Urban peripheries: The political dynamics of planning projects

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WHAT HAPPENS TO THE URBAN PERIPHERY?

THE POLITICAL TENSIONS OF POST-INDUSTRIAL REDEVELOPMENT IN MILAN

ABSTRACT

This paper investigates urban development on the fringe of urban agglomerations, exploring the tension between the socio-economic, financial, and political implications of post-industrial transitions. It presents and elaborates an analytical framework to conceptualize the interlocked influence of different dimensions of urban development in fringe municipalities, considering in particular how political and electoral dynamics impinge on other aspects of land development. In the article three types of challenges are thus identified. The paper adopts an explorative approach to detect how political and electoral logics of action affect urban development in the changing periphery. It thus advances that under conditions of metropolitan fragmentation and, urban projects risk to be prone to lengthy gridlocks of localistic bargaining, unable to fully govern the fundamental challenges of land development.

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INTRODUCTION

In the last 20 years, planning research on the governance of urban transformations has generally agreed that strategic planning action involves “deliberate efforts (author’s emphasis) to make connections among disparate and often conflicting and colliding pieces of [the] institutional infrastructure to generate momentum around particular ideas” (Healey 2002:1787). These ‘efforts’ imply a choice of engaging in decision-making with often uncertain outcomes. However, in most empirical research (frequently focusing on best practices) this choice is not analytically questioned. While some municipalities seem to achieve innovation in practices of urban development, adapting to social and economic changes is highly problematic for others. In Europe especially, there are differences between the innovative experience of large municipalities— with more active citizenship, versatile local economies, and dynamic socio-economic environments – and that of the smaller municipalities at their borders, who are in a critical position. On the one hand, within an emerging polycentrism of metropolitan areas the periphery is today becoming a new hotspot for investments and planning experimentation, being often located in proximity to existing infrastructure. On the other hand, their weaker position within city-regional geopolitics due to their dependency on core city economies might be a barrier to grasp these opportunities, especially in times of economic crisis.

Today, the developmental trajectory of the periphery is influenced by two main trends in planning. First, large scale development projects are the major drivers of urban change within large agglomerations (Fainstein 2008; Swingedouw et al. 2002; Salet 2008). National austerity programs and fiscal decentralization erode the capacity of governments to steer these projects although economically vulnerable peripheries still depend on these developments for their social policies (Lovering 2010). These projects are also risky endeavors for localities since they are often promoted by large investors, occupying privileged positions of influence in metropolitan
spatial policies (Thornely et al. 2005). Second, the socio-economic condition of peripheral cities directly depends on the relationship they establish with core city economies and politics. Their development is affected by the performance of metropolitan governance geared to overcome the political problems of inter-municipal competition for wealth (Dreier et al. 2001; Salet et al. 2003; Ross and Levine 2006). The combination of these two trends is likely to determine both the developmental legacy of fringe cities and the overall trajectory of development in wider metropolitan areas.

In this paper I explore the ‘political tensions’ (Phelps and Wood 2010, 374) of peripheral development. Early research has already investigated the political construction of city-regions and how this is consistently affected by changing market dynamics (see Jonas, 2012). In this paper I attempt to complement this literature by examining the behavior of political coalitions and the influence of electoral and ideological beliefs in planning processes. While planning is generally considered a political task, the connection between electoral dynamics and land use outcomes is under-investigated (Campbell, 2001). The paper thus explores a long term planning process in the periphery through the lens of a conceptual model that integrates political factors into the land development process. The analysis of a 14 year long planning legacy for the ‘ex-Falck’ site, a 150 ha brownfield in the large municipality of Sesto San Giovanni (Sesto) on the border of Milan, sheds light on how political calculations might affect planning negotiations.

The current paper presents a study of one particular project in the north of Milan. It is thus a single-outcome case study (Gerring, 2006), namely a study that aims to elucidate the mechanisms that lead to a specific outcome with a specific context. I am interested in uncovering the manner in which electoral and ideological factors affect the post-industrial transition of peripheral areas, in this case explaining a specific planning outcome: a long lasting stalemate around the re-development of a brownfield despite market pressure with interested business actors and a strategic location within Milan metropolitan area. The question is: in what way do electoral
strategies impact peripheral development? The paper concludes that under conditions of metropolitan fragmentation, urban development is likely to experience political gridlocks and conservative strategies by political coalitions. The case of the Falck brownfield in Sesto San Giovanni has particular features which make it suitable to investigate the relationship between electoral politics and land development: a large unitary property to be redeveloped, high costs of development, a historically rooted coalition of left-wing interests, and a particularly traumatic transition to a post-industrial economy.

Milan city-region is a suitable context, being a city still struggling to address issues of metropolitan governance and post-industrial development in its first urban belt. Over the last decade, the socio-economic pattern of Milan, the economic capital of Italy, has changed substantially (Gualini 2003) with expanding peri-urbanization, a shrinking core, and the emergence of peripheral clusters within the first belt (cerchia urbana). These are characterized by a leading service economy, media industry, and informatics. At the same time, Milan’s inner fringe continues to display fragmented spaces, scattered pockets of poverty, congested urban environments, social marginalization, and social conflict (Zajczyk, et al. 2005). This fringe thus reflects the duality of Milan city-region, with an emerging economic polycentrism combined with institutional, political, and social fragmentation.

In this paper I first define the interlocked challenges of urban development in the fringe. Next, I explain the inherent power-holding nature of local political coalitions by considering their behavior during different time periods, with data collected between 2010-2011 from 34 interviews, content analysis of newspapers, and direct participation in public meetings. Finally, I explain recurring stalemates by exploring the context of Milan’s metropolitan geopolitical fragmentation.
THE TRIPLE CHALLENGE OF URBAN DEVELOPMENT IN THE URBAN FRINGE

It is generally agreed that the capacity to govern urban development is related to the definition of win-win solutions between public and private interests; matching the need to achieve financially sustainable and profitable projects with the collective expectations of community benefits. The success of projects thus depends on the alignment of these interests through formalized cooperation to control opportunistic behaviors, facilitating long lasting collaboration (Sagalyn 2007). Most literature investigating industrial areas has therefore focused on the economic barriers of land redevelopment and the role of public subsidies and development agencies in pursuing community goals (McCarthy 2002; Dair and Williams 2006). This economic perspective is based on the presumption that private investments naturally target profitable sites in inner cities or migrate to suburban areas where land is cheaper. However, the complexity of today’s peripheral development lies in a ‘prism’ of conflicts (Godschalk 2004) that includes non-economic factors directly affecting developmental choices, like quality of space or socio-cultural change. In short, ambitions for growth clash with the need to protect existing patterns and to maintain livable spaces, even when growth is necessary to meet the cost of environmental and social policies. Similarly, the preservation of local socio-cultural milieus and spatial patterns can restrict the adaptation of local economies.

The analytical model here considers three main critical dimensions of peripheral urban development: property development, collective benefits, and socio-economic change. Property development refers to the financial costs of the land reuse, relating to, for example, soil remediation, building, and interest on investments. Collective benefits are the extent to which development gains are redistributed to communities in the form of public services, infrastructures, or tax relief. Socio-economic change refers to the social and cultural implications of spatial change that, in turn, affect local community identity. Governing post-industrial peripheral urban
development means considering all these dimensions because it a) involves significant initial investments; b) is a key opportunity for local municipalities to increase their revenues; and c) has an impact on areas with often entrenched local political cultures. Three main challenges emerge from this triangle of dimensions (Fig. 3.1).

**Growth challenge (property development/collective benefits)** is the conflict between the economic needs of land development and the redistribution to communities of the gains generated through land reuse. Local authorities need to balance the costs of private investments and the public levy on private profit, i.e. the private responsibility to provide public amenities and betterment fees. This is a matter of negotiation and is dependent on the demands of organized interests and political climates (Wolf-Powers 2010). To facilitate land redevelopment of particular areas, local authorities can relieve pressure through tax allowances or direct public investments, or they can acquire more resources for the community without tax increases by increasing pressure on land redevelopment. When land

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*Fig. 3.1. The three interlocked planning challenges.*
development is conducted by public agents, intensive requirements increase investment risks while lowering the public levy decreases collective gains.

Identity challenge (property development/socio-economic change) is the tension between the accommodation of market demands to facilitate development and the protection of local socio-cultural landscapes. These are the social costs of urban change in municipalities with traditional economies that manifest in a significant rent-gap, making them targets for new forms of production related to creative industries, high level education, or large-scale retail. The new economic activities trigger inflows of other social profiles with different living styles and demands, and trigger progressive change in local environments. This challenge encapsulates the erosion of existing cultural, spatial, political, and symbolic landscapes to accommodate the demands of new urbanities and economies (Dembski and Salet 2010). The market challenge therefore requires the capacity to manage the social impacts of urban change while at the same time exploiting history as opportunity.

Electoral challenge (collective benefits/socio-economic change) is the conflict between the need of fiscally vulnerable municipalities to improve local services by pursuing urban change and the political-electoral costs of socio-economic change. These costs are related to the long term implications of land use change on local constituencies and to the risks of policy innovation. First, local polities work on the basis of consensus consolidation in their choices and are supposed to operate according to electoral mandates. In pursuing urban transformations they are in the difficult position of trying to regenerate local economies for (supposedly) the collective interest while protecting the interests of their constituents. Urban change entails socio-political trauma inherent in the shift from production to consumption, from work to living, or even from factories to entertainment amenities (Clark et al. 2002). Second, when local coalitions experiment with alternative forms of public-private
partnerships or inclusive governance that may smooth this transition, they need to invest significant resources (political, technical, and monetary) with uncertain returns in terms of consensus and/or finance. The process of including different opinions and addressing conflicts with more flexible decision making can be highly costly and politically unsustainable in the long run (i.e. the ‘voice’ approach in addressing internal political conflicts, Hirschman 1970). Political elites often perceive innovative planning as a risk because it stirs local antagonism and has unexpected effects on local polities (Savini 2011). In addition, public-private partnerships always entail a certain degree of inequality, deriving from the trade-off of public accountability and transparency against technical and economic efficiency.

POWER-HOLDING STRATEGIES OF POLITICAL COALITIONS

Urban development is a dynamic process of negotiation, compromise, and bargaining between clusters of stakeholders, whose interests are distributed around the three elements of the triangle above. Following Rittel and Webber (1988), this process does not follow specific technical or economical rationalities, since the very definition of the problem is ‘wicked’; affected by the array of ideological and political positions of the actors involved. Hypothetically, an ideal-type situation would finally lead to a win-win solution, where all actors would agree on a land use plan that does not hinder or protect their specific interests. Such an end point is a matter of conceptual speculation, as planning consists of a series of agreements based on a ‘trading’ of gains and losses (Mantysalo et al, 2011). Within political systems of representative democracy, the behavior of politicians and political parties remains one of the major factors in understanding land use choices. Despite the increased relevance of civic society and businesses, aldermen and mayor are still among the most relevant in policy making processes and they often respond to their parties. Yet, their behavior in the
practice of land use planning is under-investigated (Clark and Crebs, 2012).

Looking at the crisis of Fordism, structuralist approaches have emphasized that urban development policies reflect a reorganization of the circuits of capital accumulation, pursued by entrepreneurial political coalitions (Harvey 1985). Within western countries this process has harshened municipal competition for resources and profitable functions, as area development is seen to be driven by expectations of an increase in municipal tax-income. Business-led entrepreneurial coalitions are considered the agents of this transition, with their capacity to manipulate political processes towards priorities of growth (Logan and Molotch 1987; Harding 1995). Under these conditions, projects are likely to follow real estate markets (e.g. suburbanization, inner district gentrification, or CBDs). They would focus on land redevelopment priorities over collective benefits, and suffocate political confrontation in the decision making process (Allmendinger and Haughton, 2011). Challenging these arguments, this paper looks at how electoral and political logics complement and affect economic calculations in land development processes. Yet, the effects of political orientation in negotiations over growth strategies is a matter of investigation.

Negotiations involve a process of mutual adjustment between contrasting interests (Lindblom, 1959). However, this process is affected by systems of beliefs (i.e. ‘biases’) that condition the definition of ‘wicked’ planning problems. While theorizing on electoral choices and party behavior, Downs (1957) argued that ideologies are instrumentally used to manage consensus around specific policy choices, to define ‘right and wrong’ and organize consensus of voters, under conditions of limited knowledge of complex problems (i.e. limited rationality). According to the classic work of Weber, ideological beliefs define a type of ‘rationality’ that is ‘substantive’ and not ‘formal’. Substantive rationality regards the way in which actors define goals and how they address them (Weber, 1978) and it sets the conditions of collective action. Conversely, ‘formal rationality’ regards the instrumental choice of means and policies oriented
to those specific goals. In the frame of this paper, such a substantive rationality is likely to determine how the three planning challenges discussed above are interpreted and prioritized by involved actors. Development choices that might seem economically irrational (such as long term vacancy) can be fully explained by this political logic (Wolman, 1988). In a planning process case study, Flyvbjerg (1998) has specifically demonstrated how rationality is not a static and objective concept, but it is constructed by political actors. Planning decisions are made by influential stakeholders that eventually ‘rationalize’ their choices by means of particular instrumental manipulation of the knowledge available on the problem at stake. These decisions are thus constructed by influential actors that manipulate decision making according to either political or financial considerations. These manipulations inform practical choices of adaptation, reaction, or resistance to economic and spatial change. In the long run, these ideological considerations, symbolic beliefs, and biases are institutionalized into specific patterns of action that condition future planning choices despite the changed socio-economic conditions. They structure specific governing methods and identify acceptable and desirable schemes of problem solving (DiGaetano and Stromm 2003). This paper attempts to understand how these institutionalized beliefs affect the land development process.

American research in urban politics has extensively examined the role of mayors, aldermen, and civic groups in addressing urban and economic change (DiGaetano and Klemanski 1999; Savitch and Kantor 2002). They empirically portray how governing coalitions have a built-in tendency towards power holding. The capacity to govern urban change lies in the power to enable cooperation among public and private interests and to mobilize ‘intermediate structures’ and coalitions to address emerging conflict (Stone and Whelan 2011). Stone (1988) has defined this mechanism as social production, and has emphasized that it is based on a logic of pre-emption: the capacity to structure collective actions that enforce urban policies and to protect agendas from disruptive conflict by holding a position of influence. Accordingly, I hypothesize that under conditions of
uncertainty, political coalitions are likely to hold fast to their power base. The trajectories of urban development undertaken by peripheral municipalities will be instrumentally geared to protect existing political interests. Political groups are likely to make conservative decisions when faced with complex problems because the electoral costs of making a choice will be higher (Hall, 1980). In planning, the responsiveness of elected officials to emerging issues depends on the electoral risk they can bear. However, since it is hardly possible to know the potential electoral consequences of a planning choice in advance, innovative decisions are highly risky. Politicians try to protect their power base, to simplify urban problems, and to work towards known and controllable planning processes. Elected coalitions will build on shared ideological purposes rooted in existing policy traditions and will use strategic symbols to maintain consensus (Stoker and Mossberger 2001; Stone, 1993).

This hypothesis is investigated in the context of peripheral development within smaller municipalities that often still depend economically on the wealth of larger cities. In these locations mayors and alderman tend to reduce their risk of losing the next election, especially in outer areas where there are particular conditions. First, voters in the periphery tend to have weak support for incumbents, to be more informed and active, and to more carefully evaluate specific policies than voters in larger cities, especially municipalities that are socially diverse (Oliver and Ha, 2007; Oliver 2000). Second, the pressure on elected officials is higher in inner peripheries, especially if the localities are less socially homogeneous, with more political groups competing with each other within smaller jurisdictions. Peripheral executives are thus operating in smaller contexts a short distance from their constituency, enabling them to look at policies in a more direct manner. Secondly, the inner periphery, especially in Europe, does not benefit from the fiscal advantages of external suburbs or core cities. Outer municipalities are usually wealthier (this is the case in Milan) than inner peripheries, where deindustrialization has been traumatic and poverty is concentrated. Core cities are also benefitting from more flexibility
in tax revenues and large profitable functions in their jurisdictions (e.g. museums, finance, education) (Kunzmann, 2010; Klausen and Røe, 2012). In the following section I will show how the electoral challenge conditions growth and identity challenges by looking at the behavior of the executive in Sesto San Giovanni.

**THE IMPLICATIONS OF THE FALCK PROJECT IN CITY PLANNING, POLITICS, AND ECONOMY**

Sesto San Giovanni (Sesto) is a city of 80,886 inhabitants, with 23% of its active population employed in industry and manufacturing. Approximately 20% of its surface is currently brownfield land. The city witnessed 40 years of economic and demographic growth from 1951 to 1981, being a key attractor of labor force from the whole north of Milan. Today it has potential for development, being at the interface between the developed northern districts of Milan and the Monza-Brianza productive region. However, the city still has poor public services and a lack of green spaces, significant traffic congestion, and a fragmented urban pattern of newer social housing estates and post-WWII industrial residential blocks.

The Falck brownfield was formerly occupied by the largest steel factory in the country, covering 13% of the Sesto jurisdiction. Today it is a 150ha vacant space in the middle of the city, adjacent to the central station and easily accessible from the Northern and Eastern Motorways. After the factory closed in 1996, the area attracted the interest of investors who saw an opportunity for profit from the cheap land in a highly dynamic city-regional real estate market. The project became a long-term enigma for the municipality, as the land was acquired over time by four different corporations who made three separate plans with international architectural firms (Kenzo Tange, Mario Botta, and Renzo Piano). Due to the long-lasting stalemate, the acquisition price rose from 200m Euros (400 bn Italian Lire) to 220m Euros in 2005, and to 433m Euros in 2011. The project has the juridical status of an Integrated
Intervention Program (*programma integrato di intervento*), permitting quicker derogation to statutory planning (Law 142/1992 and Law 9/1999) and giving central importance to project-based bargaining between public authorities and development corporations on costs, revenues, and collective benefits agreements. The project is thus under the direct responsibility of the municipal government and the mayor.

A development program here will have considerable impact both on the condition of Sesto and on the urban pattern of northern Milan. In Sesto, the resolution of growth, market, and political-electoral challenges is likely to condition the political context of the municipality.

*Growth challenge:* the area is severely polluted, requiring approximately 200m Euros for soil remediation and major infrastructural interventions to reintegrate the site within the existing city. However, the prospect of returns is extremely high with housing values being similar to the Milan area. The redevelopment is vital for Sesto’s authorities as the development gains generated will permit improvement of local services and stimulate local urban economies. In Italy, local budgets are determined through a standardized fiscal system of financial transfers from cities to central state which are then transferred back to regions and municipalities. Only 38% of the total revenues are returned, with 55% being retained by regional governments to invest primarily in health care and large infrastructure that often privilege core city economies. In monocentric city-regions like Milan, this system does not help vulnerable peripheral cities. In Sesto, real estate development remains the only activity to fill the gap between fiscal revenues and the increasing costs of public services like social housing provisions (e.g. only 9.7% of social housing demand was covered in 2007). Consequently, the recently proposed Falck master-plan includes the refurbishment of four schools, construction of a library, 1,200 social houses, 45 hectares of green area, refurbishment of the central station, and adaptation of the road network¹ (proposta di PII 2011, Bizzi&Partners).
Identity challenge: the economic feasibility of the Falck project requires a marketable program with built saleable surfaces in the long term and attractive residential, commercial, and productive spaces. The several development corporations have been encouraging large retail, entertainment industry, and middle-high range residential space to produce residences within the urban area. On the other hand, the municipality is focusing on the interests of its electorate, most of working class origin or employed in small and medium enterprises. The capacity to attract these enterprises depends on how these two options are combined. The proposed scenario today reserves only 9% of the built surface and gives priority to finance-related industry, large retail, and luxury homes in the price range of 4,000-5,000 Euros². The mix of consumption and production is the core concern of the planning process, but it also concerns the whole future of the city; the proposed project will indeed mutate the social profile of the city, attracting 15,000 new inhabitants, mostly employed in the upcoming service economy (e.g. insurances, services to enterprises) or even commuting daily to Milan’s inner districts.

Political-electoral challenge: Sesto’s geo-political context is similar to that of many of the industrial belts of large cities, with cohesive local coalitions related to traditional economies (independent of their partisan faction) often in conflict with core city politics (e.g. Paris, see Savini 2012). Once called the ‘Stalingrad of Italy’ or ‘the city of factories’, Sesto is governed by an entrenched coalition based on a strong leftist political subculture. City politics is rooted in a dense local network of associations related to trade unions and businesses. Since the 1990s it has showed the neo-corporatist institutional context of Fordism in Italy, characterized by a strong integration of economic and urban policies and by a ‘secluded micro-concertation’ between social, political, and business interests (Regini, 1997:262). These power configurations are still strong, with local councils composed of strong leftist social-democratic parties (Democratici di Sinistra and Ulivo) and parties of Communist
origins (Rifondazione Comunista) whose electoral support reached 46% and 9% respectively between 1996-2006\(^3\). This has made Sesto a stronghold of Italian leftist parties within an economically and politically strong region dominated by neo-liberal parties in national politics.

**THE LEGACY OF THE FALCK PROJECT**

To illustrate the different implications of local coalition power-holding strategies, I will differentiate three main periods of the planning legacy of the project. The first period (1996-1999) is characterized by a strong focus on the labor and reindustrialization issue, with the city of Sesto benefitting from regional, national, and European support and a locally dynamic coalition oriented towards industrial stimulation. Between 2000-2005 the city engaged in complex bargaining over land redevelopment costs and gains, driven by a political coalition uncertain about the city’s future, finally opting for a restrictive development agenda. Between 2005 and 2011 the project became a central question, a catch-22 between accommodating market demands and addressing socio-political conflicts.


During the later periods of industrial decline, Sesto’s spatial policies were a corollary to labor policies. The dimensions of land development, equity, and socio-economic change were addressed to counteract the progressive downsizing of industry, to stimulate production, and to manage unemployment in the area. Development was led by locally embedded cohesive growth coalitions, composed of leftist political groups and trade unions, with strong consensus within factories and with support from both workers and landowners for production-oriented policies. During this period, the coalition was composed of social-democratic, communist, and socialist parties connected to national politics, allowing Sesto to
attract a range of national, regional, and European resources to boost manufacturing and improve infrastructure. These included the Communitarian ‘RESIDER’ (CEE regulation, 328/88) for reindustrializing declining areas, a special national grant for soil remediation (Law 582/1996), and several regional allowances for start-up SMIs (Regional Law 20/1994). Local coalitions could also make use of a progressive deregulation of spatial planning, which provided more flexible juridical tools to derogate the city zoning plan in favor of area-specific development, generally labeled as negotiated programming.

In 1996, the region, the province, and the city of Sesto signed a programme-based agreement (Accordo di Programma) for reindustrialization (Regional Law 30/1994), allocating 6bn Lire (app. 3m Euros) and constituting an urban development agency for area development: the North Milan Development Agency (ASNM). The ASNM was a joint-stock company involving Sesto and three other neighboring municipalities with similar political background, the province (39% of shares), the Chamber of Commerce (19.4% of shares), and the minor participation of Falck Corporation (Lefèvre, 1998). Founded and chaired by a former Sesto alderman of public works, it operated under the private-law regime to speed up planning procedures and ensure better governmental control of development projects. It thus became a tool to facilitate land redevelopment, frame projects at an inter-municipal level, and enable inter-municipal political coordination (e.g. Strategic plan North Milan). The ASNM acquired land plots to develop space for SMIs and in four years rehabilitated 4ha of brownfield areas.

Despite this dynamism, the Falck site remained an open issue, with local politics acting timidly because it was not crucial to the labor policy issue. Moreover, the ASNM acted out of Milan, with the core city disinterested in the political experiment of the north of Milan. At that time, Milan followed an inward-looking mayoral agenda focused on ‘domestic issues’, neighborhood regeneration, and rebranding after political scandals (Tangentopoli). The few experiments to attract media-industry at the Falck site never
attracted coordinated political effort from the core municipality. The political stress on labor issues combined with weak cooperation with Milan made the Falck a politically insignificant endeavor. Eventually, the former alderman of town planning declared that “We didn’t want to transform the whole city, even though the planners were aware that our choices were irrational. It was too risky for our executive. We left the choice to the next administration.” The local government was stalled by the question: “Now, the workers. After that, what?”

2000-2005: TUG OF WAR PLANNING

The Falck brownfield became an opportunity to redefine Sesto’s economic position within the growing Milan region. In 2000, the brownfield was acquired by a local real estate developer with a bank loan (95% of cost, from Banca Intesa), and the project became an effort to ‘build and sell’ as quickly as possible. Growth, market, and political challenges turned into a tug-of-war between contrasting interests: local executives attempting to settle new types of productive spaces and developers striving for residential development and large office blocks. The way to deal with this negotiation became a topic of political debate among the local left. Two factions developed, supporting ‘interventionist’ and ‘regulative/restrictive’ redevelopment approaches respectively. The former insisted on a stronger role for local executives in planning, with direct investments and active governmental development agencies (broadly inspired by the French Société d’Economie Mixte), while the latter insisted on a more regulative planning approach to control with requirements for private initiatives. The elections in 2002 strengthened the second faction, with a mayor supported by a Social Democratic-Communist coalition (the latter with 10% of seats). The group believed that the city’s direct financial involvement implied unjustified financial and political risks, and that the suitable approach was to set requirements to regulate opportunistic development: a low density building index of 0.5%, a 450,000sqm park, the standard fees, a program of 60%-40% residential-productive built
surface, and the obligation to maintain the area as a unitary development project.

After the heavy deindustrialization of the 1990s stabilized, the key issue for the project became matching revenues to costs of the project (calculated at approximately 9% net of the total investment) to guarantee private returns while ensuring protection of local economic landscapes. Faced with the uncertainty of either accommodating office spaces or maintaining socio-economic conditions, the city decided not to take any risk. Even the more strategic approach undertaken by the developer in 2001\(^8\) (to set up large strategic objectives) failed to receive municipal approval. Local politicians did not engage whole-heartedly in these initiatives because they feared uncertainty in the financial and social outcomes of the project: “they wanted to know the exact quantity and types of functions in advance for a project taking place over 20 years with volatile markets [...] the administration didn’t want to talk to experts. This was due to the fact that, by opening the discussions, the political issues of long term change would have emerged\(^9\).

The final proposal in 2002 involved a high percentage of residential developments (approximately 60%) and high-standard office spaces (30%) for finance-related services and bank headquarters. This proposal was not accepted by the local council as it failed to take implications on local socio-economic conditions, a fundamental issue for local executives, into direct consideration. The gridlock stemmed from the conservative requirements of the municipal plan (to ensure high collective benefits for the population and limit housing) and a general lack of strategic vision at higher levels. The project was simply viewed as a housing/industry trade off within Sesto. Discussions on amenities at regional and provincial scales were ineffective (e.g. a proposal for a tramway made in 2000, connecting Precotto metro station to Sesto central station across Falck). Both the provincial strategic plan (Piano Terrotirale di Coordinamento Provinciale) and the inter-municipal plan for the North of Milan issued by the ASNM in 2002 (Piano Strategico Nord Milano) failed to conceptualize the connection between local issues
of land use development and the broader dynamics of urban change (Pasqui 2002). As the deputy mayor of Sesto said: “the Falck is in our territory, why should Cinisello or Bresso (other municipalities) decide about it?”.  

2006-2010: TOWN PLANNING THROUGH PROJECTS  
In 2005, Risanamento s.p.a, a Milan-based joint stock company conducting other large projects in the region, acquired the area for 220m Euros (and the bank debt of the former owner) and called Renzo Piano, an internationally-renowned architect, to work on the project. That same year the regulative framework also changed, allowing a redefinition of the development restrictions and requirements. A new Spatial Planning Act (Regional Law 12/2005) introduced a new instrument, the Piano di Governo del Territorio (PGT), permitting the city to redefine the spatial requirements of the Falck with a new municipal strategy. The transformation became the city’s priority, as growth and market challenges became a city planning issue beyond the limit of the single Falck site, directly related to the electoral success of the governing party.  

In 2006, the city’s planning department constituted a new think-tank (Tavolo di lavoro Falck), with Renzo Piano’s architectural studio and the developer’s financial consultants. City executives began a series of bilateral bargaining while also activating the formal process of municipal planning. The process gained pace with a financially strong investor, approaching elections, and the rise of public discontent about the long-term vacancy. Local executives realized that it was necessary to ‘relieve the pressure’ on land redevelopment, re-discuss the collective benefits agreements, and provide incentives to facilitate realization. To make the plan more financially sustainable and mindful of the skyrocketing interest on loans, work spaces required by the municipal plan were reduced to 30% and houses to 50%. The city relieved the pressure of an industry-oriented agenda and increased the electoral implications of the project. The issue became to “define a politically sustainable plan appealing to the local political and civic groups that resisted in the
past”\textsuperscript{11}. The 2007 proposal included more surface area (110ha), with the majority for housing (60%, 15% of luxury standard), 15% for office space, and 15% for large retail. Productive space decreased to 10%. Large public facilities were proposed in exchange for volumetric allowances.

This plan was eventually accepted in September 2011, when another development consortium bought the lease and made a few changes\textsuperscript{12}. This took place after many years of negotiations and debate addressing the social, political, and economic implications of this housing-oriented development. In these years the main issue was to connect the technical negotiations over the Falck land redevelopment with major issues of city planning; to reconnect specific interests on the site with city politics. On the other hand, the city executives tended to insulate the negotiations from city wide debates in order to reduce the risk of political disruption and lack of consensus. The opposition of local civic groups was stronger; accusing planning of a lack of transparency as it was conducted behind closed doors with the developer. Political representatives were faced with the dilemma of either undertaking a publicly managed process of decision-making on the municipal plan or counteracting speculation by private corporations. Puzzled by this choice, local executives delayed the approval of the plan, uncertain of the political reaction of the locality. However, this enclosure was instrumental to defining the final project; to eventually gain revenues for local services. The weaker bargaining capacity made Sesto’s executives dependent on the developer to negotiate large infrastructural projects with upper levels of government. Incentives were therefore given to Risanamento s.p.a. to negotiate with the national railway companies and the region to improve the central station.

\textbf{THE IMPLICATIONS OF METROPOLITAN FRAGMENTATION ON URBAN DEVELOPMENT}

Deindustrialization has heavily impacted Sesto’s socio-economic landscapes but local political coalitions have, for many years, been unable to activate spatial adaptation. The Falck case demonstrates
that political strategies affect land development choices and that local political coalitions tend to protect their interests when faced with uncertain outcomes. Why this outcome? How could we unlock these trends? I suggest that a possible explanation may be found in the geo-political positioning of peripheral development within wider city-regional patterns of transformation. With today’s conditions of inter-municipal fragmentation in the Milan metropolitan area, to solve the interlocked growth, market challenges, and political challenges of development means to systematically set them as a win-lose situations. The political resistance of Sesto is de facto induced by a lack of inter-municipal planning. There is a mismatch between the inter-urban scale at which growth and market challenges take place and the city scale at which urban development is addressed. While the Falck project is a strategic endeavor for the city of Sesto, the tensions between land redevelopment, socio-economic change, and collective benefits are of such a complexity that a cooperative planning process is hard to be reached without expanding those development issues to a scale that includes Milan’s border and the first urban belt (i.e. the denser parts of the metropolitan area).

There is no discontinuity in the urban texture of Milan and its first belt. Sesto San Giovanni has density equal to northern Milan’s neighborhoods and is a major attractive pole for commuters within the city (PIM 2006). Real estate prices are similar to Milan due to good accessibility (e.g. Tangenziale Nord, Malpensa) and office space is even more profitable in some cases (OSMI 2011). The shrinking of Milan in the last 30 years (by -8.3% of population between 1991-2001) has made the city dependent on its first belt and on the suburbs for affordable housing. Economic activities are thus progressively relocating to the outer areas, like Segrate (e.g. ADP international business), the South-East, and the North-West (e.g. Stephenson district and EXPO 2015 area). However, this dynamism is uncoordinated between municipalities and problems of high long term office and housing vacancy (6% and 10% respectively) and a lack of affordable housing in the inner districts exist. Traffic congestion and air pollution are increasing in the whole region.
Issues of growth, sprawl, and social redistribution affect the spatial, social, and economic inter-relationship between Milan and its fringe. These require a planning approach that defines win-win scenarios at the metropolitan level to accompany the polycentrism emerging in Milan. The framing of market growth, industrial settlement, and green area production can thus be done only at the regional level, weighting costs-gains of developments. The emergence of strategic forms of regional cooperation are based on recognition of the benefits to each municipality in collaborating on solving collective action problems, creating economies of scale in development, and coordinating public service production and delivery (Andersen and Pierre, 2010).

The inter-urban character of these socio-economic and environmental problems is well-known in the politics of both Milan and its fringe. Nonetheless, most of the inter-municipal policy making experiments undertaken so far have failed to overcome the political resistances to cooperation: the 1960s-70s experiments of the PIM (Piano Intercomunale Milanes), associating 63 municipalities and two provinces; the national framework of Città Metropolitane which attempted reorganization of administrative structure based on voluntary agreement between municipalities (Law 142/1990); the Milan’s Framework Document (Documento di Inquadramento) in the 2000s (Healey 2004) which experimented with more flexible city planning; and the recent Città di Città project which explored and designed the polycentrism of Milan Province (Balducci 2011). In spite of their potential to ‘manage’ growth and market dynamics at a higher scale, these initiatives have not taken root in local development choices because, when it comes to definitions of land usage, local politics often fear win-lose situations. Milan metropolitan area is instead governed by non-cooperative and non-institutionalized inter-municipal coordination (Balducci 2003; Kantor 2008), consolidated by an integrated system of hierarchical planning which does not allow innovation in development policies. According to Balducci et al., there is a “chronic lack of correspondence between administrative boundaries and the phenomena to control” (2011, 5), which in turn generates “a context of multi-level governance in which the
Fig. 3.2. Main ongoing projects in Milan and Sesto San Giovanni.
boundary lines multiply and overlap putting increasingly more pressure on the traditional boundaries of administrative organization” (idem, p.31).

Inter-municipal competition increased the perception of the electoral risk of land development in Sesto’s political elite. The fringe of Milan is alone in its large scale strategic project, with scarce resources, many planning responsibilities, and in a competitive context of regional development. The Falck project suffered isolation from higher levels of negotiation. Land development became a particularistic negotiation between politicians and financiers, with upper levels of government providing only normative frameworks. Although the latter can make use of different planning tools to orient development (Piano Territoriale di Coordinamento Provinciale and the Piano Territoriale Regionale), they have few resources to enable innovative decision making, solve conflicts, or prioritize urban development nodes. They operate on infrastructure and protected environment but strategic development projects (e.g, the PII) remain a wholly local responsibility. The combination of localized planning competences, weak incentives for strategic cooperation, and a decentralized fiscal system generates an institutional situation which makes it hard to reorganize and reframe socio-spatial (and political) asymmetries between Milan and its belt.

In the periphery, metropolitan fragmentation has a direct effect on the (political) capacity of local government to respond to challenges of economic change and thus has indirectly conditioned the emergence of a balanced polycentrism in the region. Conservative localism has tangible impacts on the most economically and politically vulnerable developments, those in which the trade-offs between land development costs-profits, collective benefits-needs, and dynamics of social change-political risk are the highest. In fringe municipalities these challenges are significant, with consolidated political coalitions, historical socio-economic identities, and a need for social services. The Falck site lost the competition for profitable functions to more central interventions in Milan (e.g Santa Giulia, City-Life, Garibaldi-Repubblica).
A rescaling of the project might have affected the planning process in several ways. First, it could allow the strategic connection of local economic development issues with larger trends in the Milan region. Within inter-municipal platforms of governance, local coalitions become more aware of the changing dynamics of other municipalities and of major investment opportunities in a specific period. They can also better understand how local plans compete or complement neighboring visions in order to better address issues of timing in incremental planning. Moreover, the political stress over development could even be relieved by, for example, coordinating core-city economic development with connected investments in fringe green landscapes and inter-municipal transport improvement. A coordinated strategy of development reduces the political risks of complex developmental policies in the long term. Secondly, local political groups could find new opportunities for political coalitions by looking at the whole metropolitan area. The growth of many fringe areas is still dependent on the dynamism of the core city, so by looking at their interdependency it is possible to discover that specific policies for Milan municipalities can also promote peripheral well-being. The economic specialization of sub-centers can avoid competition between projects for investment but this can only be discovered by engaging in strategic discussions at regional levels. Lastly, rescaling peripheral projects would also strengthen the capacity of local groups to attract investments from higher tiers of government, as these subjects need to see realistic yields of their investments. By framing large projects as regionally strategic it becomes possible to attract more resources and to develop integrated planning solutions to large infrastructural policies. A lack of a strategic thinking on the streamlining of regional investments made it harder for Sesto to capitalize on upper level subsidies and support from public and semi-public institutions (e.g. national railway companies). It is important to stress that metropolitan governance entails political conflict and that large city politics tend to dominate smaller localities. Although political conflict might make cooperation impossible, my argument is that large scale projects
can help to frame inter-municipal cooperation at a more pragmatic level by focusing on the long term socio-economic gains for the whole region and consequently on concrete issues of redistribution. In doing so, political coalitions are firstly able to avoid parachuted projects from large developers that propose radical socio-economic change in the area. Secondly, they can see clearer opportunities to reach constituencies and political partners outside their jurisdictional borders. This allows to build up political support from specific strategic policies at other levels that could recognize the competitive advantages (and identity) of their locality. This allows to actively accompany social change, and thus gradually adapt political networks.

CONCLUSIONS

This paper aimed to cross-fertilize planning knowledge with concepts proper to political science. It used a spatial-electoral approach to empirically understand how electoral issues affect land development. The periphery is today a space crucial for metropolitan change but in many cases it needs to reinvent its socio-economic condition, adapting to new global economies and meeting demands for public services. The extent to which metropolitan regions are able to exploit opportunities of urban change and avoid risks of regional polarization depends on their capacity to manage multiple types of planning challenges at an inter-municipal level. These stem from the interlocked effects of financial, socio-economic, and political matters of area redevelopment.

This paper employed a single-outcome case study to reveal how political-electoral dynamics, market change, and growth strategies are interlocked in practice. Fringe development was conceptualized as a political problem surrounding the combination of financial and economic priorities of investors, the redistributive ambitions of local governments, and the electoral implication that growth has on socio-economic change. Specific combinations of these
ultimately determine whether, how, and what type of developmental policies will be realized. Based on the existent literature on political logics of urban policy making, I uncovered how this mechanism takes place. To do so I investigated a particular project that showed a surprising outcome, a long lasting vacancy; I looked at the way political groups in power attempt to maintain their power base. Lastly, I interpreted this behavior, claiming that it is in fact induced and strengthened by metropolitan fragmentation.

What can be learned from this particular case? The limits of single case studies are well known and they regard the limited external validity of the result. The case of Milan is certainly peculiar, with lower economic polarization between core city and inner periphery, enrooted political subcultures, and a stronger role of government in planning. On the other hand, it shows a negotiated practice of land use planning similar to English and American contexts, a practice also increasingly employed in northern European countries wanting less public involvement in land development. The legacy of Sesto is similar to the post-industrial transition of some of the rustbelt cities or with the political dynamics of the European red-belts. This study does not claim to be generalizable, but it aimed to advance steps towards the under-investigated relationship between electoral dynamics and planning in contemporary American and European literature, and to catalyze more interdisciplinary research between planning and political science. It provided detailed, qualitative information on a case in order to set the bases for a new hypothesis of research, and possibly to combine them with large N comparative case studies more frequently used in political science. Further investigation might address the behavior of neoliberal parties, or test the relationship between electoral turnouts and land use planning policies.

This study shows, first, that electoral strategies do influence development in times of economic growth and crisis but that politics may have a conservative bias. Politics also has a role to play in achieving innovation in land use planning, but this requires specific conditions. This statement attempts to complement discourses on
the domination of market subjects, especially in times of economic crisis where business tends to stick to established practices of development. Planning in times of crisis might not only need economic solutions, but also discussion of the democratic justification of growth policies. Secondly, the study suggests that under the conditions of emerging polycentric metropolitan areas, the degree of innovation in planning is related to capacities for rescaling and reframing development agendas at a metropolitan scale. Considering local parochialism the cause of failure for metropolitan governance might make institutional change difficult. In this article I took an opposite point of view, looking at creasing local conservative policies in peripheral municipalities and arguing that metropolitan fragmentation might increase these tendencies (rather being simply the consequence). This is a shift in point of view which provides insights to inform and sustain experiments in the practice of metropolitan government. My argument is that local governments in the periphery might miss important opportunities by pursuing protective inward looking strategies, and this does weaken their position in metropolitan political platforms in the long run. Institutional experiments might thus attempt to rejuvenate the political linkages between local dynamics with regional trends.

NOTES

1) The economic prospects of the project changed over time according to the different periods of negotiation. The current project, defined in 2011, forecasts a total investment of approximately 3bn euros, with profit estimated to approximately 1bn euros.

2) The average price per square meter in Sesto is approximately 3000 euros.

3) The DS has progressively split into two different components, and communist parties have been uniting with other groups of communist origins. In Sesto, the Communist Party performs much better than the national groups that, even with different party coalitions, got no seats in the first chamber in 2008.

4) The Integrated Programs of Intervention, the Plans of Urban Renewal and the PRUSST
5) Elected in 1997, mayor Albertini metaphorically compared the city of Milan to a ‘condominium’.

6) Interview 30th November 2010

7) Interview with Studio Gregotti, February 2011.


9) Interview with involved architect, December 2010.

10) The incentives regarded sustainable building programs, the preservation industrial heritages, the realization of ‘high standard’ public amenities, and the private-led regeneration of the station which was formerly the responsibility of the rail company (RFI).

11) Interview with development company, December 2010.

12) The land acquisition is made by a complex financial construction that includes a holding company of the Sesto Immobiliare Stock Corporation, banks (30%, Intesa Sanpaolo, Unicredit, and Bpm) and other investors. Sesto Immobiliare Holding is composed of 80% Davide Bizzi, 10% the Korean Honua real estate agent, and 10% New Valley (an American society).

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