

# Afterword 1

## Economic Crisis, The Welfare State Decline, and A New Public Ethics for Planning

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Leaving aside the aspects on which my opinions may vary from those of the author, what is important about Ombretta Caldarice's book is that it re-ignites critical discussion around the complex question of urban infrastructures and facilities, questions that have become ever more crucial today. As noted by Tanzi (2005, p. 630) "rapid technological innovations, the growing sophistication of the market, the development of financial services, and globalization are changing the basis for providing services and even for government." And on this score, with the aim of furthering the discussion around these focal issues, I would like to draw attention to five critical points of fundamental importance that lie at the heart of this debate.

First of all, we should note that the prevailing opinion remains the economic slump was the primary force driving (either directly or indirectly) a sharp contraction of the welfare state in many countries all over the West. In truth, it is more likely that particular forms of welfare state in certain countries reached a tipping point on their own, triggered by decades of unchecked public spending, a steadily rising national debt, and skyrocketing taxes. Furthermore, the ongoing economic crisis is inseparable from certain public responsibilities (O'Toole 2009; Taylor 2009; Woods 2009; Hardaway 2011; Allison 2013); in particular, it is tied to a swath of policies implemented by the United States, where the implosion first began to gather momentum—e.g. certain restrictive growth-management policies, particular mortgage and fiscal policies, and unusual and discretionary monetary policies (Moroni 2016).

The second point I wish to put forward here is that many observers—including several classical liberals—have always retained that it is the State's duty to provide certain types of basic infrastructures and facilities. That said, precisely for what reasons the State should provide them requires critically re-examining. On this score, the most common argument circulating pivots on the nature of the so-called "public goods". As is well known, public goods have, according to Samuelson (1954, 1955), two specific features that distinguish them from private goods:

non-rivalry and non-excludability. The first implies that one person's consumption of a unit of the good does not reduce others' ability to consume the same good; the second feature implies that, once a good has been produced, it is impossible to exclude non-payers from consuming it. Starting from this definition, it is usually claimed that the market is unable to supply a sufficient quantity of these (public) goods, due to the existence of free-riders; hence, state intervention is considered a necessary condition for efficient supply. In the main, traditional planning theory and practice have tended to rely extensively on this type of argument (Moore 1978). The problem there, however, is that few goods are truly "public" in that sense. In short, the traditional theory of public goods is far less applicable and relevant than most neoclassical economists believe to be the case (see Brownstein 1980; Pasour 1981; Block 1983; Hoppe 1989; Goldin 1992; Holcombe 1997; Tabarrok 2002; Simpson 2005). Without doubt, excluded from the list of "public goods" are all those we might term "territorial collective goods", namely those for collective fruition linked to a specific tract of land (Foldvary 1994). The key point is that territorial collective goods—squares, roads, parking lots, sports facilities, schools, and so on—are clearly excludable. As Foldvary (1994, p. 25) notes: "Human beings are land animals, creatures that live in three-dimensional space on the surface of the earth, a fact that is obvious to everyone except an economist writing about public goods. Much of the literature on public goods ignores the fact that most [...] goods are provided within some bounded area and affect the demand for the use of that space." The problem is that most theoretical treatments of public goods are flimsy theories that disregard both space and transaction costs (Portugali 1980; Pinch 1985; Foldvary 2001).

Accordingly, the third point I wish to underscore here is that for the (excludable and rival) "territorial collective goods", one should consider that private actors are also able to furnish the requisite goods, and moreover it is in their interest to do so (Brunetta and Moroni 2012). This in effect is what takes place with contractual communities, namely homeowners associations, residential cooperatives, co-housing complexes, multi-tenant income properties, and so forth (Moroni 2014). If the goods are provided consensually by the site owner to multiple tenants, or by an association of owners to its members, this basically excludes free-riders from the equation: the users pay for what they use, and the site owner or association of owners accordingly guarantee the goods in return for payments (Foldvary 1994, 2005).

This brings me to my fourth point. If we can assume that at least some infrastructure and facilities ought to remain in public hands, we need to find an alternative to the basic argument of public goods, an issue that to my mind has been generally overlooked and so far insufficiently explored. For a start, we might inquire deeper into Rawls's idea of "primary social goods" (Rawls 1982), which if given due attention could open promising new avenues for planning theory and practice (Moroni 2004); in this regard, some interesting reflections have been put forward by Basta (2015). Similarly, the concept of the "right to the city" could open up new directions, provided it jettisons some of the current ideological content (Moroni and Chiodelli 2014).

I close here with the crucial fifth and last point. Once it has been determined which infrastructures and facilities should remain in public hands, their supply must take place on the basis of resources gathered through limited types of taxation, and specified at constitutional level (Buchanan 1977, 1999; Buchanan and Congleton 2003). In other words, the (national and local) political majorities must no longer be able to continually revise rates and taxes at whim. Instead, the public administrations must prove their efficacy in transforming the resources they gather by means of predefined thresholds. It is worth noting that poor performance in the public machinery is basically a form of social injustice. Paradoxically, there is scant traditional academic literature on the ways and means by which levied resources are actually transformed into public services, a topic that has only recently begun to attract attention (see for instance Afonso et al. 2005).

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## Afterword 2

# In Search of New Urban Welfare Policies: The Design of the Commons for Spatial Planning

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The current phase of great changes that are affecting society, the economy, and various territories emphatically marks the emergence to two phenomena that are generally treated as opposing dynamic forces.

On the one hand, the progressive shrinking of public resources is bringing about a substantial reduction in the quality and availability of those urban resources and services that state administrations had guaranteed in their effort to safeguard the right to the city and the related land values ever since the very origin of the idea of urban planning. The global economic crisis of 2008 broadened the mechanisms of the financialization of an ever-increasing number of public resources, producing critical effects on the minimum levels of quality of a great portion of urban services, which had traditionally been assigned to city planning.

On the other hand, various forms of organization into civic associations have broken into in the urban field, mostly affirming themselves most actively in the production, maintenance, and management of civic resources. Their affirmation has been accompanied by novel techniques in the production of services, the very same sphere that, from among the broadest range of urban welfare policies, had traditionally been reserved for public intervention. These are civic forms of associations that are completely self-organized. Their actions are founded on mechanisms of reciprocity and/or solidarity—i.e. the community ideal of “mutual aid” of the type called for in the original idea expressed by Kropotkin, and then developed by libertarian theorists, in relation to a community’s sense of belonging to a place (Kropotkin 1902).

I would like to consider these two aspects in discussing the research of Ombretta Caldarice. In taking on topic that is decisively essential to our field—urban welfare policies—she has tried to unite a discussion on the need for a technical reform of the rules of the game for the production of urban services with research on a new ethical vision for urban planning.

From this perspective, I hasten to focus our attention on some central issues in the discussion of research for “new urban welfare.”

1. *Norms alone are not what we need, but rather a new paradigm for the governance of urban services*

The reorganization of regional urban planning norms alone is not enough to guarantee an administrative potential that could enhance and reformulate a new approach to the design and management of urban services. The need for political innovation, aside from technical innovation, seems clearer and clearer today. We are witnessing not only a renewed interest in the realization of civic resources but also a radical revision of their meaning itself. This is a paradigm that is something other than a market paradigm. It privileges solidarity over competition and collective over individual consumption. It helps reformulate the meaning of common goods. Such experiences constitute the “rediscovery” of community practice. Strengthening common consciousness, they are an extraordinary potential catalyst for renewal projects (Ostrom 1990). The commons represent the key for beginning the process of institutional change in the attempt to get past the “aporia” which current approaches to territorial governance find themselves in (Mazza 2015, p. 181).

We need to equip ourselves with new tools for governance that can include new demands, availabilities, and social experiments inside of a renewed vision of planning. The proposal consists in starting out all over again from a project of “active citizenship” in order to reconstruct the “bonds between society and the citizens,” helping restore meaning to the relationships between institutions and society (Arena 2006; Dahrendorf 2003; Veca 2008; Sen and Williams 1982). Thus the first question has to do with the possibility to consider that the wide spectrum of emerging social experimentation (here, based on the territory) is a resource for a project of citizenship. This resource can emphasize the value not so much (and not only) of the options of individuals but of the degrees of autonomy of individuals who freely do business in a territory (Goodman 1972; Veca 2009; Ward 2000; Sennett 1974; Taylor 1987). It is exactly that quality of “experiencing surprises” that can spark institutional innovation, producing a framework of cognitive norms in relation to new urban welfare (North 1990; Sennett 1992).

2. *Putting to the principle of horizontal subsidiarity into action*

The perspective outlined above counts on the fact that the constitutional principle of “horizontal subsidiarity” (Constitutional Law 3/2001 Title V art. 118—paragraph IV) can give us all a chance to redesign urban welfare policies. What is referred to is the civic shade of meaning of the concept of horizontal subsidiarity, one that calls for action between the private and the public spheres that is complementary and allows people to find voluntary answers to questions that the public or private sphere alone cannot find solutions to (Arena and Coturri 2010; Moro and Vannini 2008). We should begin again from a different work perspective work, one that does not make single individualist/localized options, which may be good in themselves, the central focus of the redesign of institutions. Rather, this new

perspective focuses on the potential to make these options possible and bring out their value, all of this within a new perspective of action of public policies. The proposal of a “mixed system” takes a new look at the space of action between the public and the private within the logic of horizontal subsidiarity in the processes of the design and production of collective resources. This proposal could reduce the disadvantages and increase the opportunities in the delivery of urban services in view of the broad range of initiatives of territory-based civic associations (Brunetta and Moroni 2012).

From this point of view, the perspective of innovation figured in the growing phenomenon of “contractual communities” presents us with great opportunities for the reform not only of the rules for realization and management but also of the procedures of the design of urban collective goods and resources. This perspective does not intend to undermine the state. Rather it can become a “resource” for re-establishing that circular bond—society-institutions-citizens—that today has become weaker and weaker. It can also play a crucial role in re-establishing a strong integration between individual and community options, on the one hand, and the related bonds of the systems of choosing, on the other (Brunetta 2015).

### *3. Starting from the society of citizens for new urban welfare*

Therefore we should take a strongly critical perspective in reconsidering the approaches to urban welfare policies that have been taken up to now for the realization of urban services. On the one hand, we should refashion the legal framework of the urban-planning rules for spatial design. On the other hand, we should address a perspective of study that considers that civic forms of self-organization generate systems of rules for the management of collective resources. These civic forms have an unexpected yet formidable ability to adapt to the evolution of urban dynamics. What emerges is a perspective of work that helps redefine the traditional idea of urban planning understood in its original meaning as an tool for the guidance and control of spatial/social systems. We should emphasize the potential for innovation that this new institutional dimension gives us, a dimension that is the result of a process of design and selection of self-coordinated rules and actions rather than of solely centralized rules (Ostrom 2006).

In conclusion, we should emphasize that, from this perspective of institutional change, we are facing the varied and clamorous social phenomenon of civic associations. In this way, society seems to be taking a decisive step forward, in advance of the present framework of urban rules guiding urban welfare policies that do not always seem ready to welcome the potential for innovation of such experimentation. Nevertheless, there are well-made successful administrative experiments that have been made possible by rules concerning common resources introduced by several city administrations—for example, by Bologna, Turin, and Trento. These have made the enactment of the first “pacts of collaboration” possible for the design and maintenance of common resources by civic associations. These are ad hoc packets of rules for the care of a specific resource and/or urban service whose collective value is recognized. These experiences in implementation safeguard the common property of the market and of the state equally, recognizing that

these resources and services, the objects of the “pacts,” have a value based on the use they produce and therefore are not based on a form of property. This is a new perspective of work for urban welfare policies, one that certainly does not resolve the multitude of critical problems that today afflict contemporary cities. However, this perspective doubtlessly enables us to put at the centre of our work new cognitive and normative patterns of reference in order to produce institutional innovation in the field of urban welfare.

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