huge housing shortage for lower income groups; or constructed without building permits<sup>8</sup>.

Moreover, one should add the generalized weak commitment to transparency, accountability and citizen involvement and, most of all, the widespread corruption and the persisting uneven distribution of powers which favors rent interests (landowners/finance) rather than safeguarding the commons.

However, the so-called “monstrous brotherhood” is probably the main factor responsible for urban decay in Italy. With this phrase, which I borrow from De Gaspari (De Gaspari, 2012), I refer to the alliance among landowners, developers, banks and local administrations that has created a sort of parallel currency, the “cubic meter”, thanks to flexible land-use plans, piecemeal public/private negotiations and extended use of TDRs. The “cubes”, i.e. the building permits issued by the local administration, represent in fact a guarantee of future earnings, an asset on companies’ balance sheets, and a guarantee to banks for super-loans to developers. In addition, this alliance has certainly hugely amplified the ongoing building crisis (Tocci, 2009).

With regard to the real estate sector and the burst of the bubble, we can identify another anomaly of the Italian case compared with other

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**6** | A bill on curbing land consumption has recently been presented in parliament, but it is unlikely to be approved soon.

**7** | The *condono edilizio* has been approved three times by national governments: in 1985, when Bettino Craxi was prime minister in a center-left coalition; in 1994 and in 2003 under the government of Silvio Berlusconi.

**8** | Between 1995 and 2006 local governments issued building permits for almost 723,509,845 square meters (60%: retail, offices, industrial spaces; 40%: marketable housing) (Bellicini, 2013).

EU advanced countries. Between 1997 and 2006, Italy's building sector registered a boom phase, with an increase in the average price of realties, in real terms, of 35% overall and 55.6% in big cities, and an increase in total transactions of 57.0%.<sup>9</sup> All these factors generated skyrocketing real estate prices and skyrocketing profits for developers, banks, loan brokers, real estate agents and sellers, lenders and builders.

Thereafter, starting in 2007, the crisis began. With respect to the peak of 2005, investments in the building sector decreased by 30% in 2012 (in new housing by 51%, in new nonresidential building by 39%), while housing transactions collapsed (-47%). Strangely, housing prices decreased much less (-28%), and only in the last two years. In the early phases of the crisis, whilst in other countries severely hit by the bubble burst, like Ireland, Spain and France, prices were abundantly reduced, allowing faster realization of unsold properties and an easier relaunch of the building sector, in Italy they remained substantially stable until 2010 (Figure 1).

The reasons reside in the low interest rates keeping the cost of unsold estate low; in the interest of banking institutions, because decreasing prices would reduce guarantees on their loans (the banks kept refinancing large debtors, some of whom were later investigated by the judiciary and convicted or still on trial); in the huge surplus values made in the preceding 'golden decade', thanks also to the very light taxation on real estate rents.<sup>10</sup>

The paradox is that, at present, 350,000 unsold residential units of poor quality and unsuited to demand are on the market, while no affordable housing has been built for a long time, while 650,000 households are still

**9** | The record of annual transactions was reached in 2006: 1,000,000.

**10** | Share of public obligations on the market value of transformations (housing): Munich: 30-32%

Milan: 5-8%

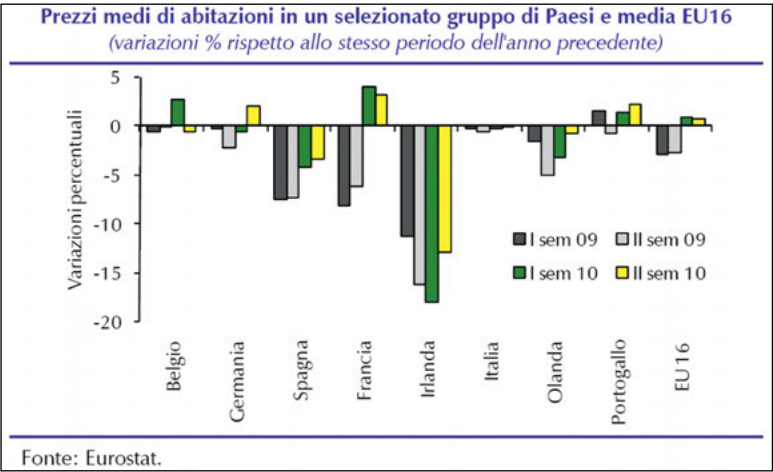
Rome: 4-4.5%

In Rome, a recent study on important new housing schemes realized through negotiation with the public administration in the years 2000 found that the share of land rent in the market value of buildings reached 34-36%, and that the total share of land rent + profit of the financier, net of the profit of the builder and developer, reached 54-57%. (Camagni, 2008; Camagni and Modigliani, 2013).

in search of a house (whilst the Italian Constitution stipulates the right to own a dwelling: Art. 47) (Bellicini, 2013).

Another serious problem concerns the huge wastage of public money and the skyrocketing corruption associated with the so-called “great public projects” and “great events”. Apparent here is another anomaly of the Italian ‘governance’ system: with the purported aim of accelerating decision-making, but in reality in order to avoid controls, for decades emergency procedures have been privileged. This happened, for instance, in the cases of the World Football and World Swimming Championships, the Jubilee in 2.000, and many large-scale infrastructure projects. The story is always the same: many years devoted to preliminary debates on the projects; then headlong acceleration accompanied by exemptions, direct award of contracts without competition or through rigged bidding, extraordinary powers attributed to a commissioner, spiralling costs compared to those budgeted through cost/price revisions, costly 24-hour construction sites, relaxed controls on subcontracting firms and, last but not least, growing risks of mafia infiltration.

Fig. 1: Average prices of residential units in a selected group of EU countries. (Average variations with respect to the same period of the preceding year)



Source: Nomisma, 2012.



The more recent and striking case erupted in May 2014. It involves more than thirty persons arrested and many more investigated for corruption concerning the “Progetto Mose”: the construction of underwater mobile barriers to protect the historic center of Venice from flooding when “*acqua alta*” occurs. Although criticized by many experts<sup>11</sup>, the Mose construction work began in 2003. At present, it is one of the most expensive public projects in Italy and probably the most grievous case of corruption in the history of the country. The investigating authorities seem to have proof of huge corruption practices and of an immense flow of money for bribes: a flow deriving from the consortium of construction companies, “Consorzio Venezia Nuova”, and distributed to institutions, which should have performed functions of supervision and control (local administrators, excise officers, the water magistracy, the state audit board...). If the trial will confirm the results of the investigation, this will demonstrate that since “Clean Hands” of the first ‘90s corruption has not stopped, but has evolved into a much more structured, costly and entrenched system<sup>12</sup>.

Some risks are also apparent in the field of national urban and territorial planning reforms. The present government headed by Matteo Renzi seems determined to proceed towards a more simplified and market-oriented planning system. The present minister of Transport and Infrastructure, Maurizio Lupi, who will be cited below because he was the strategic initiator of the Milanese model of deregulation in urban planning in the late 1990s, recently again submitted<sup>13</sup> a draft bill on national principles for urban and territorial planning which is an accumulation

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**11** | The increasingly frequent episodes of “*acqua alta*” cannot be attributed to climate change alone because, in order to enable big ships, and especially cruise liners, to enter the lagoon, the access channels have been dredged and deepened, while routine maintenance work has been neglected (Mantovani, 2014).

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**13** | Maurizio Lupi had already presented a similar draft bill during a Berlusconi government in 2005. Approved by the Chamber of Deputies, the bill was not approved by the Senate because of strong cultural opposition – of which *eddyburg*. it was a protagonist – and, above all, due to expiry of the government’s mandate (Gibelli, 2005).

of provisions with a specific beneficiary: the real estate sector (Ministero delle Infrastrutture e Trasporti, 2014).

Without going into details, in Article 1 (Object and purpose of the law) at Paragraph 4, the draft bill assigns to private owners the right to participate in planning in order “to guarantee the value of their property”. This is the Milanese model that it is extended to the entire national territory, but, most of all, it is a reversal of a principle of the Italian Constitution which imposes constraints and obligations on private property in the name of collective utility and which states the principle of the “social function” of property (Baioni, 2014).

## 2. MILAN AND THE CRISIS

Let us now turn to Milan’s urban crisis and its spatial planning crisis. In 2012, the population of the municipality of Milan was 1,262,101, which was one-third of the total population of the province (the Milan conurbation) encompassing 134 municipalities in only 6.6% of the territory of the Lombardy region, but 30% of the population and 31% of the housing stock.

The Milan urban region extends far beyond the province and has between 4.5 and 6 million inhabitants. Land consumption for urbanization is very intense in the province: according to DUSAF<sup>14</sup>, the anthropized areas in the province of Milan represent 39.76% of its total area (62,620 ha) and, considering the new expansions made possible by recently approved municipal plans, they reach 42.3%. With its extremely high density (1,983 inhabitants/sq.km), the city of Milan had an average annual per capita income of 31,980 euros in 2009 (the highest in Italy after Bologna).

Assuming the EUROSTAT definition, the urban region ranks 4th in Europe in terms of economic and demographic size, after Paris, London and Düsseldorf-Ruhrgebiet. Its medium-term annual average growth rate from 1995 to 2009 (GDP at current prices) was 0.4%. This was indubitably substantial<sup>15</sup>, but it was mostly determined by its past splendor, rather than by its more recent performance, which has been among the weakest of the EU, together with that of the country as a whole.

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**14** | DUSAF is the database of the Lombardy Region that since 2001 monitors the Use of Agricultural and Forest Land.

Compared with the other Italian big cities, Milan excels in living standards and certain public services (like public transport), but not in urban quality (exceeded by Bologna and Florence). Milan's most critical weaknesses – which have worsened in the past twenty years due to the local administration's urban planning policies – are over-density coupled with congestion, spatial segregation, low quality of recently-built fabric, and the irrational location of large functions in relation to transportation infrastructure. However, other major weaknesses of Milan have been highlighted by recent international comparative analyses based on quantitative indicators and the perceptions of international city-users. Urban ranking exercises refer to Milan as the capital city of fashion, design and publishing; an engine of vitality at the core of the Lombardy region; one of the richest and most advanced areas in Europe; and a modern and international metropolis. But the same analyses also underline that in recent decades the city has been unable to build a long-term vision; that it appears no longer credible in the role of national leader (the label of 'moral capital' is no longer applicable after the 'Clean Hands' investigation<sup>15</sup>); unable to counter the assaults of real estate and building speculation, with heavy symptoms of mafia infiltration; and burdened by worsening environmental quality and livability (OECD, 2006; Meglio Milano, 2013 and various years).

According to recent studies on competitive positioning, Milan now ranks fifth among the ten best European cities from a strictly economic point of view (number and quality of firms, advanced services, finance and congress sectors), but it is well below tenth place in regard to other aspects (science, politics, culture, international transports) (BBSR, 2011). CushmanandWakefield's annual Report on 2010 performances, based on a survey of 500 major European firms, lists Milan as twelfth, behind London, Paris, Frankfurt, Berlin, but also Amsterdam, Barcelona, Madrid, Zurich, Geneva and others<sup>16</sup> (Cushman and Wakefield, 2011).

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**15** | The expression 'Clean Hands' (*Mani Pulite*) denotes the investigations initially conducted from 1992 by the public prosecutor's office of Milan against exponents of the political, economic and institutional system of both Milan and Italy. The investigations uncovered a web of corruption, bribery, and unlawful party financing at the highest political, financial, and administrative levels.

**16** | In particular, Milan ranks 32nd for environmental quality; 22nd for quality of life; 27th in value for money for office space.

Gone are the days when studies on Europe's urban hierarchy assigned to Milan the role of "economic capital of Southern Europe" (Camagni and Pio, 1988) and of "unique brilliant princess", ranking second after the queens: London and Paris (RECLUS/DATAR, 1989).

In sum, Milan today maintains its role as the international gateway to the large North Italian market, the main international headquarter city and the principal financial marketplace in the country, but it has deteriorated in terms of physical, urban and metropolitan structure and design, and of environmental quality, owing to the peculiar model of city planning and management pursued by the regional and municipal governments since the late 1990s mainly dedicated to 'privatizing and streamlining the city'. Milan has forged and pioneered this model in the country.

Since the late 1990s, urban planning in Milan has been based on two main principles:

- private initiative must have the main role in shaping the metropolis, without merely building upon the basic framework and rules of a well-defined public planning policy;
- public interest can ensue from private choices, and more specifically from the results of public-private partnerships (Bottini, Gibelli, 2012).

On these principles, a negotiated process of planning took place without clear rules and procedures, and without adequate transparency, growing haphazard for years. It was often unbalanced due to the relative strength and management competencies of private actors, with a communication flow that was mostly market-oriented instead of being characterized by public responsibility and accountability. The process was mainly managed by the private sector for private purposes, and it resulted in questionable renewal plans and projects devised without citizens' involvement.

Clear signals of this market-oriented planning perspective emerged in the late 1990s with the Lombardy Regional Law 9/1999 establishing the *Programmi Integrati di Intervento* whereby individual developers were expected to propose complete urban regeneration projects derogating from the existing land-use plan; and new simplified procedures of approval were established, allowing virtually any proposal to pass quite

rapidly from the drawing desk to the building stage.<sup>17</sup> This planning model eluded fundamental principles of spatial and social solidarity and of sustainability, leaving all problems without proper solution and placing excessive trust in the invisible hand of the market.

The Lombardy Region waited for a long time before approving a second-generation general planning law, passing through various stages of progressive deregulation whose explicit aims were: simplification, acceleration, flexibilization, and debureaucratization. All these laws and rules generally tended to legitimate the experiments conducted on the living body of the city of Milan.

These general aims seemed to be inspired by the contemporary European discussion (on sustainability, urban densification against suburban sprawl, affordable and social housing, subsidiarity, strategic assessment, and monitoring of projects and plans). But the real aim, and the result, was in fact a radical simplification coupled with a downgrading of the public role in strategic choices. All assessments were confined to academic debates, without any real impact on the final decision; all the laws and rules weakened the protection of green belts or agricultural areas, even in classified regional parks; and no fixed percentage of affordable and social housing was imposed, unlike in other advanced regions and cities (for example, Emilia-Romagna).

The contribution of the planning culture was crucial: many steps in the deregulation process were strongly supported by the Milanese professional and academic milieu disillusioned with comprehensive planning. Nevertheless, a critique somehow justified by past errors and failures strongly pushed for the dismantling of the entire planning system (Palermo, 2001; Mazza, 2004; Moroni, 2007). With the enthusiastic support of all categories of owners and interest groups, the foundations were laid for a new market-oriented planning model with blind belief that public benefit would derive automatically from private initiatives, with no real checks and balances; a model quite unprecedented even in the liberal economic tradition.

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**17** | As Maurizio Lupi, now minister in Renzi's government and at that time urban planning councilor in the local government, declared: "Now investors are free to propose, and if their proposal is accepted, specific design rules are drawn ad hoc, and not superimposed" (Comune di Milano, 2001: p. V).

In Lombardy, the new regional Urban Planning Law (*Legge per il governo del territorio*: n. 12/2005) was approved in 2005: an act entirely consistent with the former free-market oriented laws approved since 1999. And the pillars of the new General Plan of Milan which resulted from the Law (*Piano di Governo del Territorio/PGT*)<sup>18</sup>, approved by the right-wing municipal government in 2010 and adopted by the subsequent left-wing government with minor revisions in 2012, are rather questionable. Aside from a substantial reduction of the absurd development rights admitted in the 2010 version, it seems burdened by the same weaknesses and risks.

Simplified procedures for approval of regeneration projects are still in place; true subsidized rental housing is residual: only 0.05sq.m./sq.m. and only within projects of at least 10,000 sq.m. of land area, and anyway always monetizable; the “free functional mix” has been generalized to the entire urban fabric with no restraints; 182,873 new inhabitants (14% of the present total population) in an already hyperdense city are predicted<sup>19</sup> (Gibelli, 2012a).

Even more questionable and worrying is the use of the TDR (Transfer of Development Rights) tool in a new, generalized and ‘extended’ way so that development rights assigned to some properties (even in a peripheral location) are transferable anywhere in the city where development is admitted (and therefore, also in the city center) (Gibelli, 2012b)). This mechanism, present with no change in both versions of the Plan, represents in reality an undue premium to real-estate speculation<sup>20</sup>. The Plan does not seem to tackle either the true economic problems of the economic capital of Italy or the social and environmental emergencies. In particular, recent reports on land consumption show that in Milan urbanization grew between 1999 and 2007 by 10.5%, and that not just the municipality, but the entire northern part of the province of Milan is reaching total saturation (over 90% of urbanized land) (CRCS, 2012).

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**18** | A synthesis of the Plan, made by the technical scientific committee consisting of university researchers appointed by the municipal government is online (AA.VV., 2013).

**19** | However, a much larger estimation of more than 500,000 inhabitants has been made by some critical commentators of the Plan (Boatti, 2012).

**20** | See the criticisms by planners (Gibelli, Goggi), jurists (Roccella) and urban economists (Camagni) collected in a special issue of the journal “Scienze Regionali-Italian Journal of Regional Science” (Camagni, Micelli and Moroni, 2014).

Overbuilding is already high, and will be even more so in the future due to new development rights guaranteed by the master plan, with an already enormous supply of vacant office space of low quality and irrationally located.<sup>21</sup> The imbalance in the housing supply is a problem, with a huge availability of luxury or expensive apartments, and a severe lack of affordable and subsidized housing.

The option in favor of the free functional mix has generated through gated communities even in central areas, within large regeneration projects that could represent an outstanding opportunity for Milan to create new public spaces, better facilities, and a renewed urbanity. This is the case, for instance, of the “Citylife” regeneration project for the re-use of the old trade fair site. Designed by international archistars, this is now transformed into a luxurious residential neighborhood (over-)filled with condos and towers and accessible for pedestrians only through a patrolled gate.

The future realization of CERBA (Centro Ricerche Biomediche Avanzate) in Parco Agricolo Sud Milano – the largest agricultural park in Europe, situated in Milan’s southern urban fringe and the only large ‘green lung’ in the city – also seems risky, as a ‘Trojan horse’ for wide residential developments. Also still uncertain is the future of EXPO 2015 project, located in the northern periphery of Milan: an event that since the outset had been mainly supported by rent-seeking real estate interests but presented by the public administrators as an important opportunity to relaunch Milan and the entire country. Due to long delays and the subsequent adoption of the above-mentioned emergency procedures for “great events”, EXPO 2015 is now in the midst of a storm and, for the time being, stands out as an example of bad practice: with bipartisan corruption, investigations, arrests, and dramatic uncertainty about accomplishment of the project in due time<sup>22</sup>. Everywhere in Milan and its hinterland, what has happened in recent years is the mere adding of cubic meters, with

**21** | At present, there are 1,500,000 sq.m. of empty offices, of which 150,000 sq.m. built in 2012 and 76,000 sq.m. in 2013. The vacancy rate is 12.6% (source: PNB Paribas Real Estate, City News Milano, 2013).

**22** | Already arrested have been the general director of Infrastrutture Lombarde, the operational arm in public projects of the Lombardy Region, the general director of EXPO, the owner of a large construction company who received important contracts through bribes, and the collectors of bribes for the political parties.

almost no attention paid to new qualitative functions that could be hosted and usefully developed.

In sum, considering the planning negotiation introduced in Milan and in other cities of Lombardy, we can itemize the following weaknesses:

- a generalized lack of vision concerning Milan's economic role and the new functions that could be developed in a public-private partnership;
- lack of a comprehensive structural plan for the urban region;
- locational randomness of single projects submitted to the administration and approved in an incremental way;
- weak public control over duties assigned to private parties in planning negotiation, especially with regard to infrastructure building and provision of public spaces and facilities, not to mention the generalized low local taxation on building permits and developments;
- no transparency in the private/public sharing of surplus values and costs;
- a scandalous premium to real-estate speculation inbuilt in the new extended procedures of tradable development rights and the lack of control on urban transformation;
- densification without intensification, considering the poor and free functional mix allowed;
- overbuilding coupled with increasingly empty buildings, which boosts vacant built-up spaces;
- risk of unsustainable greenfield building amid the present severe shortage of green spaces;
- increasing qualitative mismatch in housing demand and supply and, in particular, an extreme shortage of affordable housing.

### **3. SOME CONCLUDING REMARKS**

In Italy, the effects of the present urban crisis have been amplified by the long-lasting and uneven distribution of powers which has favored rent interests (landowners/finance) rather than safeguarding the commons and, for at least two decades, by deregulation in urban and regional planning. These features are very evident in big cities like Milan, Rome and Naples, but they are widespread throughout the country.



Although crucially required to overcome the present crisis, strategies for a new pattern of livable and sustainable urban policies are hardly visible: local public administrations seem powerless and shortsighted, while proposals by the entrepreneurial milieu continue to be rather conventional in that they ask for incentives, tax reductions, increased development rights, and building opportunities. On the public side, one notes renewed attention to the opportunities offered by the new programming period of UE Structural Funds, but not yet a true project capability, while opportunities may arise from the recent constitution of an Inter-ministerial Committee for Urban Policies and from the recently-enacted law (Law n. 56/2014) establishing “Metropolitan Cities” (Gibelli, 2014). Nevertheless, many issues remain unresolved.

The need to rethink national and regional laws and rules in order to remedy the disastrous effects of deregulation wave is not felt to be crucial and no longer postponable, with the exception of some regional governments like those of Tuscany, Emilia-Romagna and Puglia. Likewise, building new spatial visions and relative planning agreements in order to face the crisis with new and shared rules and tools does not appear on big cities’ agendas, with the (partial) exception of Bologna. Given the unbalanced powers of the public and the private sphere, low transparency and skyrocketing corruption in planning agreements, urban decay in Italy seems bound to last for many years to come.

Some signs of possible change, however, are apparent in a new consciousness arising from below (Settis, 2012b; Maddalena, 2014), the process being supported and disseminated by cultural associations and websites like “eddyburg.it”. A new grass roots activism, nurtured by social networks and citizens’ associations, is emerging with issues like sustainable and inclusionary urban regeneration, renewed urbanity, halt on land consumption and soil sealing, defence of the commons against privatization: for advocating, in sum, the right to the city.

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