

**Title of Paper:****INSTITUTIONAL CAPACITY AND AREA - BASED PROCESS OF URBAN REGENERATION****Authors:**

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# Institutional capacity and area-based process of urban regeneration

## Introduction

This document is the result of interaction between two different activities: the first is the research activity developed during a PhD in Territorial Planning and Local Development at the University of Turin, whilst the second is the planning carried out at the City Council Administration of Genoa and called "Map of Urban Conflicts". The interaction - which lasted for about two years - between these two activities, characterised by different set-ups and aims, has allowed the formulation of joint and complementary reflections on the topic of Institutional Capacity in the sphere of the processes of territorial transformation.

In the first paragraph the theory and methodology of the formulation of the topic is presented. In the second part there is a synthetic description of the main results regarding the case study analysed in the sphere of the research doctorate. No detailed description is given in this context of the empirical investigation phase (case-study PPU The Gate-Torino Porta Palazzo)<sup>1</sup>, but simply the main results of theoretical interest.

In the final part of the document the activity connected to the planning and realization of the Map of Urban Conflicts of the Municipality of Genoa is presented. The latter is still ongoing and so only some of the very first results are given, concentrating in particular on the subject of the relationship between the formalization of the topic of conflict as a territorial resource and the ordinary administrative activities.

## Formulation of the scientific problem

Each time a territorial transformation is made it is possible to associate a set of material resources (economic resources, physical spaces, etc.) and a system of immaterial resources activated for the intervention (relationships between subjects, duties, ability to mobilise, etc). As far as this document is concerned the concept of "Institutional Capacity" has been used to locate and analyse this system of immaterial resources and their relationship with the territorial concept.

Institutional Capacity, as defined in this paper, is not spontaneously generated by the carrying out of territorial transformations: programmes and projects constantly generate knowledge and relationships, but not necessarily Institutional Capacity. Institutional Capacity is defined through the activity of networks of subjects that – producing conscience and organisation of established relations, of roles played and of the knowledge produced inside the territories in which they operate – utilise these resources to reproduce, over time, the activity of the network itself.

In Italy, as in numerous other European contexts, the territorial government has in recent years undergone an important evolution. This phenomenon is due both to the improving of the instruments for intervention as well as the taking on board at a national and community level of some recurring priorities (administration harmonisation, partnerships, environmentally sus-

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<sup>1</sup> for details, see. H. Ghiara H. (2001), "Institutional Capacity e processi di trasformazione territoriale", Phd research, Politecnico di Torino.

tainable economic development, conflict management etc). This new operational platform favours (and assumes) the activation of local networks of subjects involved in the planning of transformation proposals, in the management of operational interventions and in the search for financing.

The theory underlying this contribution is that, through a physical territorial transformation intervention, some local networks manage to operate as an interface with the local milieu, contributing to the activation and development of existing territorial resources. In other words, it contends that, in some cases, the result of the networks' activity can be described as the sum of the physical transformation and the increment of the Institutional Capacity, and the intervention may be defined as the sum of the concrete results obtained and the effort made to achieve these results.

On the basis of the above considerations, there are two aspects developed in this contribution, one of an interpretative nature and the other operative. The former is the definition of the construction of Institutional Capacity in the processes of territorial transformation, meaning the *ability of a single intervention to reveal elements of territorial flexibility which allow its remodeling and its progressive adaptation of the territorial characteristics of reference*. The latter aspect is the operative recognition of the degree of conflict present at a territorial level during the planning phases (Map of Urban Conflicts); the management of this conflict is, in fact, one of the principal elements of the start-up for the construction of Institutional Capacity.

## Formalization of the concept of Institutional Capacity

From a methodological point of view the main theoretical force is the formalization, using general criteria, of the concept of Institutional Capacity. The central aspect on which this paper focuses is the relational character of the concept of Institutional Capacity, which may be specified in the following manner: Institutional Capacity is the relationship between a potential patrimony of resources and its active realisation (the project) and may therefore be analysed solely in relation to specific transformation interventions; Institutional Capacity is the relationship between organised resources and the relations between these resources and the external environment.

A correct analysis that can pinpoint the network "properties" that are able to act as an interface between the programme and the local milieu must be able to find the joint presence of at least three different types of resources: Knowledge Resources; Relational Resources; Mobilisation Capacity (Healey, 1999). In the prospective proposed here it is the joint presence and the relationship between these resources that ensure that forms of aggregation can be lasting engines of the territorial transformation process and not temporary associations and instruments for short-term objectives.

The construction of Institutional Capacity can be "recognised" through the definition of certain key elements that allow the network properties to be defined.

Three key elements are proposed below (even if they are not necessarily exhaustive) which are relative to the concept of Institutional Capacity.

The knowledge resources indicate both the types of knowledge activated and developed by the players, and the theories that are the basis of the various types of knowledge that have an effect on the interpretation and on the attribution of its significance (*frame*). In the prospective proposed here they should lead back to that knowledge which allows the network to recognise its own activity as it is a rooted network from a territorial point of view. The key element can thus be synthesised in the following way: *how much reflection has been produced by the network on its own activity as an interface between knowledge introduced by the programme and local knowledge*. The relevant element for recognising the Institutional Capacity increment is not

the quantity of knowledge activated, nor is it the sharing of knowledge or frames between the various players. The real space of the knowledge resources is how much reflection has been produced about its own activity by the various players and the ability to intervene to allow this knowledge to flower, and the know-how present at a local level, and to attribute to them an operative significance in the process field.

If we look at the relational type of resources, the product (the “relational goods”) are the fruit of complex negotiation between the nodal points that leads perforce to a modification in the strength of some points. In some cases this modification may coincide with an increase in strength of some nodal points (for example due to a greater ability to insist on working to their *agenda*) or with a decrease in the nodal points’ strength (for example the reduction of their own objectives within the overall project to secondary importance). When the strength of some nodal points is modified different situations may come about. It can be affirmed that the process has generated Institutional Capacity when the subjects accept the redefinition of their own role because they are aware that their own belonging to the system generates equal or greater benefits for them. The key element, as far as the relational type resources are concerned, could thus be synthesised in the following manner: *how much reflection (reasoning) on the recognition of the roles of the various subjects and their relationship with the territorial context has been produced by the activity*. According to the definition given to the parameter the concept of relational resources does not lead in the main to some elements that are often cited, namely the size of the network of the subjects involved or alternatively the presence or absence of power relationships. In the prospect proposed here the real space of the relational resources relates back to the capacity for self-reflection of the system on the recognition of the roles played by the various subjects.

As far as the mobilisation capacity is concerned, if a network receives a stimulus generated by the presence of an environmental input (to give another concrete example: the financing given through European funding), it has to face up to the subject of the various possibilities of action. These possibilities of action, that will give form and substance to a future project, are seen, managed and communicated mainly by certain subjects or key players. These players are the nodal points of the network that have the role of engines. In general it seems feasible to me to identify the following roles: subjects sensitive to the reception of the possibility of action that tend to create ties; subjects sensitive to the reception of the possibility of action who tend to create ties and to keep them over a period time (therefore maintaining the system). The descriptive element proposed is the following: *how much reflection on the recognition of the opportunities for action present and able to be activated on the territory has been produced by the network in the sphere of its activities*.

## The results of empirical testing activities

Investigations<sup>2</sup> into the construction of Institutional Capacity in the sphere of the processes of territorial transformation (case-study PPU The Gate-Torino Porta Palazzo) have looked at two main themes: what is the relationship between the patrimony of immaterial resources present in a certain context and the individual transformation intervention; what role does the appointed institutional network play in the development and carrying out of the project in constructing this relationship. The empirical investigation phase can lead to two main interpretative results.

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<sup>2</sup> the research is based on analysis of documents, participation in some of the process and key respondent interviews (22); for details about methodology and research tools, see H. Ghiara H. (2001), “Institutional Capacity e processi di trasformazione territoriale”, Phd research, Politecnico di Torino.

The first is the existence of an internal dynamism of the Institutional Capacity system (local network): during the development over time of the territorial transformation intervention (from the programming/planning phase to its realisation) a specific dynamic of the start up system occurs. The system dynamism takes place during the temporal development of the intervention, therefore according to the time which may vary; the construction of Institutional Capacity varies according to the external environment, therefore according to the variable space.

The second is the existence of selective mechanisms apart from the external environment. Some Institutional Capacity dynamics associated with single transformation interventions represent an evolution: when there are unforeseen modifications of the context, thus making observation times rather long, it is possible to verify different situations: some networks are stabilised in the sense that they manage to formally reproduce their own structures thanks to a system of unstable interactions, but stabilised in the measure in which they are operative, others degenerate; the evolution is determined through a selective mechanism determined by the interaction between system and environment.

Conflicts occur and the ability to manage these conflicts form one of the main elements of testing of the *stability* characteristics of the network itself.

## The Map of Urban Conflicts

The experience of the Map of Urban Conflicts has enabled a formulation of the concept of Institutional Capacity in operating and planning terms, concentrating on the dimension of the conflict. Following on from this there is a resume of the aims and certain aspects that characterise the project<sup>3</sup> itself.

If the level of conflict present at a territorial level is not denied, but rather recognised as a potential resource, the recognition of the conflicts present may be interpreted as a sort of “document of territorial opportunities”.

The perception of glaring or latent conflicts on the territory, the identification of the active players, the potentiality for action (projects, will, etc) form part of the knowledge of those who act and decide at a local level. The activities of proposing and managing the transformations (carried out either by public, private or mixed bodies) is however often articulated in sectors and tends to be mainly based on needs that are either procedural or operative, which focus the attention and energies of different subjects. The Map of Conflicts is an instrument that aims to give an operative significance to the recognition and management of the conflict in the planning and management phases of the transformation.

The following evaluations form the basis of the project. The negotiation is at the same time a process of *value creation* and of competition for the *appropriation* of this value (c.f. Zeppetella, 1996). In this sense, even a negotiation that is overtly co-operative may be the origin of conflicts for the appropriation of the value added product of that very co-operation.

Starting with this premise the process of the creation of value on the territory leads to the following elements:

### **Institutional Capacity Relations**

As already stressed, inside a network which manages territorial transformations there is a complex negotiation between the nodal points, which of necessity means that their strength is modified. When the weight of some nodal points is modified different situations may be generated. A first hypothesis is the movement of some subjects to other systems. Alternatively

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<sup>3</sup> for details, see G. Cristoforetti and H. Ghiara “The Urban Conflicts Map”. At the time of the Conference the project (financed by the Municipality of Genova – Special Project Office) will be mid-way. A second phase is expected within the project URBAN II (Municipality of Genoa).

conflicts may be generated within the system. These conflicts may be resolved in a negative manner (with the role of some subjects temporarily compressed or forced) or, instead, positively via a process of acceptance which is born out of the awareness of being part of a system. In other words a subject accepts the costs linked to the redefining of his own role because he is aware that his belonging to the system generates equal or greater benefits for him. I believe that in this latter case one may affirm that the process has generated Institutional Capacity.

### **The link between technical analyses and solidity in the decision-making context**

The second to be underlined is the relationship between the activated instrument and the real role that it carries out. In particular if effectively it is important to ascertain if the instrument has been capable of creating a link between technical analyses (knowledge) and solidity in the decision-making context. In this light the proposed evaluation of the instrument must give the chance of comparing the technical hypotheses with the criteria and the values that give them a meaning and significance. The experimenting of this type of link and the processes of justification of the choice is the second constituent of the territorial value produced by the negotiation process.

### **Guidelines and support of decisions**

It is not uncommon that the Public Administration presents a project characterised by the presence of analyses and monitoring activities particularly relevant to nuclei of activities that are relatively weak. In other words, the investment of operative and decision-making resources tends to be concentrated on marginal aspects compared to the problematical nodal points (from a technical and decision-making point of view) which characterise the activity of the Administration. Negotiation processes that are based on the singling out of a focus, allow the re-focussing of time, operating capacity and administrative experience of subjects both in and out of the Public Administration on the specific problematical nodal point.

## **Conclusions**

The concept of Institutional Capacity can contribute to giving an articulate and precise picture of the relationship between the local network and the milieu. The introduction of the idea of stability of the local networks (through the construction of institutional capacity) means the definition of analytical instruments that allow the signing and flagging of the local network's passage from being an intermediary necessary to a local development process, to becoming a local network which is in itself a milieu (exactly so because it is stable).

The creation of I.C. therefore represents, without a doubt, the unifying result of a set of evolutionary processes of the territory that have matured and that among others have the following concerns:

- it is impossible to find “easy” and non-conflicting solutions to the competition between the various questions of territory and the various sectors of politics, in a physical-qualitative context that is ever more limited;
- there is a need for a large step forward in quality by public administration politics regarding territory, their residual character must be left behind and an approach aimed at prevention adopted;

And if, concerning this, we insert the following observations that need expanding:

- spread the use of monitoring in the itineraries of feasibility studies by the administrations to guarantee the fulfilment of the need, the quality and usefulness of the results;
- the construction of a network of subjects for the evaluation and monitoring in all the Administrations – both central and local;

we will see the message for the activities of project elaboration based on a mixture of negotiation and evaluation enforced.

This picture however contains an assumption that is not commonly shared, that starts from the supposition that co-operation and conflict are not incompatible and that singles out in the negotiation the added value of a territorial nature. In this light our contribution shows activities that, with different approaches and aims, have allowed the highlighting of the possible role of conflict as a territorial resource and the possibility of formalising - within the sphere of the concept of Institutional Capacity - that same concept of conflict in the sphere of the management of territorial transformation processes.

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