Politics, power and the economy in Rome: continuity and change in an urban regime

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EDITOR’S NOTE

The article reflects a point of view largely discussed and agreed upon by the authors. G. Moini wrote sections 1, 3 and 5, while E. d’Albergo is responsible for sections 2, 4 and 6. We thank the anonymous reviewers of Métropoles for their constructive comments and suggestions.

1. Introduction

Relationships between politics and the economy in Rome are characterised by a mix of continuity and innovation which, apart from the immediately obvious, are not easily deciphered. Local rules and regulations governing the economy and society are based on these relationships and are influenced by changes in the national and trans-national situation. The main features of such exogenous factors concern the global crisis now affecting the city of Rome and the consolidation of an influx of neo-liberalism in public policies and forms of governance that has lasted for the last twenty years. An analysis of the specific nature of such relationships allows us to focus on two principal aspects that are particularly important from the perspective of political sociology, which is interested in explaining interdependences between forms of political power and local society, and the economy. The questions are: i) the diachronic evolution (with elements of continuity and change) of the relationships between politics and the economy bearing in mind the hypothesis that these are connected to the changing forms of decision making used in...
public choice; ii) the models of neo-liberalism effectively implemented in Rome, hybridisations in them over the course of time and the factors such changes are based on.

One important event as regards these relationships was the cycle of politics in Rome which saw the election in 2008 of a rightwing mayor after almost twenty years of a centre-left political majority and leadership. This cycle ended in June 2013, when a new Centre-left mayor was elected. This political change favoured a partial reformulation of some important local public policies such as those regarding economic development and welfare or those concerning the use and redevelopment of urban space. They have, overall, assumed a more evident reference to a neo-liberal paradigm of policy and governance than in the past, also through an attempt to initiate and follow a programme of strategic planning. The, so far, difficult and mainly rhetoric nature of this approach, the development of which was certainly not helped by the failure of the administration’s bid to be selected to host the 2020 Olympic Games which was an integral part of the approach, has not however reduced its ability to show, together with other policy and institutional processes, an adjustment in relationships between political power and economic interests.

The concrete effects of the allocation of resources resulting from political decisions are, in their turn, interdependent with such relationships, and elements of continuity and change in them over time are brought to light in the article. The principal focus is on the period starting from the nineties, because at that time some important changes took place in local institutions, in politics and in urban policies. The analysis is, however, set against a background of a wider timescale which starts substantially with the post-war period. Taking this standpoint we are able to distinguish those aspects that are contingent to the internal dynamic of the local political system and to processes of regulating the economy and urban society from those that are historically determined.

Such aspects of continuity and change are investigated adopting as an analytical guide two main questions: i) what functions are specifically exercised by politics in the relationships between economic and business interests and urban society, and why? In what way are they carried out? ii) What are the institutional and organisational links that have developed for this purpose over the course of the years in the field of local governance?

To answer such questions, thus shedding light on the interdependencies between politics, the economy and the forms of neoliberalism that actually developed in Rome, the article makes use of three main theoretical and methodological tools: 1) urban regime theory, 2) neo-liberal and neo-liberalisation theories and 3) a discursive analysis of politics. The first theory is particularly important for an analysis of forms of relationships between political and economic actors. Urban regimes can be considered a specific type of urban power structure within « modes of governance» typology (DiGaetano e Klemanski 1999). There are specific conditions for the existence of these « set of arrangements or relationships (informal as well as formal) by which a community is governed » (Stone 1989), that is, relatively stable « governing coalitions » through which public actors and private interests work together to deal with economic and social challenges, and to make and implement public policy decisions. As is also evident in Rome, we are talking about the presence of an agenda directed towards specific policy problems, which is relatively constant over time and able to survive changes of administration and of political majority and leadership. We are referring to coalitions built on this agenda that include both members and non-members of the City council, to those resources needed to achieve
objectives and mobilised by the coalition members, and to a scheme of co-operation through which the members align resources to local government objectives (Dowding 2001; Stoker e Mossberger 2001; Stone, 2005). Given suitable conditions these coalitions also represent a historically established matrix of the city’s capacity for collective action (Pinson 2010).

Those changes introduced in policies and urban governance by the influx of neo-liberal ideas, have been the object of study since at least the nineties. Recognition of a perceptible internal distinction between these matters, as a result of the analytical categories used to analyse and explain them, allows us to avoid or reduce the risk of « concept stretching » or of hypostatizing an overestimated convergence towards a singular neoliberal norm (Peck and Tickell 2007). Differentiation regards as much the types or variegations of neo-liberalism (Jessop 2002; Brenner et. al 2010), as they can be found in the political phases analysed in Rome, as those processes through which this policy paradigm is institutionalised and which have been identified in the various phases of neo-liberalisation (Peck and Tickell 2002; Peck, Theodore and Brenner 2009).

Urban policies derive from an interweaving of interests and cognitive and value dimensions. As far as the second dimension is concerned, ideas, representations and reasoning contribute to form and legitimise decisions that, in turn, allocate both material and intangible resources. The process of neo-liberalisation of policies can, for this reason, be analysed by considering not only the material contents and instruments of public activity, but also policy discourse. These discourses relate to those interactions which translate problematic situations into problems of policy, moulding the processes of agenda setting and decision making (Rein and Schön, 1993, p. 145). They represent what political actors say among themselves and communicate to public opinion when referring to a specific action plan (Schmidt, 2002, p. 210). For these reasons they demonstrate the importance of the social construction of reality and of practices (Surel 2000).

Policy documents and artefacts have been analysed using those theoretical tools (Yanow 2000) that allow us to reconstruct continuity and change in policy direction and the significance attributed to the involvement of public and private actors, as they get involved in the processes and structure of local governance. In this way it has been possible to check some hypotheses about the dynamics concerning power relations between public actors and private and/or social interests in Rome. In particular, the analysis of these processes from an historical perspective allows us to identify some specific features of the neo-liberalisation of policy and politics that has occurred in Rome over the past twenty years, with particular reference to relationships between ideas, interests, politics, policy and institutional forms. The changes that regard institutional arrangements in turn allow us to show the ability of the urban regime in Rome to survive, adapt and modify itself to changing circumstances from an economic, political and institutional viewpoint. In this way, the article attempts to throw light on continuity and changes in the urban regime in Rome on the one hand and, on the other, on the innovation that has characterised the political agenda as a result of the neo-liberalisation process which commenced in the nineties.

This is done by means of an initial quick reconstruction of the preceding forms (mainly starting from the end of the Second World war) up to the one at present in place in the urban regime in Rome (section 2), with the purpose of identifying its more historically deep-rooted elements. The first phase of the neo-liberalisation process is described in section 3, examining the changes which characterised political leadership and public
policies at the beginning of the nineties. Section 4 analyses the subsequent development of «moderate» or «social», neo-liberalism which is accompanied by a more definite institutionalisation of “collaborative” practices between the actors involved in the urban regime. Section 5 examines the consequences for policies and urban governance of the political turnabout which brought a right-wing mayor to power in Rome in 2008. Finally, in section 6 we discuss the developments analysed in the light of the theories mentioned above. According to the interpretation we here propose the relationships between politics, the economy and society in Rome present important elements of historical continuity. The partial and consecutive innovations that have gradually occurred in discourse and public policy instruments, as well as in forms of governance, turn out to be not only compatible but also functional with respect to these historical elements. The main function played by politics within the urban regime consists of mediation between the interests and strategies of the different fractions of capitalist interests in the city and, in part, between them and the remainder of urban society. Over the course of time significant changes have occurred in the fonts supplying those resources needed to feed processes of economic growth. This has made it necessary to adapt the way this function is carried out and has given rise to a progressive adjustment in the nature of the urban regime itself. In particular, relationships between exogenous and endogenous factors in the establishment of the neo-liberal paradigm in Rome have been mediated through these innovations in the course of the last twenty years.

2. Politics and the economy in Rome: historical antecedents of contemporary processes

The relationships between political power and economic interests that have characterised the advent and consolidation of neo-liberalism in Rome over the last twenty years have roots in previous historical periods. These can be reconstructed considering various major periods in its recent history: from Italian unity to Fascism and, more recently, from the end of the Second World war to the first half of the Seventies; from the second half of the seventies to the middle of the eighties and from that period to the early nineties (Cremaschi 2010).

Several aspects of the economic, political and cultural context have obviously changed over time, as have economic and political actors at all levels of government. Nevertheless, some important elements of the relationships between politics and the economy are characterised by significant continuity. They relate to the underlying reasons for cooperation between the two spheres, to what is at stake in such relationships and to the strains that from time to time put it at risk and the consequent search by political actors for ways to adapt to changing contexts.

From 1870 on, and during the Fascist period, the Italian and Roman élite preferred the capital city not to be characterised by large-scale development of manufacturing industry and the substantial presence of a working class (Vidotto 2001). From this early period investments, which largely came from Northern Italy, were directed toward the real estate sector, which was considered less risky than manufacturing. After WWII a local entrepreneurial structure developed, in continuity with the previous period characterised by the prevalence of family owned property. Property and property development still played a fundamental role both in public works, private building
programmes and building for the middle class (Toscano 2009). The sector was led by firms already involved in the urban development of Rome during the Fascist period. It was sustained by good relationships with the banks, while its relationships with the new political system have been crucial since then to the orientation of public policies concerning land use and the economic development of the city.

In this phase the role played by political actors began to be more evident: mediation between different economic interests and the rest of the urban society. The modernisation of the city after 1945 and up to the middle of the seventies was characterised by local authority mediation between the interests of landlords, partly including the Rome aristocracy linked to the Vatican, including the financial instruments and institutions of the Catholic Church, and the « new » industrial and tertiary capital. For example, during the fifties the role of the major property investment company in Rome, « Società Generale Immobiliare » owned by the Vatican, was very important. It was considered able both to introduce remarkable innovation in real estate products and to engage in property speculation and unauthorized building, which were the opposite of an urban planning logic based on public interest (Vidotto 2011, 283 and ss.). Through murky policy processes and exchanges between interests and political consensus, the local authorities provided property development companies with the right to use urban land and made it easier for Rome’s manufacturers to obtain supply contracts at national level.

What has been called the « Roman Party » (Ferrarotti 1991) made coexistence easier between speculation in urban land, which was mostly privately held by family dynasties (Porro 1993), and the traditionalism of Catholic worthies. Such a mediation role deeply influenced urban politics, which between WWII and the Fifties was based on a coalition between the Christian Democrat party (DC) and the post-Fascist right. In this period a system of political power and consensus took shape, which was characterised by an exchange of business opportunities and political support and the sharing of conservative visions and values.

Not only in this, but also in the subsequent historical phases, the exploitation of property and the economic use of land were seen as the most important resource and stake in power relationships in Rome. Business focused on an urban expansion based on the need for office space for government ministries, head offices of state owned firms, etc. and the needs of the building industry (Cremaschi 2010). This made urban development, both planned and unauthorized, the most important stake in the relationships between politics and the economy. This makes Growth Coalition Theory (Molotch 1976) particularly relevant for an analysis of the situation in Rome. According to this theory, what is at stake in local power relationships is urban development, in particular as far as the most valuable areas are concerned. This interest is controlled by a growth coalition principally involving land owners, property companies and property developers. All these actors are directly interested in urban development sites. Political actors play an important role in these coalitions as long as they can manage land use and building permissions. The growth coalition in Rome is a specific type of urban regime based on land and real estate business and some evidence of this can be found in the political agenda by looking at both policy discourses and the activities actually undertaken. Both planning decisions and those dispensations allowed from time to time have provided these economic actors with good business opportunities. In other cases political actors have not been able to successfully mediate using distributive-type policy decisions that might have enlarged the available “cake”. Over the course of time land owners reacted in a consistent manner,
not only purchasing land, but also trying to influence public decisions to the extent that regulatory plans in Rome have been interpreted as bargaining agreements between dominant forces, driven by speculative aims. A « partnership between the municipal authority and big property holdings » was created for housing estates and infrastructure (Porro 1983, 83). Within it public decisions on the whole served private initiatives, through dispensations and regularisation procedures, increasing the value of building land by the provision of public services (Insolera 1962; Ferrarotti 1991).

16 From the end of the fifties a process of capital differentiation began in Rome, with investments in technologically innovative industrial sectors, such as electro-mechanics and private services. Nevertheless land use later on continued to be a key-resource of the local economy. This brought about a huge expansion of property development activity that reached its peak in the sixties (Vidotto 2001, 280). During this decade an important process of economic and cultural modernisation took place in Italy. In Rome innovation had peculiar features, because of the pre-existing nature of the economic fabric and its role as capital city, bringing with it a specific contiguity between the local and national political and administrative systems. During the « centre-left » period, a government coalition of the DC and the Italian Socialist Party (PSI), economic modernisation was characterised by the establishment of a strong system of state-owned enterprises. All these had their head offices in Rome and were mainly active in the industrial sector, but also in land and construction above all through companies specialised in the property development business. The presence of new technocrats working in this system of state-owned companies (co-ordinated by an ad-hoc ministry established in 1956) boosted the modernisation process for the local economy.

17 In this period competition within the property sector between the « old » property interests of dynastic families and property owned by the Vatican, and the more innovative interests of the public system, raised for the first time the problem of how the political system could update the way in which it played a mediation role. The coexistence of old and new interests and the entrepreneurial logic of action made it necessary for the political leaders and parties ruling the City council at the time to play a more active mediation role between the different fractions of capitalism involved in local business. This was achieved above all in two ways. One was by going on controlling the allocation of opportunities for property development and land investment through public decisions. Among these controls was the master regulatory plan adopted in 1962, which was based on the idea of regenerating and developing by locating the head offices of private firms and public administrations in the eastern area of the city. However, the plan was poorly applied and was got around by the activities of economic actors. During that period, flexibility in implementation and a permissive attitude towards unauthorized building made land exploitation possible on a large scale. In 1981 about 28% of both the built-up area and the people living in Rome were without permission (Vidotto 2001, 335).

18 On the other hand, local politics was a gate-keeper in the relationships between firms and a central state that was starting a period of expansion in public expenditure and entrepreneurial presence in the economy. Although in new ways, the relationship between politics in Rome and at a national level continued to be an important element of regulation of an interests system whose space of engagement (Cox 1998) was articulated between local and national scales.

19 An important political change occurred in 1976 as a result of national dynamics and a reaction against the existing situation: the DC party was defeated and a coalition between
the Italian Communist Party (PCI) and the PSI came to power. The PCI was experiencing electoral success all over Italy, and until 1979 they formed part of the national parliamentary majority, even though without having members in the cabinet. The new actors responsible for governing Rome had severely criticised the opaque relationship existing between political and economic power, which they blamed of having made the second « sack of Rome » possible, and they called for effective planning regulations (Vidotto 2011, 286). Nevertheless the new government (1976-1985) did not adopt a new regulatory plan, but slightly modified the strategy of the one that was in force. The addition in 1978 of a so called « outskirts variation » took priority within the general regulatory plan and the plans for basic urban services. Its aim was to introduce urban standards in the poor areas on the outskirts of the city, which had deteriorated due to unauthorized urban development. The general aim was to balance and reduce dualism between the central and the peripheral parts of the city caused by urban development after WWII, through redistributive planning and social policies (Cremaschi 2010, 5).

Even in this period, political actors tried to mediate between the interests and points of view of landlords, property investment capital, and both those big private and public firms that were innovative and hi-tech but often depended on public contracts. Small firms and cooperatives also entered this system of interest mediation as new actors. During a period in which the building and real estate sector was affected by a crisis due to exogenous factors, the Rome economy had developed thanks to investment of private capital in innovative industrial sectors (above all electronics, pharmaceuticals and telecommunications) and the service sector. The number of persons employed in this sector increased by 74% from 1971 to 1981 and by a further 66% from 1981 to 1991. Particularly important were companies working in the fields of information technology, project planning and consultancy, which would later have a real boom in the eighties, with a new capacity to invest abroad (Toscano 2009, 52; Coppola 2008, 174).

One of the tools used in that period to reinvigorate the property market was the so-called « concrete pact », the first time in which an agreement between firms and the political leadership became evident in the city, explicitly revealing the political role of promotion and mediation. The agreement was signed between the communist mayor (L. Petroselli, in office from 1979 to 1981) and public and private developers (SMEs) and resulted in authorisations for new construction amounting to hundred of thousands of cubic metres, as well as an oligopolistic compromise between businessmen over the management of public contracts (Porro 1993, 133; 147). The innovative aspects of the agreement compared to the non-written agreements of the past were: its explicitness, the involvement of trade unions aiming at increasing employment, cooperative enterprises traditionally linked to the political left and to Catholic political parties, as well as small local enterprises and big state-owned firms. The provision of public housing was given a central role in the agreement so as to overcome the dualism existing between the well served city centre and the deprived outskirts that lacked the same urban standards.

Signed during a period of left-wing government, this non-aggression pact between politicians and the property development and rental sector, and extended to a wider group of diversified interests, did not last very long. Following the electoral defeat of the PCI and the return of local councils dependent on the DC (1985-1992) disputes resumed among real estate interests regarding control over those areas where building permission was at stake. In this period politics tried to play a connective and mediatory role between the various interests in a wider and more complex setting. On the one hand, the
traditional competition between developers changed in some aspects as the large amount of capital invested in property started to be diversified towards publishing, banks, insurances and network services. On the other hand, new tensions arose between the local small and medium-sized, but scarcely innovative, manufacturing industries and large private investors coming, above all, from northern Italian industrial areas (FIAT first and foremost) to invest their capital in Rome. At the same time, large public firms increased local initiatives. During this period local politics concentrated its role on offering a prospect for development created through national policies with high expectations of political benefits. The Italian government’s « Rome as the Capital city » (Roma Capitale) policy, launched in 1990, contains proposals in the fields of strategic infrastructure and transportation, the development and promotion of the city’s cultural heritage, environmental protection, and the development of scientific research. Along with the infrastructure program for soccer’s « Italia ’90 » World Cup, these policies offered opportunities for investment based on the property sector. The prospect of building the new Eastern Directional System (SDO), included in the master regulatory plan (never achieved) and expectations for stated-funded development of areas of the city (incentives for the expansion of outlying urban areas, national-level industrial contracts, above all for military weapons, and ancillary industries serving large state owned enterprises) set up those relationships between politics and the economy, on which these policies were based, as a « neo-corporatist regime ». Important public decision makers, large state owned firms and financial capital were brought together in a cycle of infrastructure and development initiatives with strong unitary management structure (Cremaschi 2010, p. 5).

The slow disappearance of some fundamental ingredients (such as politics as practised under the so called « 1946-1992 first Republic », increases in public expenditure, and the system of state-owned enterprises) set the preliminary conditions for a partial transformation of the Rome urban regime. These changes coincided with the advent of an early form of urban neo-liberalism.

3. The local advent of neoliberalism and its early characteristics

In Rome, as in many other cities in contemporary capitalist democracies, the neo-liberal paradigm has acquired a hegemonic connotation in the last twenty years. However, in Italy and in Rome the « moments of expansion and consolidation » (Geddes 2010) of neo-liberal forms of urban governance and policies arrived more than a decade later compared to what happened in other countries and cities. In fact, in the historical period when neo-liberalism consolidated itself at an international level and acquired radical connotations, its presence was made largely impossible (1976-1985) in the left-wing Rome council, led by the PCI and by the substantial absence from the national agenda of neo-liberal policies. A second peculiarity lies in the fact that these were introduced in Rome in the nineties by a hitherto previously untried centre-left political coalition, as also happened at national level. However, a factor which Rome shares with other national and local experiences is the presence of different types of neo-liberalism (Brenner et al. 2010) in each of the political phases. In particular, it is possible to identify an initial phase during which important aspects corresponding to the ideal type of « radical », or « roll-back » neo-liberalism, as well as to the « neocorporatist » type, prevailed. The initial
phase was followed in the subsequent decade by a consolidation phase corresponding to a
more social variation of the paradigm (see section 4), and subsequently by a period
of further radicalisation (section 5). The first phase started in 1993, at the same time as a
move away from Keynesian policies occurred at national level, and followed the election
of Francesco Rutelli as mayor. He was the first mayor to benefit from the new electoral
law (no. 81/1993) allowing direct election of mayors in large cities using a two round
ballot system. This law resulted in an increased importance being given to mayors and a
concentration of “almost presidential” decision making powers in their hands and those
of their management team (whose members together with the council administrative
managers and council representatives in various bodies, institutions and businesses were
appointed by the mayor himself, with the power to revoke such appointments). All this
amounted to a net contraction in the decision making and propositional role of the
elected council. Overall then, « the role of the mayor and executive were reinforced and
more autonomous with regard to the party system » (Piselli and Ramella 2002, p. 10).
Benefiting from such institutional change, F. Rutelli introduced major innovative changes
in the administrative and institutional organisation of the City council, correcting some
serious distortions in the operation of the organisation and in the relationships between
the administration and social interests, and by introducing decentralisation at the same
moment when the opportunity to reform the existing system of metropolitan
government made possible by law in 1990, was not taken up by local leaders.

Apart from the administration, important changes were introduced in policy, for
example, the privatisation of publicly owned local companies. This was done with a view
to liberalising public services and introducing criteria inspired by the logic of New Public
Management. Privatisation of the Central Milk Depot and, above all, of ACEA (the council
owned company dealing with electricity and water supplies) are measures typical of
“pure” or “radical” neo-liberalism, based on models of economic regulation strongly
orientated towards the market (Jessop 2002). Mayor Rutelli’s second mandate (1997-2001)
was mainly seen for its Jubilee 2000 policy, a typically urban neo-liberal initiative centred
on an event of international importance, which made it possible to start some urban
projects that had already been planned in the past (Cremaschi 2010), and to begin a
strategy based on the use of culture for economic development purposes (Violante and
Anunziata 2011). Collaboration between Council and the Vatican hierarchy was also
important and this drove the mayor not only to take a strongly conservative position at a
cultural level (for example refusing council support to the Gay Pride in 2000) but also
favoured the creation of a true and proper « growth coalition between Italian state,
council and Vatican that simultaneously worked to boost Rutelli’s profile: Rome as an

Such a radical position in policy choice in that period was justified by the principal actors
involved by recourse to not only the argument about the existence of exogenous
constraints (mainly the State’s financial crisis and the process of Europeanisation of
public policy) but also to the argument concerning the need to put an end to an opaque
and corrupt system of relationships that had been built up between parties and economic
actors, particularly evident in the management of public services. Effectively the opening
of this « policy window » to the introduction of political solutions inspired by radical neo-
liberalism was made easier by exogenous variables of a political and economic, national
and trans-national nature, which strongly influenced the “decisional premises” of local
actors, creating conditions for a policy change and for a redefinition of the way the Rome
urban regime would operate. This also took place without disturbing continuity in the basic reasons for relationships between politics and the economy, caused by the enduring centrality of the property business.

27 **National political factor.** Delegitimization and break-up of the party political system on which the “First Republic” had been based after the Second World war was an important variable exogenous to the urban system. In the early nineties all the main political forces that had governed Rome in previous decades changed their leadership groups, names and symbols (such as the PCI and the DC) and their programmes. At the same time, new parties appeared on the scene in Rome and in Italy, such as Forza Italia and Lega Nord. Because of mainly national dynamics, that were also fully operative in Rome, politics has seen a reduction in opposing ideologies, with previously unheard competition between centre-right and centre-left coalitions. By then these were without any « anti-system » aspects (in 1991 the PCI changed its name to the Partito Democratico della Sinistra, and again changed in 1998 to the Democratici di Sinistra and in 2007 became the Partito Democratico) and became more moderate giving up its anti-capitalist features, while all the previous governing parties disappeared. Without these factors a personalised leadership and the building of a bipolar system of political representation would not have been possible in Rome or other Italian cities. These things, in turn, offered in Rome support to a new season of co-operative relationships with the business sector, based on a new trust in such a renewed political system.

28 **Economic factors.** On the economic front, a period of crisis (1993-1996) with a reduction in the number of businesses and in industrial employment in the building industry and in the service sector itself due also to a collapse in public demand, was followed by a general upturn (1997-2000) which saw the start of an economic cycle that was particularly good for Rome. The possibility of continuing to base development on spending policies was, however, reduced as a result of the responses the Italian State gave to the financial crisis in 1992. Driven by pressure to meet the standards set by the Maastricht treaty and introduced along the road leading to Italy joining the European economic and monetary Union, this long period of reform had dictated an end to the political distributive cycle commenced after the war. The system of financing local government was also changed, introducing criteria on financial and fiscal responsibility for local authorities, which had previously had the opportunity to be reimbursed from central funds for losses they incurred in providing public services (particularly important to Rome as regards local transport). Local authorities were enabled to raise their own taxes (a Council Tax on Property, ICI, with tax levels determined by local authorities themselves, was introduced in 1993) and they were required to balance their accounts. One of the resources available for exchange between politics and the economy in Rome, involving the reimbursement of private interests directly from public expenditure, was thus made subject to new regulations, while other regulations were loosened.

29 In this phase it was, however, possible to spend money allocated in 1990 for the « Roma Capitale » project under a policy covering expenditure over several years. As a result of changing national regulation, the Rome council was also able to introduce what at that time was called the “Pianificar facendo” (planning by doing) into the urban policy area (Marcelloni 2003), based on flexibility of choice and the “contracting” of regulatory instruments over land use. This formalisation of “collaborative” practices between political and private interests regarding urban decisions which increased the institutionalisation of the role played by property interests in policy making, was
suggested as a way of “providing the city with a first general framework for urban policy objectives and of stimulating private initiatives in the direction of innovative objectives” (Marcelloni, cited in Fotia 2006, p. 45). According to more critical opinion, this regulation corresponds “in a framework of economic globalisation, to giving up the concept of a public idea of the development of the city” (Berdini 2000). This choice appears confirmed by the substantial abandonment of the above mentioned position on urban development in the eastern quadrant of the city, set out in the national policy for Roma Capitale. Such a choice appeared in the document « Towards a New Regulatory Plan for Rome », presented by the Council’s head of planning policy in 1998. In 1997, by means of the so-called « variante delle certezze » (variant of certainties) to the regulatory plan, « urban centralities » were identified on the outskirts of the city, adding value to areas previously bought by large construction firms. Through this decision, it was made possible for an agreement to be concluded between the Council and the families owning the construction companies (Cerasa 2009, 106; 115), and opposition by environmentalist movements to plans to build in areas considered environmentally important became weaker. On the basis of an agreement “between the big developers on the world stage and the Roman decision makers” the outlying « urban centralities », subsequently re-confirmed in the Regulatory plan approved in 2008, provided an occasion for large scale urban projects which “put into action operators and agreements on a metropolitan scale” (Amato et al. 2011, 239).

That which Jessop (2002) might define as a neo-corporative type of neo-liberalism, structures its form of governance in relationships between economic and political interests in which, differently from the past, the latter tries to play a guiding role, both for reasons of its new identity and to adapt itself to a new context, rather than remain embroiled in relationships where mediation was based on an exchange, such as that which characterised the opaque involvement with the property development economy typical of the long-running earlier period. It does so, above-all, trying to affirm a vision of the development and position in the world of Rome – in this phase for example Mayor Rutelli visited Wall Street and the London stock exchange to promote the sale of Council bonds – and asking businessmen to be involved and to play their part on the basis of more transparent rules than in the past, in exchange for continuity if not wider business opportunities. To expose the financing of the local authority to competition on international markets, as it also happened with the main local utility company (ACEA SpA), amounts to a strategy of reducing the dependence of the local authority on local economic partners (above-all businessmen in the construction sector) and local financiers (banks) who it is important to deal with from a stronger position (d’Albergo 2006). A search for a new partnership model between political actors and business occurred in this phase also through forms of “collaboration” which, in name, already bring the strategic planning model to mind, even without achieving it.

During this same period the city council in Rome tried to launch a process of cooperation with economic actors, which did not lead to any appreciable operational consequences (Amato et al. 2011, 224). Differently from what would happen after 2008, it was not characterised by any attempt at public communication. It took place through a discussion programme called « Roma Prossima », which was launched in 1997 by Mayor Rutelli. The city council committed itself to play a facilitating role making « a virtuous interaction between the level of strategic planning and that of Regulatory planning concerning land use » (Comune di Roma 2000, 110).
In the opinion of entrepreneurs in Rome, who expressed a wide, albeit implicit, consensus towards urban policies of the period, the economic upturn in the second half of the nineties was made easier by cooperation and synergy between local actors, both economic and non economic. This gave rise to a « Roman model of development in which the foundations are due to clever public intervention, aimed at the development and exploitation of the wide artistic, cultural and tourist heritage of the capital city, and at an advanced tertiary sector made up of dynamic firms active in hi-tech sectors, and also aimed at a great number of SMEs specialised in systems with local excellence and a high level of internationalisation » (Toscano 2009, 74).

In the early nineties, politics and policy in Rome were characterised by a strong decision-making tendency, a decidedly personalised leadership, narrowing institutional spaces for public debate, a progressive entrepreneurial-like connotation of the city, privatisation and liberalisation of important public utilities, a reaffirmation of conservative social and cultural values, the consolidation of an urban regime based on a sharing of economic exploitation strategies for urban space, and on a remuneration of property investments, although within a more transparent framework of urban planning decisions. During this period the political function of mediation was carried out with greater initiative and with a more proactive policy than had been so in the past.

4. The second phase of neoliberalism in Rome

A change towards a « moderate » or « social » form of neoliberalism in Rome was promoted from 2001 to 2008 by Mayor Walter Veltroni. A specific way of organising the relationships between the political authorities and economic and social actors, called « Rome model », was a characteristic feature of this form of neoliberalism, which also added some « neo-communitarian » features to the previous « neo-corporatist » type. This was an important transition in the neoliberalisation process in Rome. This neoliberalism now tended to go beyond its original character, which was based on privatisations and the attempt to foster the city’s competitiveness through infrastructure development and big events, and become more hybridised with social concerns and a territorial redistribution benefiting the outskirts of the city. At the same time this new form of neoliberalism became more systemic and institutionalised, as far as the involvement of economic actors in the making of political decisions is concerned.

During this period the process through which neoliberalism became institutionalised in Rome was based on a reception and consolidation, through a typical mechanism of policy transfer (Evans 2009), of the beliefs system on which the « Third Way » was based. This was a moderate and « social » variant of urban neoliberalism, which has been labelled as a « roll-out » phase (Peck and Tickell 2002), or consolidatory moment (Geddes 2010) of neoliberalisation. Such a phase is characterised by the carrying out of policies and the establishment of forms of governance that are innovative, and combine a market orientation with an appeal to values such as social cohesion and sustainable development. Thus, also in Rome, the policies and governance of a roll-out neoliberalism have a more constructive aspect in respect of the mere reduction of some aspects of the public presence typical of the previous roll-back phase. In a different interpretation of the urban development situation in Rome in this period, management of the city was characterised by « hybrid and transition » elements (Cremaschi 2010, p. 4), interpreted as an uncertain and initial overtaking of neoliberalism. Furthermore, since social goals have not been
achieved, and to keep to the agreement between the centre-left government and property developers in Rome, the model left space for insatiable private development. For this reason, according to a slightly different version, the Rome model represents both the rise and the fall of a hybridisation of neoliberalism with other types of urban policies and with anti-neoliberal practices. It consequently shows continuity with a conservative urban regime based on neo-municipal capitalism and speculative land rents (Violante e Annunziata 2011). Taking into account the ideal-typical differentiation between models of neoliberalism mentioned above, such a mix of economic competitiveness, guarantees of equal treatment in social protection, exploitation of the city and regulation of land use, support of economic development, and social development interpreted as responsible activation (workfare), can be classified as « moderate », « social » or roll-out neoliberalism.

36 External challenges were not yet associated with globalization in Rome during this period, but instead with the international crisis which followed September 11th 2001, bringing about detrimental consequences above all on Rome’s tourist economy. The policy discourses that are typical of this version of neoliberalism, which are based on « development and sustainability » were localised in Rome through an exploitation of its cultural and historical identity and the cosmopolitanism of the « eternal City » (Jouve 2007), which had become modernised through the presence of hi-tech, entertainment and communication industries and advanced services. In the documents of that period which we analysed in our research, the usual references to investment in property and infrastructure are also to be found.

37 In order to manage the interaction between political actors and those economic actors who were relevant to this process, a « Rome Project Board » (tavolo del Progetto di Roma) was established in 2002 with the aim of agreeing the basic principles of policies to foster urban economic development and employment. This governance tool was the most important innovation in Rome’s neoliberalization strategy and well accepted by the economic milieu. The Board was subdivided into several sectorial boards and ex post evaluation activities were to be carried out. The most important organizations representing economic and social interests sat on the Board, along with representatives of the three state universities in Rome. The Board performed both those coordination functions (Schmidt 2008) needed for the institutionalisation of a neoliberal policy discourse. The document signed by all the actors involved began with the statement that « the Rome City Council considers dialogue and cooperation to be crucial for the development of the city ». Dialogue is needed to promote a « qualitative modernisation » of Rome, characterised by « sustainability » and « social cohesion ». The influence of the above mentioned normative and cognitive proposals coming from the « Third Way » is well detectable in these aspects. However, they found original forms of adaptation to the economic, cultural and politic context in Rome and, above all, to the pre-existing system of relationships between political and economic actors. In order to achieve this strategy, solutions had to be found to various problems, such as coordination of the actors involved and communication to the public of the decisions made. Moreover political leadership had to be the pivot of the whole process. The Board was conceived as a simultaneous solution for all these problems, to such an extent that this method of working would be considered throughout subsequent years as symbolic of a new way of structuring forms of public action, synthesized in the « Rome model » formula. In the Board « a tendency towards more fluid communication among participants took shape and the common work
can be considered an important opportunity to integrate different languages and to construct shared cognitive maps» (Bartoli 2007, 63). This is, as mentioned before, a fundamental coordination function served by policy discourses.

At the same time, the idea by which dialogue between different actors was able to structure a true and proper working method, based on «an approach to problems that focuses on the general interest» of the city (Progetto di Roma, p. 2) made it possible for the Board to also perform a function of legitimisation of the decisions made. Such a form of self-referential legitimacy is typical of any institutionalisation process (Lanzalaco 1995). The activities of the Board were based on the role of a «promoter and mediator of initiatives (p. 4) for the City Council, which ought not only to «use and redistribute public resources, but also motivate and steer private investments» (p. 6). The City Council should interact with actors in all economic sectors following a logic of distributing attention and commitment to public matters. In this way it should, even though not easily but at least formally, induce convergence towards a common commitment to «culture, tourism, technological innovation, the environment, research, and urban maintenance (which) may represent the axes of a new conception of urban development (...). Rome’s economy must be attended to and sustained along the bumpy path proposed by the phase of great international uncertainty (...). This is a challenge that can be won only if sustained by a process of social cohesion and consultation (concertazione), in which the actors acting in the city are all major players» (Comune di Roma 2002).

Thus, the Board was considered to work effectively as long as the political leadership went on playing a role of mediation and promotion. The idea of making it a permanent structure in which consultation must become obligatory in some policy domains and decisional procedures (for example in drawing up the Council’s budget), strengthened the central role of the political leadership in Rome over time. It was no accident that the electoral program which Mayor Veltroni based his campaign on for his second period on office, which started in 2006 and was interrupted in 2008, indicated among its three most important starting points «the working method of Mayor Veltroni (...) a method that all Rome’s citizens have experienced over the five years of city government (...) a method based on a new social agreement, based on the «Project of Rome», in which all the associations of companies, the trade unions, the Chamber of Commerce, the universities, the Province of Rome and the Lazio Region cooperate with the Municipality to build together a great political, economic, social and cultural cycle, aimed at the sustainable development of the city» (Programme for the administrative elections 2006-2011, p. 4).

The model of governance in Rome during the 2001-2008 period was still based on the capacity of politics to play a role of mediation between different economic interests. To this it added the ability of gaining approval from other parts of urban society in the city. In the «moderate», or «social» neoliberalist phase, cooperative relationships with economic interests were of the greatest importance for Rome’s political leadership. But relationships with other parts of urban society, which were neither entrepreneurial nor economic and where carriers of post-material values were present, also became important. These actors tried, sometimes successfully, to influence political decisions and to establish partnerships with local government, for example, as far as its international activities and strategies were concerned (Jouve 2007). In this period the urban regime in Rome reproduced and adapted itself by translating partly primary and partly secondary aims into issues on the political agenda. The formation of single issue networks, which brought different actors to the scene each time, corresponded to such policy aims (Amato
et al. 2011, 250). Primary aims corresponded to privileged stakes, which were the basic aspects of local economic and social regulation, consisting of economic exploitation of the urban space and the opportunities to make profits. Secondary aims corresponded to « small opportunities », that is selective incentives of a social or universal character that the hegemonic coalition considered advantageous to distribute in order to « increase its consensus, its reputation for civic commitment and, above all, in order to contain opposition » (Borelli 2005, 155). In Rome such incentives turned out to be particularly useful to guarantee the cohesion of fragmented electoral and government coalitions and to remunerate social interests and cultural values that could not be satisfied through policies merely addressing economic accumulation. Non-economic actors, such as non-profit associations, social movements, NGOs and other actors within civil society were not invited to join the boards of the « Project of Rome ». They were substantially rewarded through the creation of « policy niches » corresponding to goals of social inclusion (local welfare) and to an endorsement of criticism of the market and globalisation (such as the « other economy », social housing) (d'Albergo and Moini 2007). Such a reward explains the presence in the policy agenda of that period of both « central », stable and « peripheral », changeable preferences, the latter referring to stakes which were important only for some actors and much less for others, such as those of a social kind.

41 A capacity for mediation with and among economic interests was shown on the one hand through the « Project of Rome » model and, on the other hand, through a management of relationships with the major firms carried out personally by the mayor (Cremaschi 2010, p. 6). From the nineties on, further diversification of the economy, in particular the development of an advanced services sector that added to competition between the interests of landlords and property developers, had made this need for mediation wider and more complex. For this reason strong leadership was needed, capable of integrating an institutional system which had been rendered more fragmented by decentralization (establishment of sub-municipalities and organizational fragmentation of the city's public utilities) and by policies that were « cross-eyed » as far as basic values and remunerating interests were concerned, but made all compatible with each other because they all fell under the umbrella of legitimisation provided by the mayor.

42 When the capacity to play such a role and to guarantee the preceding distribution of profits failed, politics paid the costs. Two useful examples, concerning the narrower block of property developer interests, may be illustrative. According to some, towards the end of Mayor Veltroni's mandate in 2008 SMEs in the property development sector perceived themselves excluded from public contracts to the advantage of a small number of big firms, and this brought an end to their political support for the mayor. The right-wing mayor who followed appointed the leader of these entrepreneurs as the president of an important public utility. The building companies' support for the previous centre-left mayor, who had abandoned an urban planning strategy falling back on « a personal management of relationships with big firms » (Amato et al. 2011, 225), ceased because of the difficulty of effectively mediating between the interests of the two major groups of building companies in Rome when faced with stakes that depended directly on public decisions (Cerasa 2009, 28).
5. The asystematic neoliberalism of the right-wing government

A new phase of neoliberalism started in 2008 with the election of a right-wing mayor, Gianni Alemanno in office until June 2013, when he lost the elections against the centre-left candidate I. Marino. Nevertheless, some characteristics of the former council’s political action were consolidated whereas important aspects were changed, including some urban governance tools and processes. All this happened in significant continuity with the most important features of the urban regime that had made it possible for the city to be governed over the last twenty years, the most important exception being the expulsion from policy processes of the non-profit civil sector, which had been a partner of the former council.

Nowadays council politics in Rome measures itself against a need to find a new position in a context that has changed, as far as local and external aspects are concerned. The first aspect is characterised by an enduring need to bring together diversified interests, in particular the short- and medium-term aspirations of traditional sectors (builders, property developers and landlords, who depend heavily on the location and exploitation of urban space) and innovative ones (advanced service sector, companies dependent on public contracts). Before the global crisis the economy in Rome showed a relatively good performance with a further increase and innovation in the service sector also caused by privatization processes and an increase in direct foreign investment (Amato et al. 2011, 221), which made the economy more diversified. In particular, the advanced tertiary sector is growing, but to deal with the challenge of internationalisation it needs support from an integration of public and private actions (Camera di commercio di Roma 2010). Thus, the primacy of the property and construction sector in the Roman economy, as far as its capacity to influence political decisions is concerned, is challenged by the crisis and by the presence of other interests which depend on « local » and public contracts in different ways.

While dealing with these needs, local politics has a more direct perception than in the past of the risks and opportunities of globalisation, especially of the effects of the global crisis and the reactions of transnational powers (European Union, International Monetary Fund, rating agencies etc.) and the Italian government, primarily by a further reduction of such support as might be provided by the state budget.

These aspects may be emphasized by analysing the « Strategic Development Plan for Roma Capitale », a tool for economic development which was introduced between 2010 and 2011 by the new political leadership. This document is relevant in order to get an orientation, as far as the basic values concerning public policies affirmed in the planning process are concerned, independently of the actual application of the Plan, which so far has been poor. Anyway, during the 2013 electoral campaign Mayor Alemanno made reference to it and its main goals and projects as one of the most important achievements of his administration.

The Development Plan was foreseen in the activities of a Commission « for the future of Roma Capitale », composed of experts and exponents from the economic, cultural and technical milieus in Rome and at a national level. The Commission operated from September 2008 to March 2009, with groups working on the economy and businesses,
services and transportation, infrastructure, demography, integration and social cohesion, culture archaeology and tourism, sport, on entertainment and the fashion industry, telecommunications and on sustainable development. This work produced proposals consisting of a vision (« Rome, door to time » (Roma porta dei tempi) and a great number of macro and micro intervention projects.

48 The Plan is organised on the basis of four macro-goals (environmental sustainability, polycentrism and solidarity, global competitiveness, and culture and entertainment) with interventions that should achieve « standardised global infrastructures » and « factors of specialised differentiation ». Economic growth is seen as a condition for generating resources useful for achieving goals of an environmental and a social kind. Insistence on urban polycentrism is a continuation of the basic idea of the Master Plan adopted in 2008 by the previous City Council. This structure is further divided into « planning themes », which were defined by the Commission for the future of Roma Capitale taking into account the actions that are underway or planned for by the Council and the « projects proposed by local actors » (PSS 2010, 68). The bid for the Olympic Games in 2020 was considered the most important « accelerator » for the implementation of the Plan, but it lapsed because of a lack of endorsement and commitment on the part of the national government, in office since November 2011, which did not want to allocate resources from the state budget.

49 The choice to adopt a strategic plan is justified by stressing the importance of a comprehensive vision for economic development, which « has the ambition of keeping these two components together, within a framework of competitiveness and solidarity, so that in practice they may have reciprocal feasibility and added value and contribute to making the Capital more competitive while at same time having more cohesion and solidarity » (PSS 2010, 11). Continuity with the idea, typical of « moderate » or « social » neoliberalism, of combining economic development and social cohesion is quite evident. The construction of a policy discourse focussing on communicative functions rather than on the purposes of organizational coordination represents the more innovative aspect. The strategic plan was presented to the « City’s States-General » (Stati Generali della città) (February 22-23, 2011) in such a spectacular way that it is evident that the most important need of the right-wing council is the credibility in the eyes of economic actors of those policy choices which have been made and still are to be made.

50 This aspect is particularly evident in the Summary of the Strategic Plan, where it is explicitly written that the aim of the States-General is « to communicate the first Strategic Plan of Roma Capitale, its programme horizons and those initiatives called « pilot projects », which are aimed at making the development prospective outlined (in the Plan) come true in the short and medium term » and at « agreeing strategic planning goals with the institutional and the most important economic actors, both national and local » (Strategic Plan Summary, p. 7). Besides communicative functions, the Plan presents organizational instruments for the coordination of intergovernmental and public-private relationships. The simultaneous bid for the Olympics provided for a complicated system of management committees, whose composition reflected the structure of the city’s urban regime and its connections with the most important actors in the national political and economic systems. Nevertheless, the neoliberalisation process pursued by Mayor Alemanno seems less systematic. Even though it might appear paradoxical, the choice of adopting an instrument such as strategic planning and, above all, the actual way in which the Plan was produced, shows how weak the capacity of the
political leadership in office in Rome from 2008 to 2013 was to pursue an autonomous and systemic strategy of neoliberalisation. The Strategic Plan for Rome was written by consultants while, so far, the process of construction through more or less « deliberative » debates with actors in the urban economy and in society has been far weaker. Above all, discourses have so far been very poorly followed up by actual actions, and up to the moment the Plan has not been implemented, with the exception of an official agreement between the City Council and the Chamber of Commerce (March 2012). The latter committed itself to funding the activities of « Roma City Investment », the agency in charge of promoting local development and marketing and of implementing the Strategic Plan. 

More than radical innovations, adaptations have been introduced, both in policy discourses and in the relationships between politics and the economy which are typical of the urban regime in the city. Although a political change occurred in 2008 bringing in a radical right-wing leader to govern the city, advantaged by an endorsement from an entrepreneurial class suddenly critical of « Rome’s lack of leadership » (Cerasa 2009, 104), what appears to have characterised the 2008-2013 period is a mix of continuity and change. The former regards policy goals, while the latter regards the innovative way in which the political leadership is trying to mediate between interests in Rome, and between these and national and transnational contexts. The introduction of a strategic discourse alludes to a capacity for collective agency within the competitive global context, a capacity of which seems to be lacking as regards the city’s economic interests. This factor should emphasize the proactive nature of the right-wing political leadership, which was expressed more in official documents than in tangible policy actions. The discourses of the political actors in Rome, which reflect a vision of cities as places in which « individual and collective, public and private sector actors (...) contributing to the – often incomplete – making of a collective actor » (Le Galès 2002, 262) and transmitted by transnational vectors such as the European Union and the OECD, is adopted as an explicit normative reference (PSS 2010). However, the capacity of Mayor Alemanno to play the role that had been one of the strong points of political leadership under the « Rome model », that of mediator between different interests, was not proved.

As regards relationships between political and economic actors, the previous phases of the neoliberalisation process had been led more by politics. Mayor Rutelli (1994-2001) tried to impose new rules on the traditionally opaque exchange between the interests of firms and political consensus. Mayor Veltroni tried to institutionalise such an exchange with a place for consultation and pre established rules. During the right-wing administration the strategic plan was poorly implemented, nor was such an instrument for economic development mentioned in the election programme o the subsequent centre-left mayor, who was elected in June 2013. In general, the idea of strategic planning corresponds to a hegemony of capital, which is able to impose its specific rationality on politics. This policy tool is not neutral, but an instrument « for the diffusion and acceptance of the neoliberal agenda by society » (Jouve 2005, p. 56). In Rome the Strategic Plan should also « completely or partially replace the annual Financial Planning Document » (PSS 2010, p. 31). If actually implemented, such a procedure would make the involvement of economic interests more important and institutionalised in the making of political choices than it was in the past.

In the meanwhile local politics have found it more difficult than in the past to obtain financial resources from the national government, because of the worsening of the global
economic crisis. The so called « Government of Technicians » in charge in Italy from November 2011 to April 2013 dealt with the crisis through a general reduction of public expenditure. The mayor had signed a « Pact with Rome » with the former government (Berlusconi), through which extra financial resources should have been transferred from the national budget to that of Rome. The subsequent refusal, for financial reasons, by the Monti government to endorse and financially support the city’s Olympic bid well represents this change of scene. A partial compensation for this refusal was obtained at once (D. Lgs 18 April 2012, no. 61) by the City Council in a dispensation relaxing the restrictions on transferable grants and the contraction of new debts that had been established by the annual national budget decision (« internal stability pact »), as far as grants for the city’s administrative functions and expenditure on infrastructure were concerned.

In this context, in order to make new building easier and to remunerate land and property interests, the mayor reverted to using strictly local institutional resources. A first example is the so called « Housing Plan for Roma Capitale », in which the building of some 26,000 new dwellings is provided for, which implies the acquisition of new building sites, a densification of areas already available for building and a change of use for previously non-residential urban areas and buildings. In the City Council’s policy discourse the legitimation of such a decision is based on a statement that the Plan is an important instrument for social housing, although less than 25% of the dwellings are indicated for such use. Another example is the failed mayor’s initiative to bring further privatisation of ACEA onto the political agenda through the sale of 30% of the council-held shares. This operation, which was fiercely contested by opposition parties and by organised sections of civil society, would have consequently brought the loss of public control of this important utility holding and has been interpreted as an indirect attempt to reward the most important private partner in the company, who already holds 16% of the capital. It is no accident that this partner is the most important local property entrepreneur and that he made the electoral defeat of the centre-left candidate easier in 2008 by withdrawing his endorsement from the previous mayor.

Land exploitation for new building, further privatisation of public utilities, the adoption of a strategic planning rhetoric and the launch of an Olympic bid (although failed), make visible a concrete policy repertoire typical of « radical » neoliberalism, mixed with some discursive features pointing to social and environmental concerns. Furthermore, all these policies show that in this phase the relationships between politics and the economy in the city’s urban regime favour the role of a capital component of that is highly place-dependent.

6. The city’s Growth Coalition and Urban Regime and the Neoliberalisation process

In conclusion, it is possible to synthesize and discuss some specific characteristics of the urban regime in Rome and their continuity and change over time. A first and most important aspect concerns the ways in which politics has been playing a function of mediation between economic interests and the balance of power existing between the political and economic components of the urban regime. Another aspect is about the institutional and organizational features of such a regime and the combination of formal and informal governance arrangements. In order to produce outputs in the shape of
public policies and to reproduce itself the urban regime needs resources of a financial (private and public), cognitive and legitimisation kind. Cognitive resources are useful to comply with those normative pressures through which institutional and organizational models (such as strategic planning) are transferred and through which action is structured. These are received at a local level with mimetic isomorphism effects. Legitimisation resources are needed in order to ensure the cohesion and reproduction of the urban regime. These resources derive from both the political and personal characteristics of the political leadership and the powers that are assigned to it by state norms.

57 (I) Let us start from the first aspect. The ways in which the urban regime has either managed to get out of economic and/or institutional crisis situations, or has tried to do so, have induced some changes in the regime itself. These have been accompanied by a reproduction of its inherent features and its adaptation to major changes in economic, political and cultural conditions.

58 In urban regime theory, in which power is represented as a model of social production, the role of leadership is considered as a creative exercise of political choice, which includes the capacity to shape institutional arrangements capable of mobilising the resources needed for governing activities (Stone 1993). The case of Rome shows that even in the absence of an intense conflict between capital and labour and of firms big enough to influence the relationships between the economic classes and the political system in a « monopolistic » manner (as it happened in Turin with FIAT for example), the ability of politics to mediate consists, above all, in reaching a compromise over the interests and perspectives of different capital interests. In Rome the ability to do this has been greater or lesser according to the actors involved each time and, above all, according to the problems to be dealt with through public decision making. Nevertheless, the strategies of political leaders have been continually influenced by this aim, while the ways through which it has been pursued have been changing over time. For a long time they were based on the distribution of rewards to interests involved in land use, through either opaque decisions or non-decisions.

59 This remuneration through decisions concerning planning permission favourable to landlords and property development interests is an aspect of continuity. Twenty years later it is possible to confirm what F. Ferrarotti (1991, p. 151) affirmed: « the political and social formation that has dominated Rome for one hundred and more years, that alliance between economic power in its two components (ownership of building land and capital to be invested in building activities) on the one hand, and political decisional power on the other hand, is still alive ». This « property block », the Roman Growth Coalition, must adapt itself to the presence of new actors thrown up by processes expanding the service sector of the urban economy. For this reason relationships have taken shape within Rome’s entrepreneurial system, which is partly cooperative (above all within interest organizations) and partly competitive (access to local and national resources, and opportunities being at stake). This growing fragmentation (also due to the preponderant presence of SMEs) and competition within the entrepreneurial fabric has made the urban regime more complex. It has changed from being a relatively simple coalition, made up of politics and the most powerful actors among landlords and property developers, to being a more complex one. For this reason politics has had to continually adjust and update its methods in its mediation role. Some basic characteristics of the city’s urban regime, starting with the central role of mediation between economic interests played by politics,
have been reproduced even when an epochal transition occurred, that from Keynesianism to neoliberalism. Such continuity shows that this mediation role is so important for the urban accumulation process that this role has been reproduced in the ever-changing contexts of political economy, through changes affecting its institutional forms and its policy agenda.

Over the last twenty years, even in the presence of important changes affecting politics, the ways in which political actors have been playing this role have been compatible with the neoliberalization process influencing policies carried out at a national level since 1992 and later in Rome. This process has been substantially insensitive to changes in the political cultures and majorities that have governed Rome over this period of time. Economic actors have taken a pragmatic attitude towards political leaders and their partly differing strategies and governing styles. This has induced them to exchange views with politics and to respond positively to proposals for cooperation, being relatively indifferent to electoral changes.

In their relationships with the political system economic interests had to adapt themselves to the watershed of the nineties, when the neoliberalisation process reduced those public financial resources available for «distributive» policies and for relationships based on an exchange between consensus and profits sustained by unproductive public expenditure. The political system in Rome has tried to offer compensation, through an attempt to do two not easily reconcilable things at the same time. Firstly, on the one hand to set out strategic development trajectories, within which to render compatible different and unaligned investment prospects and sectorial growth. Secondly, on the other hand to guarantee those economic sectors more dependent on a «traditional» exploitation of local resources, land first of all, a renewal of business opportunities, even when public expenditure flows have been reduced by shrinking budgets and large state firms have been privatised. Financial resources, which are also useful for the reproduction of the urban regime, have been provided by the city’s political leadership through its intermediation with political power at a national level. For a long time publicly sourced demand on the local economy, and funding for ordinary and special public expenditure, have especially come from a national level. This has also been a way to sustain the functions of the capital city and to fund big events, above all in the shape of infrastructure (Amato et. al. 2011, 239). Besides this, some fundamental regulatory aspects of political economy, crucial to attracting investment in Rome, are still not decided in any major way by local authorities, in spite of the political rescaling processes (reforms bringing about decentralisation and federal arrangements) which have been affecting Italian institutions.

Under the current conditions of crisis and financial constraints it is more difficult for the local leadership to successfully negotiate new state investments. But the national government has also provided the Council with resources for institutional legitimisation and with administrative powers. Over the course of time the municipality has obtained special powers, on the one hand when big events are to be managed (the mayor was provided with special administrative powers to hold the 2000 Jubilee, including the power to coordinate the actions of national administrations) and on the other hand through a recent (Law no. 49 of 2009 followed by government decrees) institutional strengthening of the Council. In addition to the new name of «Roma Capitale», it has obtained important new powers, even in its relationships with national and regional government.
The local authority has become a stronger and more reliable partner for the city’s economic interests.

63 (II) The second characteristic of the city’s urban regime regards its institutional and organizational features and their continuity and change over time. In the history of its urban regime, the partnership between public and private actors has taken different institutional and organization forms. These have been gradually made more formal and institutionalised, to the point of introducing strategic planning in a more convinced manner, at least as far as discourses are concerned, than during the previous political period. New forms of urban governance should have been established through strategic planning, bringing about a more institutionalised participation in public decision making by private interests. The failed candidature for the 2020 Olympic Games, launched at the same time as the Strategic Plan had added other instruments to coordinate collective action. Along with those provided for in the Plan they looked as if they would create a coherent framework, and this was considered by some as having the potential to become the «normal» system of governance for the city in the future (Berdini e Nalbone 2010).

64 In reality this potential, as also its degree of innovation compared to its predecessor (the «Rome model», must be evaluated taking into account how such a collection of «additional» decision making seats and policy instruments might be coherent with the pre-existing «permanent» system of relationships. This is made up on the one hand of highly formalised and institutionalised interactions, such as the relationship between organizations which represent economic interests and the political leadership. Within these the role played by the Chamber of Commerce is particularly important, as much as are also the corporate relationships within the public utilities. On the other hand, the informal relationships between public and non-institutional (not only economic) actors are also important.

65 Rome’s Chamber of Commerce is a quasi-public institution that has important functions. Not only does it promote economic development (infrastructure, investments, marketing the city, services to firms, the Rome Fair, agencies for the internationalisation of the local economy, and training and development of human capital), but it is also important in governing the relationships between the different economic sectors and actors. Control of the Chamber is a goal in the competition between the entrepreneurs who elect its governing body and committees. Some episodes in this competition also shed light on the role of local politics. For example, in 2010, after a long contest between different individual and representative members of the business class in Rome the current president of ACEA (an utility company active in the power supply, water and environmental sectors) was elected president of the Chamber. He is an entrepreneur who had been president of the Association of Construction firms in Rome for the previous seventeen years and was linked to the former «Rome model» and its centre-left political leadership. Pressure exerted by the right-wing mayor was decisive in this election, while one of the defeated candidates, (the other defeated candidate represented the numerous SMEs in Rome) who was the President of the Association of Industrial Companies in Rome and Lazio was appointed by the mayor as President of «Music for Rome», a Foundation owned by the Council and by the Chamber of Commerce itself. This foundation manages the most important cultural centre in Rome, the «Auditorium», and also the Rome International Film Festival.

66 Besides this Foundation, Roma Capitale holds shares in seventeen other companies (in addition to ACEA there are two «special companies», two «institutions», an insurance
company and several other Foundations. In turn, they hold minority or majority shares in different sized companies and bodies of various legal formats. Because of the introduction of market rules during the first phase of neoliberalisation in Rome (the nineties) company law partly governs the relationships between politics and the economy and crises in such relations, as well as the coalitions through which politics plays its mediation role. For example the most important (16%) private shareholder in ACEA, who was mentioned above, is also the biggest property entrepreneur in Rome and a pioneer in the reinvestment of capital resulting from profits from property development. He was also vice president of an important national bank, publisher of Rome’s most important newspaper and Vice president of the above mentioned « Music for Rome » Foundation.

Such a system is known among the actors in the city’s urban regime as the « municipality-holding », and it has made possible a network of relationships in which economic, political and managerial aspects are combined. This system of corporate and institutionalised relationships is complemented by a coordination of interests achieved through mechanisms based on informal practices (Cerasa 2009). The political leadership maintains influence and control over the utility companies through a spoils system in which hierarchical resources are combined with exchange-based relationships and relationships based on trust with the economic actors. All these elements are well visible in the procedures through which the presidents and managing directors (CEOs) of these companies are appointed (Autieri 2011). In addition to aspects banally based on political patronage (for example, at the end of 2010 a scandal concerning the hiring of hundreds of people connected to the mayor and his political entourage hit several companies in the « municipality-holding ») the political leadership of the city from 2008 to 2013 made the most of its connections with people who had shared long paths of extreme right political militancy, in adverse conditions, during the post-war period. They were part of a political opposition, with little, if any, access to public resources to distribute as rewards, with poor political and cultural legitimisation, in a hostile social context, and sometimes acting illegally. These conditions facilitated the development of relationships based on trust and on a sharing of values and identity traits, such as neo-fascist rhetoric and imagery, documented in a vast amount of newspaper articles. Under the right-wing political leadership in Rome such connections specifically based on trust and fidelity were added to those exchange resources that are commonly used by other political actors as the basis of their « pacts » with the local economy and society. The use of such very peculiar informal relationships functions not only to reward personal and political interests, but also to make them a resource, among others, for the governability of the whole urban system.

With respect to the different types of relationships considered above, strategic planning performs on the one hand a symbolic function since it makes this dynamic less visible and provides political actors with a repertoire of actions rhetorically oriented toward competitiveness. On the other hand it provides economic actors with future opportunities for economic reward, principally through the « pilot projects »11. This is done through an updating of policy discourses of a Zeitgeist economic development type that must be sustainable and also compatible with « solidarity ». Such an updating shows a discursive continuity with the former centre-left council’s policies. However, rhetoric and discursive arguments that make sense of development strategies expressed in the Plan were produced within a selective system of relationships between economic and political actors. Because of this, these arguments likewise justify selective actions which, if
projects were actually implemented would have the effect of an unequal distribution of resources, in particular if implemented through the synergies with international investors that were sought by the city’s political leaders. This justification was, however, produced referring to more general interests and values (social and environmental) and this gave substance to an attempt to exert hegemony (Gramsci 1975; Howart 2009) not only by the right-wing political leadership in Rome but by the urban regime as a whole. Such an attempt was well visible until June 2013. The political change that brought again to office a centre-left administration will probably open a new chapter in the history of Rome’s urban regime. Mayor I. Marino’s programme leaves less space for use of Greenfield and indicates transformation and regeneration as a major strategy for urban development, a policy in which rules for governing land business are needed. Moreover, the idea of economic development itself is differently articulated if compared with the previous administration and firms are invited to help the administration to implement a regeneration model and develop the existing industrial districts. Whether continuity or further change in the role played by politics in Rome urban regime and its institutional features will prevail is a major research question for social scientists interested in this topic.

BIBLIOGRAPHY


NOTES

1. The article deals only with the previous periods.
2. Ten years later the Corte dei Conti (2001) pointed out delays and ineffectiveness in the implementation of these expenditure programmes, even though some flagship projects (such as the Auditorium) had been achieved and held up as an example of the innovative capacity of successive governments in Rome.
3. Other initiatives were carried out by the mayor in order to promote a sharing of a vision of the city’s development, in a broadly speaking strategic planning perspective. An example is the meeting on « Rome in 2015 » (January 18th-19th 2005), in which local and national experts and entrepreneurs took part, This concluded a series of four previous workshops (focused on exogenous variables, demographic and social aspects, the economy and employment, the local area and the environment) with the participation of think tanks and economic actors.
4. The actors who were formal members of the Board were: Associazione dei Costruttori Edili di Roma; Confederazione Nazionale Artigianato; Coldiretti; Confartigianato; Confcommercio; Concooperative; Confesercenti; Federlazione; Lega delle cooperative; Unione industriali; Confederazione Generale Italiana Lavoro; Confederazione Italiana Sindacato Lavoratori; Unione Italiana del Lavoro; Università La Sapienza; Università Tor Vergata; and Università Roma Tre. With the exception of the universities all these organizations had stakes of an economic kind and this made it possible for issues of competitiveness and economic development to be predominant in the agenda.
5. In 2010 Rome was amongst those Italian metropolitan areas where the added value of the industrial sector was lowest (7,9%) but in first place for the effect of services on local added value as a whole (87,8%). Exports in the sector services are also growing (Provincia di Roma 2011), as well as innovation, proven by indicators such as the expenditure on R&D and the presence of a « creative class », human capital and researchers (Crescenzi and Tortorella 2010, p. 123; 140).
6. In particular, an « intergovernmental steering committee » should be established through an agreement provided for by decrees issued by the national government in application of a law of 2009, containing a reform of Rome’s system of government. Such a committee includes the City Council, the Region and the national government, while the Province is, significantly, excluded. A « Committee for guiding and coordination » should be chaired by the mayor and composed of technicians and experts appointed by himself. Other instruments are: a « Consultation Board for Roma Capitale » for the consultation of representatives of economic and social interests; a « Consultation Board for functional autonomies », composed of representatives of the Chamber of Commerce, universities, research centres, professional associations; and a « Board for guiding,
coordinating and managing economic and financial strategies», which should « promote a convergence of the different, public and private, sources of funding (...) and to promote and support the development of public-private partnership » (PSS, 2010, pp. 172-3). After being officially adopted by the City Council, all the projects should be implemented through « programme agreement » (acordi di programma), which are a specific administrative tool introduced in the nineties to make it possible to make public decisions through contracts with other public and private actors and to reduce the constraints imposed by urban plans.

7. The committees provided for by the Plan were: a Bid Committee composed of the City Council, the Province, the Region, the National Olympic Committee, a representative of the national government, and two persons representing the athletes; an Executive Committee, chaired by the Deputy Prime Minister and composed of the President of the National Olympic Committee, the mayor, the president of the Chamber of Commerce; a Guarantee Committee, composed of some well-known personalities, expert in juridical, administrative and fiscal fields; a Support Committee for the Bid, (composed of representatives of athletes, experts and universities, exponents of sports and representatives of social, volunteer and environmental associations; an Honour Committee, composed of the highest offices of state and important exponents of the economic and financial classes.

8. Activities are aimed at finding investors within the global market for three urban regeneration projects that are part of the « first Portfolio of Territorial Tender »: the Ostia waterfront, the neighbourhood of Tor Bella Monaca and the « Museum of Roma » (in the central area). A meeting was organized with Dutch property investors.

9. This document is a crucial part of the City Council’s budgeting process, as it defines the most important political choices.

10. Decision of the Roma Capitale Assembly no. 23 of March, 1st 2010,

11. Pilot projects are initiatives to be promoted through specific territorial marketing initiatives. They are part of actions provided for by the Strategic Plan addressing issues of local economic development, large-scale urban infrastructure, and the publicly owned cultural and architectural heritage (PSS 2010, p. 46; 184). Depending on their specific characteristics, projects should be funded by either local, regional, national and European, or private funds.

ABSTRACTS

The article focuses on the relationships between politics and economic and business interests in Rome, in the period starting from the nineties, during which a process of neo-liberalization has taken place, but setting the analysis against a background of a wider timescale. Such relationships are investigated adopting as an analytical guide these questions: what functions are specifically exercised by politics? In what way are they carried out? What are the institutional and organisational links that have developed for this purpose over the course of the years in the field of local governance?

The article makes use of three main theoretical and methodological tools: (I) urban regime theory, (II) neo-liberal and neo-liberalisation theories and (III) a discursive analysis of politics. The relationships analysed present important elements of historical continuity. The main function played by politics within the urban regime consists of mediation between the interests and strategies of the different fractions of capitalist interests. Since significant changes have occurred in the fonts supplying those resources needed to feed processes of economic growth,
the way this function is carried out has been adapted as well as the nature of the urban regime itself.

L'article porte sur les relations entre les intérêts économiques et le monde politique à Rome depuis les années 1990, période pendant laquelle un processus de néo-libéralisation s’est mis en place. Ces relations sont analysées à travers les questions suivantes : Quelles fonctions exerce le système politique ? Comment sont-elles mises en œuvre ? Quels sont les liens institutionnels et organisationnels qui se sont développés entre économie et politique au cours des années 1990 ? L'article utilise trois instruments théoriques et méthodologiques : I) la théorie des régimes politiques urbains, II) les théories sur le néo-libéralisme et la néo-libéralisation et III) une analyse discursive de la politique. Les relations étudiées présentent des éléments significatifs de continuité historique. La principale fonction remplie par le politique au sein du régime urbain est une fonction de médiation entre les intérêts et les stratégies des différentes fractions des intérêts capitalistes. Dans la mesure où des changements significatifs sont intervenus, dans les dernières décennies, dans les processus de production de la ville, les modalités de cette fonction de médiation se sont adaptées ainsi que la nature du régime urbain lui même.

INDEX

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Mots-clés: acteur politique et économique, continuité et changement, néolibéralisation, néolibéralisme, politique urbaine, politiques urbaines, régime urbain, Rome

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