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RESEARCH ARTICLE

RESTRUCTURING PUBLIC ACTION IN ROME

Neoliberalization and the relationships between public and private actors

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ABSTRACT: The paper explores the changes in public action that have occurred over the last twenty years in the city of Rome, focusing on two case studies which represent an example of policy restructuring and depict the new role attributed to private initiative and investments, to the detriment of public roles and public property. The paper debates the interpretive utility of the concept of neoliberalization for understanding these processes of change.

The first case study regards the privatization of a public utility in charge with providing water and energy; the second one focuses on the valorization of a public real-estate property. Both cases highlight processes of marketization and commodification, depicting a neoliberal mode of public action, widely regarded as the obvious response to the inefficiencies of more traditional administrative action. The theoretical conceptualization of neoliberalization allows one to approach these changes as part of a more organized and coherent framework, and as important moments in the neoliberalization process in Rome. The contextually specific and path-dependent form of this process can be better understood by looking at the strong alliance between political and private actors, in particular, those who are linked to real estate and land properties. This strategic relationship, in existence since the end of the 19th century, keeps on shaping public action and influencing political decisions.

KEYWORDS: neoliberalization, urban policy, public services, urban planning, valorization of public properties, public and private relationships.

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1. Introduction

How has public action in Rome changed since the beginning of the '90's? Does the theoretical concept of neoliberalization help to interpret these changes? If so, is it possible to identify a specific form of neoliberalization in Rome?

The article addresses these questions and debates the interpretive utility of the concept of neoliberalization for understanding public action changes in Rome. These are examined in the light of global political and economic changes which deeply affected the urban scale because of the role that has been given to major cities in the global economy (Brenner 1999; Sassen 2001; Taylor and Csomós 2012). Cities have been recognized as strategic sites for the functioning of global capitalism and for the experimentation of restructuring projects that are consistent with the free market system. Many local authorities have promoted changes in order to succeed in the context of interurban competition (Peck, Theodore and Brenner 2009) and to modernize administrative action. Private actors have acquired centrality in urban policy-making. Their role in the management of urban services and public responsibilities has increased.

In the last years, some scholars have adopted a critical position towards all these changes, that have been regarded as the expression of a neoliberal mode of public action. Under this approach, the rise of neoliberalism has redefined the relationships and the balance of power between public and private sectors. Human geographers who support this argument have stressed the variegated, hybrid and path-dependent character of existing neoliberal restructuring projects which usually assume place-specific form within cities and city-regions. Neoliberalism is seen as an ongoing process which varies over space and time: the fact that this is a processual and variegated phenomenon is conveyed by the concept of neoliberalization. According to most geographers, neoliberalization has proved a useful concept for understanding current social, political and economic changes (Springer 2014).

In this work I investigate how this conceptualization can be applied to the case of Rome, which in the last two decades experimented important changes in public action. In particular, I focus on two case studies, examples of the new role attributed to private initiative and investments, to the detriment of public role and of public property. The first one regards the privatization of Acea, the local public utility in charge of providing water and electricity; the second one concerns the valorization of a former public real-estate property located in the city centre.

Methodologically, I used qualitative techniques to gather evidence on the case studies. I analyzed information from secondary sources, such as municipal resolutions and other administrative acts, in order to collect information about events and to better

understand the position of the Municipality. I also identified the key political actors involved in the processes and I interviewed local politicians, council members and city managers to find out about their opinions and perceptions. Eventually I ended up with nine interviews.

The article develops as follows. In the second section, I illustrate the changing tendencies affecting cities and urban policymaking and I present the theoretical framework, looking at the contributions human geographers have given to characterize neoliberalization as an hybrid, protean and path-dependent process.

In the third section, I provide a description of the case studies retracing the history of events and the politico-institutional framework in which they took place. Here, I also analyze the reasons used by politicians to justify market-oriented restructuring of public action.

This section is followed by an interpretation of the case studies in which I discuss the utility of the concept of neoliberalization for understanding the case studies. In this last section, I also clarify the specific and path-dependent form this process assumes in Rome by looking at the inherited political practices and the pre-existing relationships between political and economic actors.

2. Market-driven restructuring: urban entrepreneurialism and neoliberalization

From the end of the 1970s onwards, the crisis of the Keynesian Welfare State and the dramatic acceleration of globalisation processes have produced relevant effects on urban economic and political landscape. Although these changes had a different impact on cities – due to the path-dependent and context specific interaction with the prior institutional and economic arrangements – it is possible to identify some common trends. From the economic standpoint, these includes the downturn of manufacturing activities and the prevalence of the service sector, the shift towards a more flexible mode of production, the spread of multinational companies, the major role recognized to ICT and the rise of a finance-dominated model of capitalist development (Vicari Haddock 2004; Kotz 2002; Rossi and Vanolo 2010; Kleniewki and Thomas 2010; Krätke 2014). The crisis of the Keynesian mode of regulation and the intensification of economic and financial flows over space and time have fostered the rise of a regime of inter-urban competition in which cities compete with each other in order to attract capital and other resources to compensate the decrease in public transfers from the central State to local authorities. This competition has produced a zero-sum game with

winners and losers. The winners are those cities who have entrepreneurial and strategical skills used to attract command and control functions in the world economy (Sassen 2001; 2007). These major cities are globally interconnected through economic and financial flows: the resulting transnational urban networks are pivotal for the well-functioning of global capitalism (Kleniewski and Thomas 2010; Krätke 2014).

The process of economic restructuring and the rise of a system of interurban competition also exacerbated urban problems, such as poverty, inequality and unemployment (Jessop 1997). This led local authorities to experiment new models of public action and new strategies of urban development. The Marxist geographer David Harvey (1989) stressed how these new practices caused a shift in urban governance from managerialism to entrepreneurialism. He identified two main causes for this trend that affected the advanced capitalist countries: the economic and fiscal difficulties of cities and the spread of a political climate strongly committed to market rationality. According to Harvey, this transition towards an entrepreneurial approach led to important changes in urban policy-making: while in the '60s and in the early '70s urban action was mainly engaged in local provision of social and public services and in the management of the urban space, starting from the middle of the '70s economic development became the essential landmark in orienting urban policymaking.

Harvey's analysis is useful to understand the recent changes. In the last years, in fact, political consensus developed around the benefits for cities adopting an entrepreneurial approach - consensus that spread out across national boundaries, political parties and ideologies (Peck 2014). International organizations and supranational institutions, such as the OECD, the World Bank, the IMF and the EU, functioned as important agents for disseminating entrepreneurial practices and pro-market modes of governance through policy recommendations, persuasion, peer pressure and experts evaluations (Theodore and Peck 2011). According to the OECD (2007), urban entrepreneurialism evokes the image of a city as an enterprise which acts for maximizing its growth in interurban competition, by producing, at the same time, benefits for all citizens. It conveys a new understanding of the urban development which is mainly centered on economic regeneration and competitiveness and in which welfare and public services are considered costs to be cut down.

The necessity for modernizing the public sector, which has been largely stated, appears strongly connected to urban entrepreneurialism. At the heart of this imperative there is the reasoning that the traditional public sector proved to be inefficient since bureaucracy affected the efficacy of its action. Then follows the need for the renewal inspired by market principles and supported by private actors, who are supposed to have the capacity to efficiently manage public responsibilities.

In the recent years, many public administrations in advanced capitalist countries promoted changes in compliance with New Public Management. This model of public action fosters entrepreneurial behavior, competition mechanisms, privatization and contracting out strategies (Keating 2001). In so doing it promotes a redefinition in the relationship between public and private sectors, by moving public functions to private actors. The entrepreneurial and the New Public Management approaches have been regarded as desirable ways to act in order to succeed in interurban competition.

Some scholars recognized urban entrepreneurialism as the expression of a neoliberal mode of public action which takes up two main assumptions: the predominance of market discipline and competitive mechanisms in order to regulate societies, and the opposition to Keynesian strategies and interventionist measures (Peck 2008). According to this opinion, neoliberal strategies - such as privatized governance and public-private partnerships, the outsourcing of public services, the commodification of urban space, the promotion of mega-events and other initiatives of place marketing - are related to urban entrepreneurialism (Peck and Tickell 2002; Peck 2014). These strategies depict an 'entrepreneurial turn' which has conveyed the triumph of free market thinking over redistributive logic and has increased the role of private sector actors in the policy process (Fainstein 2014).

This widespread tendency of marketization and commodification has not been uniform or regular. As many scholars pointed out, it has assumed place-specific form within cities and city-regions. Aihwa Ong (2007), for example, argued that neoliberalism should be regarded as a migratory set of practices, as a 'mobile technology' that produces different political results and effects since neoliberal practices interact with local circumstances. This understanding of neoliberalism spread out in the last years, especially in human geography: nowadays most geographers agree that neoliberalism should be conceptualized as a variegated, hybrid and path-dependent process (Springer 2014). Its effects vary depending on the contextually specific interaction between market-oriented restructuring projects and inherited institutional and socio-economic arrangements (Brenner and Theodore 2002). This suggests the need for investigating neoliberalism not in a pure form but in its concrete and protean manifestations.

This conceptualization has called for the adoption in literature of the concept of neoliberalization in order to describe neoliberalism as a processual phenomenon and to highlight its place specific character (Brenner, Peck, Theodore 2010; Springer 2010; Purcell 2008). In the unfolding of the neoliberalization process, human geographers identified two main moments related to different political practices: the roll-back one in the '80s, characterized by radical market-oriented policy experiments aimed at dismantling the Keynesian regulation system; the roll-out one in the '90s, marked by the

establishment of new institutional infrastructures for promoting marketization. They represent the destructive and the creative moments of neoliberalization, respectively (Peck and Tickell 2002; Harvey 2006; Brenner, Peck, Theodore 2010). The creative moment can be regarded as the political response to the need for consolidating consensus on neoliberal practices. This was done, for example, by paying more attention to social issues such as exclusion, inequality and poverty in order to compensate the social and economic externalities of more radical neoliberal projects. The adaptive character of neoliberalism and its capability to vary across domains and national contexts have been also recognized as important factors in explaining the resilience of neoliberalism (Schmidt and Thatcher 2014).

It is important to stress that, although both the disruptive and the constructive moments of neoliberalization are related to different historical phases, concrete projects of neoliberal restructuring often reveal a hybrid character which results from a combination of roll-back and roll-out tendencies (Peck, Theodore, Brenner 2009).

3. Public Action in Rome: two case studies

Starting from the theoretical framework briefly sketched above, this article focuses on two policy processes: the first one regards the privatization of Acea, the public utility in charge with providing water and energy; the second one concerns the valorization of a former public real-estate property located in the city centre. The case studies represent examples of the market-oriented restructuring that occurred in the management of public services and in urban planning, which are among the main responsibilities traditionally assigned to city governments. This restructuring highlights the influence of economic actors on urban policy-making and also sheds light on the relationship between public authorities and economic actors and on its development over time.

3.1 The privatization of Acea

Acea is the local multi-utility operating in the water and energy sectors. It was set up in 1909 by the mayor Ernesto Nathan. Along with Ama (waste management), Atac (public transport) and Centrale del latte (provision of milk), Acea was among the main municipal utilities. In 1997 it was turned into a special undertaking (*Azienda speciale*). At first, the Municipality started a formal privatization process (De Vergottini 2009) by

maintaining the total ownership of the company. In 1998 the Municipality proceeded with the substantial privatization by opening onto the market a significant amount of shares (49%). This transformation was pre-empted by a referendum, the result of which was the weak approval of the privatization (51% approving against 49% dissenting). The current shareholding structure consists of public and private members: the Municipality of Rome still holds 51% of shares, while other private actors own the remaining percentage. The major private investor (more than 16%) is the Caltagirone Group, that is an important family-owned local company operating in construction and in the publishing industry. It controls one of the most popular newspapers in Rome. This highlights its significant influence on public opinion.

The privatization of Acea was promoted by the mayor Francesco Rutelli as a part of a broader political program aimed at reforming and modernizing the public administration. In the past, serious cases of political corruption had damaged public utilities. It is worth noting that Rutelli was the first mayor directly elected by the people in 1993, thanks to the Law no. 81/1993. This institutional reform made mayors more accountable to the electorate, also extending their decisional power.

Rutelli intended to break with the pre-existing model of public action; the renovation he asked for was centered on efficiency and flexibility with a strong reliance on market discipline. He saw the privatization of public utilities as the best solution to achieve two objectives: to regain legality and efficiency in the management of public services and to obtain additional resources to be addressed to budget recovery.

In understanding this reasoning, it is important to take into account the overall political climate in Italy as well. During the '90s, successive governments, even though expressions of different political hues, launched privatization of state-owned companies with the aim of balancing public debt and ensuring fiscal stability as required by the European institutions in order to be part of the economic and monetary union (Corte dei Conti 2010). Privatization took place in several sectors, including finance and real estate industry, manufacturing, transportation industry and utilities. In particular between 1990 and 2000, on a total of over 120 privatizations, about 10% affected utilities (Privatization Barometer database¹).

This wave of privatization, which actually affected many other European countries, can be partly explained by considering the changing global view on the role of the State in the economy (Nestor, Mahboobi 2000), according to which the state is not expected to provide those services that are (or can be) made available on the market.

¹ <http://www.privatizationbarometer.net/database.php>.

The privatization of utilities in Italy was eased by the contextual redefinition of the legislative framework: the Law no. 142, approved by the Italian Parliament in 1990, allowed local authorities to manage public services by means of joint-stock companies with the involvement of private actors; the Law no. 498/1992 increased the private commitment in managing public services and in realizing public works by allowing the establishment of mixed capital corporations with the majority of shares owned by private investors.

Moreover, the local finance reforms (Laws no. 142/1990 and no. 421/1992) promoted fiscal decentralization and fiscal autonomy, also reducing government funding to local authorities. Previously, block grants had served to cover the deficit of local public utilities. After the reform, there was an overall acceptance that service delivery had to make a profit and public utilities could no more operate at a loss (Zangani 1995), which was a shared (even if implicitly) understanding of how public services were expected to work.

The European Union contributed to the spread of this understanding too by supporting market liberalization and privatization of public services across the Member States, in particular for those services which have an economic interest, such as telecommunications, postal services, transport and energy (European Commission 2003).

The privatization of Acea was launched in this market-friendly political climate. This transformation was considered the necessary precondition for increasing the efficiency and enhancing the competitiveness of the company. Moreover, it was also an easy way to obtain revenues. The privatization of public utilities is one of the pillar of the normative model of New Public Management, which provided strong policy guidance during the Rutelli administration. Acea was one of the first privatizations of utilities in Italy and the second one, after Amga in Genoa (1996), in the water sector (Privatization Barometer database). In this sense, the privatization of Acea, although related to the wider political national and international context, can be viewed as a pioneering political decision.

Recently, there has been a further attempt to increase the private involvement in Acea: article 23-bis of the Decree Law no. 135/2009 (Decreto Legge Ronchi) highly contributed to complicate the public management of local services, such as water, waste and transport. The 2011 referendum on public service delivery repealed this article, in effect preventing the sale of additional shares to private investors. In 2014 the privatization of Acea came into the fore with the so-called Decree 'Salva-Roma Ter' (Decree Law No 16 of 16 March 2014) adopted by the Italian Government. The first version of the Decree included the amendment, presented by Senator Linda Lanzillotta (Council Member for the municipal budget during the Rutelli administration) and then rejected

by the Senate, that obliged the Municipality to sell additional shares of listed companies, such as Acea. Here, too, the process of privatization was seen as the necessary solution to obtain resources to be allocated to the Municipality's budget recovery and to increase the efficiency in the management.

Since there are many factors to be taken into consideration, it is extremely complicated to assess the effects of privatization on the performance of utility companies, in terms of efficiency gains. This is suggested by a study published in 2010 on the results of Italian privatization, carried out by the Corte dei Conti (*Court of Auditors*), which pointed out that the higher profitability of privatized companies is not necessarily linked to the involvement of private investors. It could be, instead, associated to better initial economic and financial conditions, which would foster the involvement of private investors. Similarly, low revenues of privatized companies could be related to the decision of the management to keep prices down and not necessarily to inefficiency. With regard to utilities (Acea is among the utilities taken into account), the study showed that growth in profitability after privatization might be largely caused by an increase in fees. Privatization inevitably affects the balance between public and private interests, leading to a potential conflict of interest between users who require cheap services and investors who want to make a profit (Corte dei Conti 2010).

The case of Acea's privatization highlights the attempt to put into a different perspective the management of public services in Rome. Up to this time, the public control of utilities was considered as strategic, despite the service delivery was often characterized by inefficiency and corruption. The political decision to allow the access of private capitals into Acea's ownership reflects compliance with the entrepreneurial mode of public action and can be considered the starting point of neoliberalization in Rome (Iacovino 2014). This operation had a strong symbolic character, in view of the strategic role of Acea as an economic player, and marked a clear discontinuity with the previous model of public action. As a consequence of that, the view that public services, including water that should not be considered of economic interest, has to be managed through the involvement of private actors has become widespread. Reliance on market discipline has become the main political response to the inefficiency of the administrative action (regardless of its results in terms of efficiency gained). In this new market-oriented climate, the privatization of public utilities has been used by political actors as a tool to increase consensus and legitimacy among the public opinion (d'Albergo, Moini 2015).

In Rome this restructuring process had a peculiar result since the shift towards the market solution also meant the involvement of one of the leading local real estate entrepreneurs, who is now the largest private shareholder in the company. Eventually,

the privatization of Acea allowed the political leadership to provide income opportunities for a strong local economic actor.

3.2 *The valorization of the Atac bus depot*

The valorization of the bus depot located in Via della Lega Lombarda took place within the normative framework of the City Masterplan approved on February 2008, just before the resignation of the mayor Walter Veltroni. But it is also related to the process of reform aimed at modernizing and enhancing the efficiency of public administration. Starting from 2000, the Municipality of Rome initiated the disposal of public property assets, in particular of bus depots, for the purpose of acquiring additional resources to be addressed to fiscal consolidation. This led to the valorization of public properties through the use of variants that made them more attractive to potential investors (Erbani 2013).

The bus depot located in Via della Lega Lombarda was a property of Atac, the utility responsible for operating the public transport network in Rome. In the late 1990s Atac experienced a deep budget deficit. In 2000 it was transformed into a joint-stock company and divided in two companies: Atac Spa with planning responsibilities, and Trambus Spa with management tasks. As a result of this change, planning remained fully under public control while the management of services was allowed to private investors.

In 2005, by the Municipal Resolution no. 186/2005, the City Council authorized Atac Spa to create Atac Patrimonio Srl (*Atac Real Estate Ltd*), an agency dedicated to the economic valorization of the Atac real-estate properties. Fully controlled by Atac Spa, Atac Patrimonio Srl was set up with the aim of handling the sale of the real estate assets in order to create additional resources and reduce the debt of the holding company. The same resolution allowed Atac Spa to close a 160 million euros loan agreement with Cassa Depositi e Prestiti² (*Deposits and Loans Fund*): the money was to be refunded through the selling of Atac properties.

The bus depot located in Via della Lega Lombarda was soon recognized as part of the public real estate assets to be sold since it was no longer functional for transport. Its strategic location – well connected to the city centre and close to the second railway station of the city (Tiburtina station) – made it a particularly valuable asset and an at-

² Cassa Depositi e Prestiti is the national financial institution responsible for assisting public authorities by providing funds for public investment and supporting the valorization of public real estate properties (<http://www.cdp.it/>).

tractive opportunity for potential private investors. It was first necessary to grant some land use changes in order to appeal to investors, providing them with the option to build more and in a more profitable way. Land use changes could be related to the need to improve urban quality or be considered as a political strategy in order to attract and reward private interests (Pizzo, Di Salvo 2015). Land use changes are in this case to be considered as a mere political strategy.

The valorization of the area occurred in the mid-2000s. At that time, the Municipality of Rome was working on a new City Masterplan, which was approved in 2008 replacing the previous Masterplan approved back in the 1960s. The transition period occurred between the dismissal of the old Masterplan and the approval of the new one was managed through a new working method synthesized by the term 'pianificar facendo' (*planning by doing*). Back to the mid '90s, this working method became the predominant way to conduct urban transformations. The main idea behind 'planning by doing' is that urban transformations and interrelated economic and productive processes cannot be stopped during the drafting of the new Plan, which requires a long time to be released. They can instead be readdressed on the base of the objectives of the new Plan, by means of an instrument - the 'Accordo di programma' (*Programme Agreement*) - which is an agreement that enables public actors to change the content of the previous Plan (Marcelloni 2003). Introduced in Italy by the Law no. 142/1990, it was formalized with the Legislative Decree no. 267/2000 'Testo Unico sull'ordinamento degli enti locali'³ (*Unified Text governing local authorities*). This Decree allowed public actors to adopt the *Accordo di programma* in order to guarantee the coordination of activities, the definition of the timeframes, the financing and the implementation of the procedures (Art. 34).

In the case of the bus depot, the *Accordo di Programma* was used to modify the content of the 1960s City Masterplan, which set the building (built in the '30s) as a facility for the public transportation: as a matter of fact the building was classified M1 - Public services facility. Under the new City Masterplan the building and its surroundings were

³ Legislative Decree no. 267/2000 'Testo Unico sull'ordinamento degli enti locali' states that, in order to conduct public works, projects and programs whose implementation demands for coordination between different public authorities and agencies, the presidents of Regions and Provinces and the mayors can promote the 'Accordo di Programma' with the aim to guarantee the coordination of activities, the definition of the timeframes, the financing and the implementation of the procedures. The agreement has to be approved by the municipal executive and ratified by the City Council. If the agreement entails variants of planning tools, the city council has to ratify the approval of the mayor within 30 days. The approval of the agreement is related to the public benefit and the urgency of the works (Art. 34, Legislative Decree no. 267/2000).

included in the valorization area C3⁴. This meant that the site was recognized as strategic for its proximity to the city centre and to one of the main transport hubs of the city. In the valorization area land use changes and the allocation of residential, commercial and service functions are allowed in order to requalify the area.

The *Accordo di Programma* signed by the Region, the Municipality of Rome and Atac Spa authorized a process of urban regeneration consistent with the content of the new Plan, which at the time was not yet in effect. In particular, the agreement made possible the realization of a new building complex, designed for residential functions (45%), commercial functions (21%), and services (33%), both public and private. Therefore, it facilitated the establishment of profitable residential facilities. It is worth noting that the Municipal District, which is the sub-local authority in Rome, opposed the transformation process, which also generated protest and mobilization of the inhabitants and of the no-profit organizations. After signing the agreement, Parsitalia Real Estate Ltd won the public tender for the sale of the area. The project of urban regeneration, still under way, calls for the construction of stores, private offices, apartments, a car parking and a municipal library, which is the only public facility.

Over the last few years, the use of the *Accordo di Programma* in planning generated a broad political and technical debate in which two opposing views emerged. On the one hand the agreement was regarded as the best way to make flexible and effective urban planning, in accordance with market imperatives (Urbani 2000; Marcelloni 2003). This view refers to a representation of planning as an activity that should not be overregulated since excessive regulation would limit or even prevent private investments.

On the other hand are those who highlight the risks related to the excessive spread of derogatory instruments such as the *Accordo di Programma*. According to this position, deregulation entails a shift towards private interests at the expense of public good. The underlying assumption is that public actors should have a strong regulating role in planning land use and in controlling decisions on urban transformations (Berdini 2008; Assini, Mantini 2007).

In general, the use of derogatory tools is related to the spread of 'negotiated planning' which has favored and legitimized the involvement of private actors in urban regeneration and transformation. The spread of 'negotiated planning' reflects a broader national and European trend toward the use of contracting arrangements to carry on political activity. According to L. Bobbio (2000), this trend, which was initiated by the

⁴ Valorization areas C consists of brownfields and non-residential settlements. The changes the City Masterplan allowed in this area are intended to improve the environmental and morphological conditions by the location of residential and non-residential functions (Municipality of Rome 2008).

English conservative governments with the aim of decentralizing services and government functions, affected many western countries. In urban planning, the most evident effect of this trend is the increasing involvement of the private sector actors in financing and implementation of urban planning projects (Nessi e Delpirou 2009). In this context, the *Accordo di Programma* represents a powerful tool for engaging private actors since it allows policy-makers to modify the objectives of the City Plan, meeting the needs of investors and creating favorable conditions for investment (Iacovino 2014). If the use of derogatory tools is a national trend, the abuse of the programme agreement is a particular feature of Rome. According to I. Insolera (2011), the excessive use of this agreement has contributed to institutionalize and facilitate deregulating practices, which completely twist the content of the City Plan, weakening its regulative character for the benefits of private actors (land owners, developers and investors).

This case study is a valuable example of a market-oriented urban regeneration realized through the involvement of private investors. The administration upheld the need to involve private actors to tackle the critical fiscal situation of the Municipality and effectively carry out the process of urban regeneration. The *Accordo di Programma* was seen as an essential means for ensuring the feasibility and efficiency of urban development measures. Accordingly, the increase in the volume of buildings and land use changes should be regarded as incentives to stimulate private investments (Municipal Resolution 118/2006). It is worth noting that these incentives may affect the balance between public and private interests if they represent profitable opportunities only for the investors and if the project of urban regeneration does not benefit all citizens.

In this respect, the case study also sheds light on a well-established feature of planning in Rome: the intensive use of deregulating tools to overcome the constraints of City Masterplans in order to guarantee profits for developers and land owners. The relationships between these private actors and the local authorities consolidated over time. Some scholars interpreted them in terms of an urban regime (Iacovino 2014, d'Albergo, Moini 2015) that is an 'informal arrangement by which public bodies and private interests function together in order to be able to make and carry out governing decisions' (Stone 1989: 6). This coalition is mainly driven by the need for public authorities to mobilize the resources required to govern, which they lack without the support of private interests. Economic actors are always part of the urban coalition since they control politically important resources. Resources are not only economic but also include experience, social networks contacts and political support (Stone 2006). An urban regime is not a hierarchical arrangements. It is based on the exchange of incentives and benefits. In the case of the bus depot, the exchange concerned incentives for potential investors - land use changes and the increase in volume of construction- in re-

turn for financial support to implement the urban development projects and reduce Atac's debt. It is important to stress that real estate investors and developers have strong local and place-specific interests since their income opportunities are related to the use of urban space and, therefore, to the political decisions affecting land use.

If the use of deregulating tools in planning is a consolidated practice in Rome, the programme agreement and the other tools of 'negotiated planning' can be seen as additional means to institutionalize deregulation and strengthen the cohesion of the urban regime.

4. Neoliberalizing public action in Rome: an interpretation of the case studies

The two case studies shed light on the market-oriented restructuring in Rome, emphasizing the trend towards marketization and commodification. In this respect, the theoretical conceptualization of neoliberalization allows one to approach the changes in public services management and in planning as a part of a more organized and coherent framework. Neoliberalism provided the normative and cognitive orientations which legitimized these changes. As seen above, entrepreneurial practices are strongly recommended by prestigious international and supranational organizations; these practices have increasingly emerged as attractive alternatives in order to strengthen the competitiveness of cities and improve the efficiency of administrative action.

Following this approach, the privatization of public services and the commodification of public space were presented by local politicians as the obvious response to the inefficiencies of traditional administrative action and as the unavoidable solutions for acquiring additional resources to be addressed to fiscal consolidation.

The case studies also suggest the importance of taking into account the specific and path-dependent character of neoliberalization, as stated by critical geographers (Peck, Theodore, Brenner 2009; Brenner, Peck, Theodore 2010). In Rome, the process of neoliberalization developed and consolidated by assuming a contextually specific and path-dependent form, which can be better understood by looking at the strong alliance between political and private actors, in particular, as seen above, those who are related to the real estate sector. This strategic relationship, which has been interpreted as an urban regime, highlights a strong element of continuity in urban policy-making (Vidotto 2001; Pagnotta 2009; Insolera 2011; Pizzo, Di Salvo 2015; Pizzo 2015; d'Albergo, Moini 2015). The importance of this relationship clearly emerged in the case studies that confirm the existence of a well-established system based on the exchange of incentives and opportunities. The findings also suggest that the exchange is unbal-

anced in favor of private actors, for which profitable opportunities are assured. This is evident in the case of the Atac depot, but also in the privatization of Acea given that the major private shareholder is one of the most important real estate companies in Rome.

If the strategic alliance between local authorities and developers dates back a long time, neoliberalism brought an important element of novelty: the neoliberal frame contributed to institutionalize and legitimize this system of relations, not always licit, by providing new means of action for rewarding strong economic interests. This path dependency feature specifies the form and the scope of neoliberalization in Rome, which has emerged as a political project aimed at revamping and enhancing well-known practices.

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