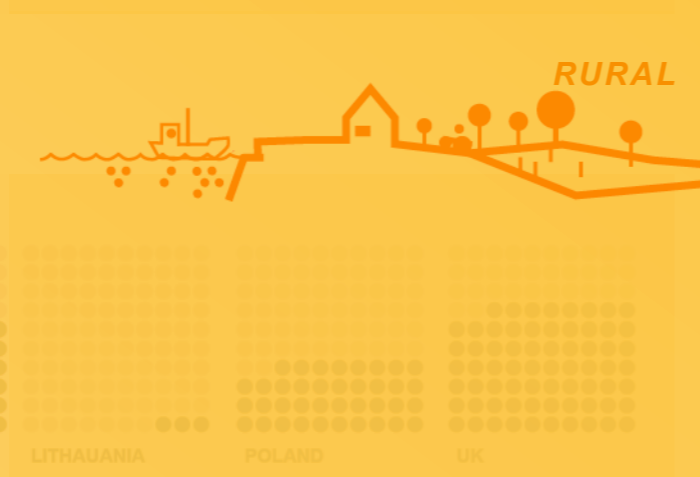


Table for country presentation

Population 1,000 inhabitants



COHESION ON THE GROUND

Area



INEQUALITY, URBANIZATION AND TERRITORIAL COHESION:
DEVELOPING THE EUROPEAN SOCIAL MODEL OF ECONOMIC GROWTH AND DEMOCRATIC CAPACITY



COHESION ON THE GROUND

PERSPECTIVES AND EXPERIENCES

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ITALY



KEY LESSONS

- URBAN AND TERRITORIAL POLICIES MAINLY FOCUS ON ECONOMIC DEVELOPMENT AND ONLY ADDRESS SOCIAL COHESION RHETORICALLY
- THE PRESENCE OF RENT-SEEKING INTERESTS IN OPEN, STRATEGIC AND COLLABORATIVE LOCAL COALITIONS UNDERMINES THE SUCCESS OF COHESION POLICIES
- A TERRITORIALLY BALANCED ARTICULATION OF PUBLIC SERVICES IMPACTS ON A LOCAL COMMUNITY'S LIFE CHANCES AND GENERATES SYNERGIES BETWEEN EFFICIENCY AND EQUITY IN THE LONG-TERM
- THE AVAILABILITY OF FINANCIAL, ADMINISTRATIVE AND COGNITIVE RESOURCES INCREASES THE CHANCE FOR THE POSITIVE RESPONSE OF LOCALITIES TO SOCIAL INVESTMENT POLICIES
- HORIZONTAL AND MULTI-LEVEL COORDINATION CAN MAXIMIZE SYNERGIES AND TACKLE COMPLEX CHALLENGES
- THE COUNTRY'S RISING SOCIO-SPATIAL INEQUALITIES CALL FOR A TERRITORIALLY SENSITIVE SOCIAL INVESTMENT APPROACH

Authors: Marta Cordini, Luca Lazzarini, Carolina Pacchi, Andrea Parma & Costanzo Ranci

PRESENTATION OF CASE AREAS

Country presentation

Indicator	Italy	Milan	Legnano	Oltrepò Pavese
Population (2019) ¹	59,641,488	1,406,242	59,308	15,751
Area km ²	302,169.89	181.67	17.68	398.84
Population density 2019 (inhabitants/km ²) ¹	197	7.741	3.355	34.49
5-year population change 2014-2019 (%) ¹	-0.018	+0.06	-0.01	-0.06
Unemployment rate 2011 (%) ¹	9.9	6.8	8.3	5.0
Pre-school enrolment rate 2018 (%) ²	23.2	32.2	29.1	14.5
<i>Economic situation indicator:</i>				
Average gross income ³	12,970.4	23,597.37	18,715.37	15,084.6

¹ Source: ISTAT

² Pre-school slots for 100 children 0-2 years old. Source: ISTAT

³ Total gross income declared for tax purposes by residents in the municipality divided by the population based on tax declarations for 2019 on 2018 income. Source: Agenzia delle Entrate

Urban case: Milan is the capital city of the Region of Lombardy and is one of the main metropolitan areas in Italy. Policy innovation promoting the city's economic growth and attractiveness is well developed. This enabled the city to perform better than the national average in terms of mobilization of territorial capital during the 2008 financial crisis. Milan also has a strong tradition of inclusive welfare policies and services, which are provided by a number of public-private partnerships that are able to mobilize a significant amount of private financial resources, on top of those provided by state, regional and local authorities. Recently, and especially since the advent of the pandemic, the main challenge for the city has been rising levels of socio-spatial polarization, which is characterized by increasing urban poverty and social inequality that is concentrated in some areas of city's outer ring. The phrase describing Milan as "A city with leopard spots" has been coined to indicate that, rather than urban sectors where disadvantage and segregation concentrate, there are hotspots in which problems emerge in a more conspicuous manner.

Suburban case: Legnano is located in the west of the Region of Lombardy. This city is part of a territorial corridor between three rivers (Lambro-Seveso-Olona), intensively urbanized and with a high population density. Its suburban location within the metropolitan region is clearly shown by its high functional dependency on Milan. Nevertheless, the dependency is counterbalanced by the centrality of Legnano within its large surrounding area, called Alto Milanese. Its big size (60,000 inhabitants), the distance from Milan (more than 30 km), and the strongly locally rooted social and economic identity make the city an interesting case of network-based urbanization. Since the late XIX century, Legnano has been a hub for the industrial development of the Milan metropolitan area, undergoing several transformations and profound restructurings throughout the decades and maintaining a crucial position in the textile and mechanical engineering industries at the national level. The presence of the Olona River was influential for this thriving industry, powering at the factories' production during its early stages. After the de-industrialization processes occurred during the 1980s, the textile industry became less prominent and the local economy specialized in other sectors, such as metallurgical, automotive, chemical products.

Rural case: Oltrepò Pavese is located in the Province of Pavia, in the south-west of the Region of Lombardy. Its location is rather remote from the main metropolitan areas and in general it has a quite low level of accessibility. Due to its geographical location, lack of accessibility, ongoing outmigration and growing elderly population, the area has been selected by National Government as one of the targets for the National Strategy for Inner Areas (co-funded by the Region of Lombardy). The district comprises 15 small municipalities with a total population of 34,000 inhabitants and an economic sector mainly relying on small enterprises linked to agriculture and artisanal activities. However, both of these sectors have seen a progressive decrease of employees due to the severe depopulation dynamics. An important asset of the area is the forest, which provides almost the half of the available biomass resources of the Province of Pavia, and it has been classified as a valuable area for biodiversity and included within the Regional Ecologic Network recognized by the Regional Government.

COHESION IN CONTEXT

In Italy, the concept of territorial cohesion has been traditionally linked to the objectives of economic growth and reduction of territorial disparities between the Northern and Southern regions. After a long period (1950-1990) during which cohesion policies were framed within the intervention of a technical public body, the Cassa per il Mezzogiorno, which was set up to overcome the North-South geographical divide by fostering the economic competitiveness in Southern regions, a new policy phase has begun thanks to some innovative contributions that have emerged from the academic debate on local development, such as the book “Tre Italie” by Arnaldo Bagnasco published in 1977, where the concept of 'formazione sociale' was introduced to identify the specific link between economic development and social integration within a specific territorial context. This new phase has seen an ambitious programme of intervention in lagging regions that relied both on EU Structural Funds and on targeted domestic resources. The tendency to concentrate spending and investments in terms of both a territorial and thematic focus has been one of the main weaknesses of this phase.

A more recent development of cohesion policy has seen a specific focus on 'inner areas', defined as those areas significantly far from the clusters of primary public services, and which are vulnerable because of a steady long-term decline in employment and population, but are rich in environmental, landscape and cultural resources. In 2013, the Agency for Territorial Cohesion launched the SNAI – the National Strategy for Inner Areas – whose objective is to address territorial inequalities through place-based projects that work on strengthening local communities' well-being, creating employment and improving the utilization of territorial capital. The strategy is currently under implementation – 71 area strategies have been approved by the Agency and a good number of projects are in progress. Deep differences among regions characterize the implementation phase, due to the complex articulation of the methodology adopted by policy designers and the different levels of local actors' engagement in governance arenas. Some of the problems that have arisen so far comprise the emergence of opportunistic behaviours connected to rent-seeking interests within the local coalitions managing the resources and projects, and the policy orientation, which mainly focuses on promoting mitigation measures rather than on sustaining competitiveness.

In a broader perspective, experts and scholars have highlighted that the cohesion policies that have been developed since the late 1990s are characterized by a constant swing between centre – the national government – and decentralized decision makers, mainly the regional governments. This aspect has become even more complex in the last decade because of the many strategic directions and regulations defined at the EU level and the crucial role played by sub-regional and municipal authorities in the design and implementation of cohesion policies.

Alongside the COHSMO research, the three case studies selected by the Italian Team are located in Lombardy region, in northern Italy, one of the biggest and wealthiest regions of the country. The urban case study area is Milan, the capital city of Lombardy and the main metropolitan area in the region. The suburban case area is Legnano, a town located north of Milan metropolitan area. The rural one is the Oltrepò Pavese, a group of 15 municipalities placed in the southern part of the region.

A view of the rural landscape of Oltrepò Pavese. © Lara Maestriperi.



Urban and territorial policies mainly focus on economic development and only address social cohesion rhetorically

In the three Italian case studies, policy documents show an implicit concern with the reconciliation of economic development and social inclusion and with the reduction of the social-spatial inequalities. Nevertheless, the economic objectives generally tend to prevail over the social ones, and a univocal and rhetorical understanding of the relationship between efficiency and equity often emerges, building on the idea that a more competitive and strong economy directly contributes to a more equitable and just society.

These aspects are particularly evident in the urban case study area Milan where the agenda of local decision makers has been mainly oriented on strengthening city's economic competitiveness, while the social cohesion objective has often faded into the background. Evidence of this includes the large-scale urban developments that have transformed the city image in the past 30 years in a situation in which the bargaining capacity of the municipality vis-à-vis large and influential real estate companies has been quite limited, and the provision of public goods, services and infrastructures alongside those developments has often been insufficient. Moreover, municipal policies and resources have had an uneven spatial distribution across the city – mainly targeting central parts of the city – with the result that existing conditions of socio-spatial polarization have been exacerbated. Only in the last 10 years, albeit with a limited investment capacity, has the municipality made an explicit commitment to promote a more equitable and fair distribution of well-being throughout the city, trying to re-compose and rebalance the centre/periphery gap. Nevertheless, most of the actions implemented have had a remedial nature, being carried out through specific physical and social interventions that have taken place in spots or portions of problematic neighbourhoods (e.g. Lorenteggio, Giambellino, and Corvetto), rather than by means of a structured and consistent strategy that embraces the whole city.

The presence of rent-seeking interests in open, strategic and collaborative local coalitions undermines the success of cohesion policies

In Oltrepò Pavese, the rural case area, two main development programmes – the first led by the public sector and framed within the National Strategy for Inner Areas (SNAI), and the second one promoted by a private foundation – have been implemented in the past 10 years. Despite being promoted by external actors, they have relied on existing local governance forms, respectively an inter-municipal arrangement (Mountain Community) working mainly as a consortium for public service delivery in the territory, and a public-private foundation (the former Local Action Group LAG) in charge of managing EU and regional development funding. The involvement of the local community in these programmes has taken place through thematic meetings, roundtables, focus groups and workshops. Rather than having the purpose of designing policies, the purpose of these participatory forms has been to facilitate the analysis of local assets by external project promoters and to gather knowledge on the locality that is useful for setting priorities and planning interventions. Our interviews with local actors revealed that thematic meetings and roundtables, particularly those organized alongside the SNAI programme, have been quite successful, as they have also sometimes been able to infuse a sense of cohesion in the local context, despite

“The problem is that in the policy implementation, the typical rent-seeking interests, who are in the locality that are very patient subjects and who have time to follow the bureaucracy, have brought down many projects with their political intervention.”
(Member of the project’s National Advisory Board, December 2020).



Vineyards in Mondondone, Codevilla, Province of Pavia
© Lara Maestriperi



the major drawback created by the lack of participation of significant local policy makers.

The two programmes, despite following different and scarcely intersecting pathways, have worked across multiple dimensions and involved different coalitions of actors such as businesses, institutions and third sector organizations. Their common objective has been to create open and strategic platforms for driving the socio-economic and institutional change in the local context. Despite their innovative nature, the stakeholders’ interaction has often followed selective paths and the risk of triggering opportunistic behaviours and strengthening existing power-dynamics has sometimes emerged.

Thus, the selective and nominally inclusive cooperation, together with the absence of a clear local leadership and the resistance of rent-seeking interests, have impacted on the quality and openness of the governance arenas, thus undermining the capacity of cohesion policies to tackle structural local development problems.

A street in the town centre of Legnano.

© Gloria Pessina.

“Services are a constitutive part of territorial development. The idea is that services can become an attractor for the territory and therefore an investment that the territory must make as a company does [...] If you guarantee a service for five years, the service becomes an attractor” (member of the project’s National Advisory Board, December 2020).

A territorially balanced articulation of public services impacts on a local community’s life chances and generates synergies between efficiency and equity in the long-term

Our analysis has highlighted that services can become an attractor in territories affected by processes of demographic ageing, out-migration, marginalization and lack of economic opportunities. Thus, services are interpreted as an investment that higher-level institutions must make to promote the harmonious development of territories that are lagging behind and to tackle regional disparities.

As far as local communities’ life chances are considered, our research findings show that in Oltrepò Pavese, the rural case area, the choices of families on where to live are influenced more by the territorial articulation of public services than by the distribution of job opportunities. This aspect stands as a peculiar feature of the Lombardy regional context. In fact, the region is characterized by a relatively dynamic labour market whose influence is able to reach also disadvantaged contexts. Furthermore, the distances between inner areas and the places where job opportunities are concentrated are relatively small, allowing people to reside in a rural/mountainous locality and commute every day to a nearby town or city. This is evident in Oltrepò Pavese, where the lack of job opportunities in the area is somehow compensated by the ‘short’ distance (30-50 kilometres, up to 1 hour travel) from major towns and cities (e.g., Voghera and Pavia) where jobs are concentrated, a condition that partly explains the high levels of everyday commuting and the low functional self-containment of the area.

The outmigration trend in Oltrepò Pavese could be reduced by developing a territorially balanced articulation of public services able to ensure equal opportunities of their access for inhabitants. The presence of public services also positively affects the local economy as they improve the business environment and the inflows and outflows of skilled labour. Therefore, public service provision which is sensitive to the social, economic and territorial conditions of the locality can generate long-term synergies between efficiency and equity and improve local life chances.

The availability of financial, administrative and cognitive resources increases the chance for the positive response of localities to social investment policies

The availability of contextualized and shared knowledge and economic resources at the local level and the institutional capacity to mobilize these resources have proven to be relevant in influencing localities’ response to social investment policies. Evidence shows that the administrative size of a municipality matters in the positive engagement of local institutional actors in social investment. Large municipalities such as Milan are often able to direct a consistent amount of financial and human resources to certain policy areas, while small municipalities, such as those in Oltrepò Pavese, are usually reluctant to take the initiative over policy domains that are outside their regulatory competences because of their limited financial capacity. They often also lack human resources able to deal with such issues.

For instance, in the past ten years in Milan, the municipality has decided to increase the resources to be invested in municipal childcare and employment services. It has also taken an active role in specific projects and programmes targeted both at people (disadvantaged and vulnerable social groups) and places (peripheral neighbourhoods of the city characterized by high levels of social distress) to boost economic competitiveness and improve social cohesion.

One example is the Lorenteggio Project promoted by the Municipality of Milan in cooperation with the Metropolitan AFOL (special public company in charge of implementing both active labour market policy and vocational education and training and managing the public employment centres) and the Regional Government. The project focuses on a public housing neighbourhood through a programme consisting of income benefits given to unemployed local inhabitants participating in employment activation measures. The municipality has also created a service (CELAV) for supporting activation through employability enhancement schemes for social assistance recipients and likewise the activation and empowerment of unemployed individuals. The service has established successful relationships with local enterprises and has organized training activities the target groups’ empowerment. Currently, more than 700 enterprises are registered in the CELAV database and last year the number of people that benefitted from the CELAV service was 2,643, a total of 1,019 (38%) of whom have begun an internship, and 315 have received an employment contract.

A residential courtyard close to Corso Buenos Aires in Milan.
© Luca Lazzarini.





↩ A view of via Vittor Pisani and Repubblica neighbourhood in the background. © Luca Lazzarini.

Horizontal and multi-level coordination can maximize synergies and tackle complex challenges

The three case studies highlight the need to strengthen horizontal and multi-level coordination both in governance processes and in policy design and management. As far as governance is concerned, the importance of improving intra-governmental coordination emerges, particularly at the regional level. In fact, our analysis shows that the regional government often operates in *silos* and that interventions in policy fields that are strongly inter-linked often proceed along disconnected paths, achieve different outcomes and result in different actions.

The intermediate level between regional and municipal government also emerged as ineffective in when it comes to coordinating actions, also due to a recent institutional reform that reassigned its competences and resources in an ambiguous way (national law n.56/2014). Our interviews revealed that there is also a need to improve horizontal coordination through a stronger involvement – through partnerships and projects – of third sector, business and union organizations in decision-making processes at the regional level.

In terms of policy design and management, we saw an issue with limited integration and optimization between a wide range of policy instruments, measures and projects activated at EU, national and regional levels, especially within the fields of active labour market and childcare policies. Currently, the creation of policy bundles is quite limited and takes place mainly through pilot projects and programmes that are time and resource constrained. An overall policy restructuring, comprising also the updating of skills within the public administration and the creation of stronger cross-sectoral links, is needed for supporting the ongoing processes of social and economic transition.

Some attempts to work on strengthening coordination were identified at the municipal level, in the urban and suburban cases. In Milan, rather than through traditional policy instruments, this has been achieved more effectively through single projects cutting across different policy areas and involving officers from different municipal departments, though outcomes have not always been successful. In Legnano, the local administration has created a Municipal Steering Committee, in charge of coordinating the different policy sectors and integrating different expertise under a cross-sectoral vision. This has improved the municipality's capacity for tackling complex and multi-dimensional problems such as housing disadvantages and urban poverty. Broadly speaking, the cases show some forms of innovation emerging from public institutions which, despite delivering some tangible benefits, still do not seem to be of great significance in tackling the ongoing socio-economic challenges of places.

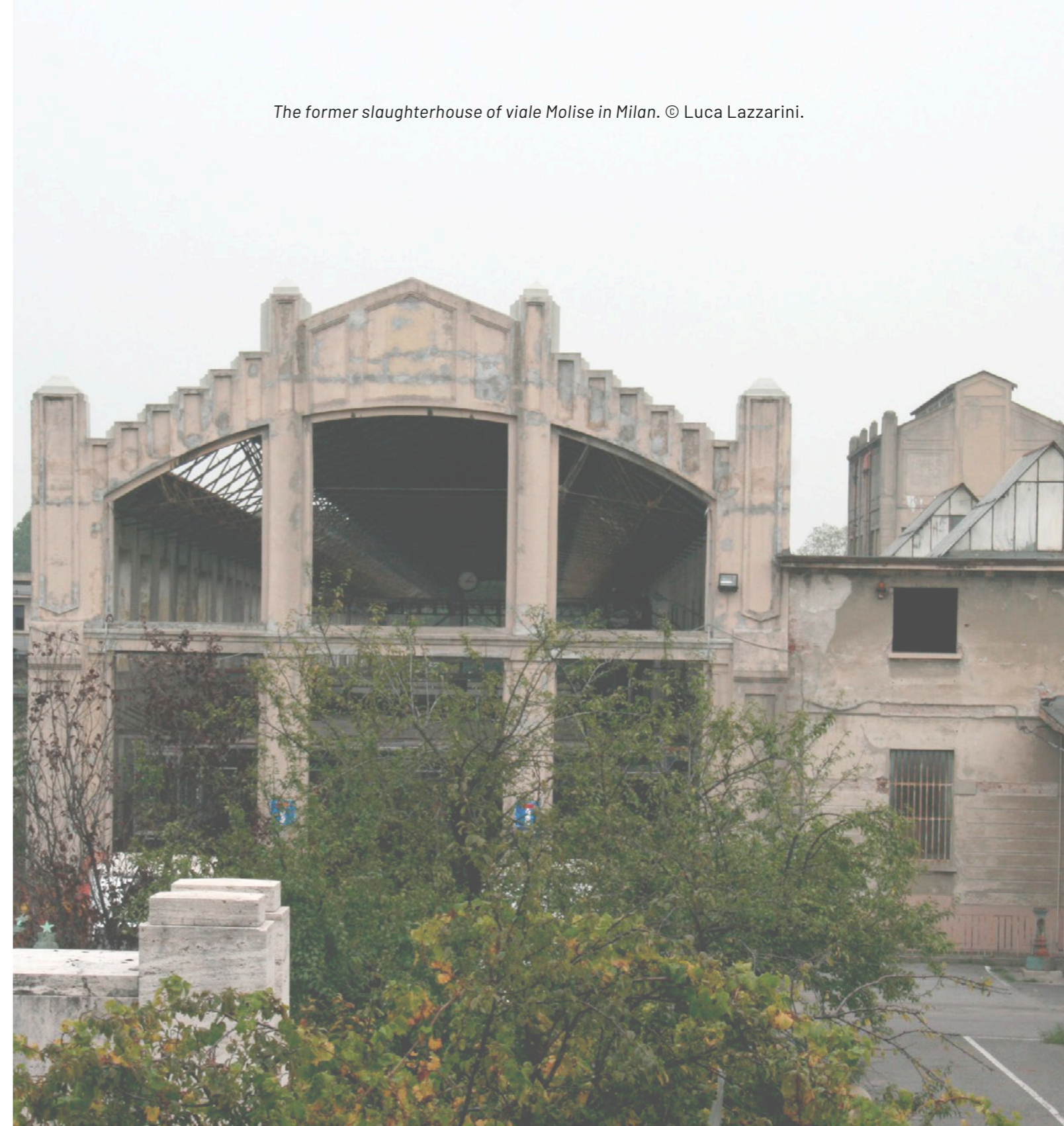
“There is an interrelation between the policies, but we are not addressing it because everyone takes care of his/her own piece. We have divided the policies into silos and go on like this. There is little collaboration between officers because everyone looks after their own interests”
(member of the project's National Advisory Board, December 2020).

The country's rising socio-spatial inequalities call for a territorially sensitive social investment approach

The social investment approach has been implicitly proposed as a 'one-size-fits-all' strategy able to combine social cohesion and economic growth, through a combination of programmes promoting stocks (human capital), flows (support to reconciliation and demand/supply matching in the labour market), and buffers (protection to the most vulnerable). Our analysis of social investment in Italy shows that the competences in the design, funding and implementation of the three SI policies investigated are mainly distributed across national, regional and, to a minor extent, sub-regional levels, and that in general local authorities have little capacity to influence decision-making processes. This has impacted on the levels of territorial sensitivity of such policies. The result is that depending on their administrative and demographic size, available resources and contextual conditions, some territories have had more capacity to promote and respond to SI policies than others. At the same time, our research findings demonstrate that the impact of SI policies on territorial inequalities – exacerbated by the ongoing socio-economic and health crisis related to the COVID-19 pandemic – has been limited and not necessarily positive. The failure or the lack of SI policies in the Italian cases studied is more often than not due to local contextual features that produce contradictory and unexpected effects detached from the SI policies' scope. These effects are likely to translate into a widening of the existing social and economic inequalities.

Based on these findings, we suggest that a territorially sensitive social investment approach would facilitate the reduction of inequalities among and within regions through a better adaption of SI policies to the different territorial contexts and the creation of bundles across policy fields. If sensitive to territorial peculiarities, SI policies would limit the risk that the territories such as Oltrepò Pavese that are weak in terms of collective efficacy and territorial capital mobilization are left behind because they are unable to mobilize the resources needed to respond to emerging social and economic problems.

The former slaughterhouse of viale Molise in Milan. © Luca Lazzarini.



Future perspectives

Two perspectives emerge from the research conducted on the Italian case study areas. The first entails a transversal condition crossing all three Italian study areas, and the second one concerns the regional level and focuses on the policy orientation on territorial development and cohesion.

The first perspective is a tendency towards fragmentation which is visible, albeit in different ways, in all the study areas analysed. This includes fragmentation in the form of mobilization of territorial capital and in the ways in which public goods and services are distributed across the city (Milan); fragmentation in the horizontal governance forms and in the functional and spatial relationships between suburban and urban areas (Legnano); fragmentation in the levels of collective efficacy, in the institutional capacity to respond to local development problems, and in the accessibility to services in a mountainous rural context (Oltrepò Pavese).

Our research has also highlighted the strategic response that institutional actors have offered to the problem of fragmentation. In the case of Milan and Legnano, this response promotes processes of concentration of territorial capital through the construction of hubs, poles and citadels where companies, technologies and services can cluster and integrate to generate knowledge and innovation and strengthen competitiveness. In Oltrepò Pavese, policy-makers emphasize the need to work on a more territorially-balanced distribution of public services across the area, to be achieved also through the active contribution of social actors in the service provision.

The second perspective concerns the dualism between concentration and polycentrism that has characterized the policy orientation of the Lombardy regional government in the field of territorial development. This has generated a clash between the objective of strengthening the overall economic competitiveness of the regional territory through a better utilization of existing territorial assets where these are more concentrated (metropolitan and suburban localities), and the one of promoting a polycentric and balanced development that aims at reducing regional disparities and at increasing social and economic opportunities in rural areas. If this clash is not resolved, the risk is that intense urbanization processes will generate forms of agglomeration and concentration of populations, activities and opportunities in some areas at the expense of others. Accordingly, a perspective of spatial justice enters a collision course with a widespread economic policy assumption according to which the strong concentrations of economic opportunities ultimately become a powerful factor of attraction for distant populations, who can see stronger life chances in moving away from the low-density areas. The clash is particularly evident in Oltrepò Pavese, which

has long suffered from a crisis of representation and lack of investments. The reasons for this lie both in the fact that in the past decades the regional government has oriented financial resources mostly towards the Alpine mountain areas rather than to the Apennine ones, but also in the poor ability of the Oltrepò administrators to interact and negotiate with decision-makers at the regional level. Only in the past few years does this situation seem to have changed, and the regional government has begun to implement initiatives and projects, mainly alongside the already mentioned National Strategy for Inner Areas. At the same time, private organizations (especially Fondazione Cariplo) have also begun to invest in the territory, launching programmes for promoting the economic and social development of Oltrepò territory, though some limitations concern the complex mobilization of local resources and the difficulty of anchoring the innovative practices in the local context locality.

Statue of Alberto da Giussano in Legnano.

© Gloria Pessina.

