

Doctoral Program in Urban Studies and Regional Sciences
Gran Sasso Science Institute, L'Aquila

**The politics of housing
for the lower-middle class.
Demand, supply and public-private
interaction in Rome**

Candidate:
Martina Gentili
martina.gentili@gssi.it

Supervisors:
Prof. Francesco Chiodelli
Prof. Joris Hoekstra

Summary

According to a multitude of scholars, activists and housing experts, we are currently seeing a “Global Urban Housing Affordability Crisis”. Indeed, the fact that housing expenses are rising much faster than wages and incomes in cities across the developed and developing world has triggered an affordability crisis that is global in its reach, complex in its causes, specific in its local developments, and difficult to solve. It plays out in the form of rising homelessness, residential instability for low-income owners and renters, increasing evictions, and low- and middle-income households being priced out of urban housing markets. In the developed world, implications, especially for younger households, may also include having to choose between owning a home or having children, giving up on sustainable commuting options or on proximity to relatives.

In Italy, from 2008 to present day, the global economic crisis has had a large impact on the housing market. Scholars agree that what is critical to this housing crisis is not a lack of supply, but rather the erosive effects of impoverishment, unemployment, a precarious job market, and indebtedness that challenge access to housing.

Italy is a country with traditionally high homeownership rates across social strata, where access to housing equates to access to owner-occupation, often with substantial help from the family of origin. However, being a homeowner society did not ward off the housing crisis, on the contrary, it may have exacerbated its effects. On one hand, for many homeowners – especially mortgage holders – housing stopped being an achievement and turned into a burden, due to increased taxation and reduced value. On the other hand, a political economy of housing based on ownership reduced the capacity of the housing system to accommodate the new kind of housing demand generated after the crisis. Indeed, housing problems no longer affect only the weakest part of the population, but increasingly also other segments: the (lower) middle-class – impoverished by the crisis, burdened by austerity measures, and neglected by housing policies – as well as young couples, workers with little job security, elderly people, and migrants. In the public debate, these households are usually acknowledged as a ‘grey area’ of housing need: their income is not sufficiently low to qualify for social housing, housing and yet, they cannot completely fulfil their housing needs on the free market. They clearly represent a largely unmet demand.

In such a context, it is important to highlight that the affordability crisis depends as much on the housing market dynamics and housing policy as it does on local planning and development decisions. Such decisions are inherently political and depend on ideological positions towards housing (for example the ideological stance regarding owner-occupation as the privileged tenure), but also on the interaction between politics and the private interests surrounding the land and construction sector.

The case of Rome is particularly well-suited to investigate the interplay of housing system and local development and institutional factors. Indeed, while not necessarily representative of the country as a whole, Rome certainly provides a good example of the housing affordability crisis in urban Italy. It is the city with the highest unmet public housing demand – due to both a high number of struggling families and an insufficient and mismanaged public housing stock – and also the largest number of eviction orders. Its housing market is also unable to accommodate the changing demand from low and lower-middle income households. Indeed, despite a reduction in house prices and rents, the gap between prices and incomes still remains very large, and housing affordability has become problematic for many households, also from the middle-class. Moreover, the housing market is rather rigidly oriented towards homeownership, with the residual rental sector mostly dominated by small landlords and a high incidence of the black market (Bianchi, 2017). Access to mortgage credit for young adults in the Roman area has been rather difficult in the past decade, due to the lack of regional and municipal tools to complement the chronically underfunded national policies; and even when granted, credit is limited in quantity.

In addition to the problematic housing situation, public-private relations in urban development and planning are a particularly sensitive issue for the city. In Rome, the construction and real estate sector has been the pillar of the local economy for a long time and, as such, it holds great power, which translates into political weight. The interactions between property interest and the local government over planning and urban development policy objectives are crucial to residential development and housing provision. Indeed, the decade before the crisis has seen the planning and construction of residential stock aimed at the middle and upper-middle class that, given the transformed economic conditions of households, is currently mostly unfinished or unsold. Public-private interaction is a fundamental aspect in a context where lobbying is not regulated, and the potential for a grey area of influence in urban governance is considerable and needs to be addressed.

By inquiring why the housing supply in Rome does not match the housing needs of the middle-income population, this research aims to outline the complex system created by the interplay of different factors at different levels. First, it aims to contribute to the debate on housing affordability by generating much needed knowledge from both the demand and the supply point of view on the housing conditions of the lower-middle class. Secondly, by investigating the role played by residential development and by illegal actors in the Roman urban regime, it wants to generate a theoretical reflection on the general role of residential development and illegal actors within urban regimes. Finally, by raising questions about whether and how a private interest-driven planning and political decision making might have impacted the ability of the lower middle class in Rome to find a suitable and affordable accommodation it adds to the debate on the role of housing in political economy.

In addition, the societal relevance of this work lies in the possibility to raise awareness and re-centre public discourse on the need to change the attitude towards housing provision in order to move from emergency-based interventions to a long-term sustainable approach. Moreover, it highlights the importance of urban governance, planning and urban development as factors that impact housing provision for specific groups.

Following the two main aspects of the housing issue in Rome, the thesis develops along two tracks, and tries to carve a path to connect them. The first part delves deep into the class, intergenerational and spatial aspects of a homeowner society such as the Italian one. The first chapter explores the housing demand of lower-middle class households in Rome via in-depth interviews with young adults and their parents. As a result of stagnating incomes and economic decline, the reproduction of homeownership for this social group is under severe pressure, and intergenerational transfers are often no longer sufficient to guarantee access to housing for younger generations. Deeply ingrained social expectations and aspirations surrounding homeownership – together with an objective lack of rental options – result in young adults staying longer in their parental home and becoming independent at a later age. This may have a negative impact on the social and economic dynamics within Italian society. Moreover, a delayed access to homeownership – or to other forms of residential independence – is affecting young adults from the lower-middle class to a point where their class identity is being put to the test. Tenure and intergenerational inequalities emerge as sore points that have been overlooked by national and local housing policies.

Chapter 2 provides an empirical contribution to the debate on the housing issue by analysing the spatial distribution and quality of the residential offer available to lower-middle income households in the private housing market in Rome, both in the rental and in the owner-occupied sectors. By mapping the housing options of this specific group – through a unique dataset obtained via scraping of online real estate listings – the chapter discusses the affordability problem from a broader urban perspective. The results of the analysis show that the housing choices of lower-middle income households are severely limited in Rome, and that they are being pushed out of the consolidated city. The chapter also illustrates how planning and development choices are very consequential for the quality of life of lower-middle income households that are being priced out by the urban affordability crisis.

An *Intermezzo* – an additional section between Part 1 and 2 – aims to provide the relevant context and interpretation to clearly link the two parts of the thesis.

The second part addresses governance and politics aspects, exploring the relationships between public and private actors and how they influence policymaking, especially in the field of housing provision. Chapter 3, a critical review of Urban Regime Theory as an analytical approach to urban governance, advances the idea that Urban Regime Theory is a useful theoretical tool to understand Italian urban politics, especially in the case of Rome. It argues that the Roman urban regime operating in the last 25 years was indeed based on residential development, and that housing and residential development are instrumental to the creation and maintenance of growth regimes.

Chapter 4 pushes Urban Regime Theory a little further and concentrates on how illegal practices and actors can influence urban governance in Rome. The article analyses two case studies in the city of Rome (the *Mafia Capitale* investigation about a criminal network that infiltrated the local administration and shaped several urban policies, and the investigation of episodes of corruption related to the project for the new A.S. Roma soccer stadium). It shows the presence of different shades of ‘grey urban governance’: the existence of an illegal urban regime, centred around a criminal organisation and in parallel to the ‘regular’ one, and the use of corruption to influence

municipal decisions as a customary practice for real estate entrepreneurs. The *Intermezzo*, Chapter 3 and Chapter 4 advance the hypothesis that illicit and shady relations happen within Rome's urban governance, and that urban development is the engine around which both public and private, licit and illicit interests converge. Such grey governance practices can have a considerable impact on the decisions surrounding urban and residential development, ranging from what to build and for what kind of demand, to where development should take place and at what cost for the community and for vulnerable households.

Overall, the results of this doctoral research call for further examination of the impact that public-private interactions in urban governance can have on residential development and policy initiatives influencing housing availability and access, as well as tenure and housing adequacy.

Acknowledgements

The PhD is a very personal endeavour, but definitely not a solitary journey.

I am grateful to my supervisors Francesco Chiodelli and Joris Hoekstra; you guided me along this journey with experience and respect, allowing me to grow as an independent researcher.

My fellow PhDs at GSSI have been the greatest source of energy; sharing office, tea, wine, food and life with all of you has been a pleasure. Special mentions go to beers and music at Collemaggio, battles and toy chickens in the open space, and dinners at Unirest and at Giulio's place. And obviously the ping pong and biliardino sessions and tournaments hold the place of honour in my heart; I have had the most fun, and I've learned some truly transferable skills! Me and Roberto are even GSSI ping pong champions!

I am greatly indebted to Emilio Cruciani for sitting with me trying to teach me Python; without your friendship, your patience and your code Chapter 2 would have never seen the light. Special thanks also go to Francesco Cellinese, Federico Corò and Gianluca Scoccia for their patience and help with the web-scraping; and to Federico Fantechi and Giulio Breglia for always coming to my rescue with GIS and indicators.

I also want to thank the many colleagues I have met during conferences and summer schools for challenging me to grow into a better researcher; Marta Tonetta, we will write that paper together, I promise.

Teas, drinks and chats are of no less importance to achieve research objectives; I will treasure those with Francesco, Alessia, Jamileh, Martina and Eirini. Indeed, friends – old and new – have been fundamental in keeping me sane during my PhD; my mental health owes you a beer. In particular, my friend Emilia showed me how a PhD can be a tool to engage with society, art and people; thank you for inspiring me.

I am deeply grateful to my parents for the never-ending love and support; I know you will have my back whatever I choose to do and this is the greatest gift you could ever give me.

My sister Elena would deserve a whole page just for herself, but this will have to do; you are my greatest strength, my sharpest critic and my best ally. You carried me in the hardest moments of these four years and this thesis would have literally not existed without you.

I am usually good with words, but I cannot find the right ones to thank Roberto for everything that he is and that he does. My PhD is finished thanks to you, my life is better because of you.

Contents

List of Tables	13
-----------------------------	-----------

List of Figures	15
------------------------------	-----------

FOREWORD	17
----------------	----

On ambitions, plans and reality

CHAPTER 0	21
-----------------	----

Introduction

1. Positioning the research: a global housing affordability crisis.....	21
2. Questions, aims and relevance.....	28
3. Theoretical approaches and concepts	31
4. Structure of the thesis	35
References	39

Part I

CHAPTER 1	47
-----------------	----

Homeownership out of reach? Intergenerational transfers and homeownership reproduction in middle class families in Rome, Italy

Abstract.....	47
1. Introduction	48
2. Access to housing for young adults in a stratified homeowner society.....	50
3. Research design	57
4. Results	60
5. Changing patterns of homeownership transmission.....	74
6. Conclusions	75
References	77

CHAPTER 2	87
-----------------	----

Availability, affordability and adequacy of owner-occupied and rental housing for lower-middle income households. A spatial exploration in Rome, Italy

Abstract.....	87
1. Introduction	88
2. The spatial dimension of housing affordability	90
3. Access to housing for the lower-middle incomes: a grey area	95
4. Methodological approach	100

5. Rome: spatializing the socio-economic context and neighbourhood quality	109
6. Availability of affordable dwellings.....	116
7. Reference households navigating the Roman housing market.....	128
8. Understanding affordability for the grey area	138
References	141

Intermezzo

INTERMEZZO.....	153
-----------------	-----

Rome: public-private relations in construction and real estate

The historical roots of the ‘real estate bloc’	158
The permanence of a collusive oligopoly.....	158
References	158

Part 2

CHAPTER 3	163
-----------------	-----

Regime theory and urban development. The case of Italy

Abstract.....	163
1. Introduction	165
2. Urban regimes: a review of concepts	165
3. A structured critique	169
4. A theoretical leap.....	172
5. Urban regimes: the Italian case	174
6. Discussion and conclusions.....	179
References	182

CHAPTER 4	187
-----------------	-----

The many shades of grey in urban governance: how illegality shapes urban planning, policy and development

Abstract.....	187
1. Introduction: neglecting the many shades of grey in urban governance	188
2. The illegal and the illicit in the city.....	189
3. Urban governance and illegality in Rome: actors and practices	193
4. Discussion: the role of the dark urban regime and corruption in urban governance	200
5. Concluding remarks: the heuristic value of Rome’s case.....	203
References	205

CHAPTER 5 211

Conclusions

1. An evolving housing demand 211
2. Limited housing choices for lower-middle income households 213
3. Residential development in Rome’s governance regime 214
4. Illegal actors and practices in Rome’s urban governance 215
5. Public-private grey relations and housing opportunities of the lower-middle class. 216
6. Significance, limitations and further research 220
7. Final remarks 221
References 222

List of Tables

Chapter 0

Table 1 – Summary of questions, chapters, methods and theoretical approaches	30
---	----

Chapter 1

Table 1 – Overview of research participants and the intergenerational transfers they gave and received.....	60
--	----

Chapter 2

Table 1 – Housing deprivation factors by class	96
Table 2 – Subcomponents of the Urban Quality Index	105
Table 3 – Reference households. Budget standards and housing expenditure	109
Table 4 – Reference households	128

List of Figures

Chapter 1

Figure 1 – Living arrangements of young people (18-35 years old), 2009 to 2016	56
Figure 2 – Prices and transactions in Rome 2004-2017 (index, 2004=100).....	58

Chapter 2

Figure 1 – Development of house prices, rents and transactions against development of household incomes	95
Figure 2 – Rome’s urban belts	111
Figure 3 – Population density	111
Figure 4 – Distribution of households with 4 or more components	112
Figure 5 – Distribution of residents under 30 years of age.....	112
Figure 6 – Urban Quality Index	114
Figure 7 –Distribution of dwellings for sale	117
Figure 8 – Availability of dwellings for sale for a price of 100.000€ or less	117
Figure 9 – Availability of dwellings for sale for a price of 120.000€ or less	118
Figure 10 – Availability of dwellings for sale for a price of 150.000€ or less	118
Figure 11 – Availability of dwellings for sale for a price of 180.000€ or less	119
Figure 12 – Availability of dwellings for sale for a price of 200.000€ or less	119
Figure 13 – Availability of dwellings for sale for a price of 250.000€ or less	120
Figure 14 – Size mismatch between dwellings below 120.000€ and households in the second income quintile	121
Figure 15 – Size mismatch between dwellings below 250.000€ and households in the third income quintile	122
Figure 16 – Distribution of rental listings	123
Figure 17 – Availability of dwellings for rent for 500€/month or less	123
Figure 18 – Availability of dwellings for rent for 800€/month or less	124
Figure 19 – Availability of dwellings for rent for 1000€/month or less	125
Figure 20 – Availability of dwellings for rent for 1200€/month or less	125
Figure 21 – Ratio of rental listings to sale listings	126
Figure 22 – Size mismatch between dwellings below 500€/month and households in the second income quintile	127
Figure 23 – Size mismatch between dwellings below 800€/month and households in the second income quintile	128

Figure 24 – Available dwellings matching Claudia & Marco’s preferences	132
Figure 25 – Available dwellings matching Tiziana & Filippo’s preferences	134
Figure 26 – Available dwellings matching Flavia’s preferences	136
Figure 27 – Available dwellings matching Razia & Rashid’s preferences	137

Chapter 5

Figure 1 – Porta di Roma, 2008 PRG metropolitan hub	215
Figure 2 – Ponte di Nona, 2008 PRG metropolitan hub	215
Figure 3 – Porta di Roma, waiting for the metro to be built	216
Figure 2 – Ponte di Nona, waiting for the bus	216

FOREWORD

On ambitions, plans and reality

The scope and focus of this PhD dissertation are a consequence of my own positionality. Being a Roman young adult from the lower-middle class, I could not help bringing my personal interest in housing – in all its facets – and Rome – in all its contradictions – into my doctoral research.

I took two parallel paths. On one hand I delved deep in the qualitative exploration of housing problems, aspirations, fears, strategies and meanings, as well as mapping them in the city, spatializing the housing exclusion of many Roman households. On the other hand, I tried to make sense of how these problems in housing provision and residential development depend on urban governance, and especially in the balance of power between public and private interests.

The challenge was thus to connect these two roads. I tried to do so by referring to the historical roots of the power of landowners, developers and rentiers in Rome. I looked into how urban governance, planning and development are influenced by the peculiar political and institutional environment of the city, where there is a very close relationship – and often an overlap – between political and economic elites, especially from the construction and development sector. I asked myself whether the public-private interplay around residential development had over time affected the ability of the lower middle class to find a suitable and affordable accommodation in many areas of the city. In doing so, I reflected on the role of residential development in the governance regime of Rome – if it could be considered as one of the privileged goals around which both public and private interests had converged. I also tried to understand if the Roman case could help generalize the general relationship between residential development and urban regimes.

However, due to time constraints and methodological drawbacks, I was not able to fully develop the connection. I intended to explore it further by analysing a case study, which unfortunately proved unfeasible. Nonetheless, the concluding chapter of the thesis does to some extent provide a discussion of this relationship between grey urban governance dynamics and residential development and housing provision in Rome.

I understand now that a PhD thesis is not – and should not be – a magnum opus, but rather a work of development of one's research skills, interests and self, leading to the readjustment of one's expectations and ambitions. I have thus stopped worrying about the shortcomings of my research and I have come to embrace this limitation as a possibility for further exploration. I have opened up a path for myself to continue to work on, and I can bring this home as a success.

Finally, I would like to add a reflection on the current times we are living, as they have a bearing on the topic of this dissertation. At the time of writing this, Italy is under complete lock-down due to the Coronavirus pandemic that is taking a heavy toll of human lives, as well as impacting severely on our health system and on our economy. We cannot go out except for essential reasons (breathing fresh air for those who do not have a balcony not being one of them), and there is no time frame to this new reality. The last few weeks of writing of this thesis have thus happened in a tiny black-market rental flat in Rome, shared with my partner and two more housemates, with no outside space and no direct sun ever coming in through the windows, which face only a very dense inner courtyard (the price to pay to be in a good enough location!). Locked-down in these four walls I grew restless, and had trouble concentrating.

On one hand this is a reminder of the importance of an adequate dwelling: overcrowding, darkness, lack of outside space, dampness, old and unreliable fixtures and pipes are now more consequential than ever for people's wellbeing. Security of tenure is similarly fundamental, as it doubles up on the uncertainty and insecurity this pandemic has created for everyone.

On the other hand, I realize that, despite my discomfort, I have privileges that not everyone can enjoy. I have a roof over my head to begin with, however tiny and old; I have a salary and a fulfilling job I can perform from home; I have a loving partner with whom to share these times of uncertainty; I can stay home to protect myself and I have access to universal public healthcare, however stretched thin at the moment. This is much more than many other people can say in Rome and in Italy today: migrants and homeless people abandoned by the institutions without a place to stay; convicts in overcrowded jails; women isolated with abusive partners; those who have jobs that are crucial to keep our society functioning and still get paid an insufficient salary despite going out of the safety of their homes every single day; those who cannot afford to stay home from a job that might not be crucial for society, but it is for their survival; those who are unemployed or have become so due to the emergency and are struggling to pay their bills. These situations will probably worsen over time, and housing will have a crucial role.

Right now, Italian mortgage holders can already postpone mortgage payments or apply for mortgage relief. However, except for a temporary halt in evictions (which had to be begged for by housing activists and tenants' associations as it had been "forgotten" in the first relief measures), at present nothing is being done for renters – no rent freezes, no deferred rental payments, not even deferrals for energy bills. This goes a long way in showing the prevalence and permanence of the homeowner society in the Italian political thinking. Renters, despite having on average lower and less stable salaries than owner-occupiers, are not taken into account – and that is either shameful carelessness or, worse, calculated risk-taking on the part of the government. The balance between the livelihoods of renters and of small landlords surely needs to be taken into account, but action can no longer be postponed. Short-term and touristic rental landlords have asked to be bailed out by the state for the loss of income due to frozen tourism. A radical change in the approach to the long-term rental sector is the only morally and economically sustainable bailout I can think of.

Moreover, the response of housing markets to this crisis will probably worsen the unaffordability and unsustainability of the current model. Private equity and hedge

funds, large institutional investors and pension funds will presumably take advantage of their position to buy cheap stock to increase their portfolios. A further financialization of the housing sector, including in places where it was not yet so prominent, like Italy, will lead to further exploitation and expulsion of weak households. I presume that the economic downturn and the crisis of tourism caused by the pandemic will affect price and rent dynamics in Rome. In some cases, where no income loss has happened, the situation might prove beneficial for access to housing in better locations for those who were waiting to buy; and the pool of longer-term rentals might temporarily expand in central areas, as tourism bears the brunt of the crisis. On the other hand, massive income reduction and job loss are occurring and will probably occur for months and years to come, leading to more households falling into poverty and being pushed further out of the city.

Finally, effective solutions need to be devised for the homeless and the migrants that are stranded in stations and under bridges and galleries in the city. Now more than ever politics needs to be reminded that their rights to health are the same as everyone else's. The responsibility of the response against this contagion cannot be placed on individuals staying or not in their homes when structural action is lacking to address shamefully dangerous situations.

The way in which housing is intertwined with other aspects of life – from work to health – will only become more apparent in the coming months and years, and we cannot afford to do nothing for those in housing hardship.

CHAPTER 0

Introduction

1. Positioning the research: a global housing affordability crisis

According to tens of scholars, multiple UN Special Rapporteurs on Adequate Housing (Rolnik, 2014; Farha, 2017), and countless housing activists, we are now seeing a ‘Global Urban Housing Affordability Crisis’. Indeed, the fact that housing expenses are rising much faster than wages and incomes in cities across both the global north and the global south has triggered an affordability crisis that is global in its reach, complex in its causes, specific in its local developments, and difficult to solve. It plays out in the form of rising homelessness, residential instability for low-income owners and renters, increasing evictions, and low- and middle-income households being priced out of urban housing markets. In the developed world, implications, especially for younger households, may also include having to choose between owning a home or having children, giving up on sustainable commuting options or on proximity to relatives.

Aalbers & Christophers (2014) and Madden & Marcuse (2016) highlight how this is a political economic issue. According to them housing is caught within a number of social conflicts. In the words of Madden & Marcuse:

“Most immediately, there is a conflict between housing as lived, social space and housing as an instrument for profitmaking— a conflict between housing as home and as real estate. More broadly, housing is the subject of contestation between different ideologies, economic interests, and political projects. More broadly still, the housing crisis stems from the inequalities and antagonisms of class society”

(2016, p.4).

Moreover, various scholars agree that we are also witnessing a crisis in housing policy (Wetzstein, 2017; Fields & Hodkinson, 2018). After 2008, the hope would have been a renovated effort towards policies promoting housing as social security. Instead, declining political commitments and, in some cases, fiscal strain, are producing policies that make housing less affordable and less secure for many segments of the population. Everywhere we see the defence and promotion of housing privatization policies and welfare state retrenchment, producing greater precariousness of work,

income, and shelter, while boosting the power of rentiers to extract unearned income from property and land ownership.

While in the last few years almost everywhere in Europe house prices and rents have again increased to unsustainable levels – especially in countries like the UK and The Netherlands – the Italian situation is somewhat different. A difference worth investigating.

With the notable exception of Milan – where a new housing bubble might as well be in the making – Italian housing prices and rents have kept on slowly but steadily decreasing since the economic crisis. As a matter of fact, Italy has never truly emerged from economic recession. However, the urban affordability crisis has not spared the country. Scholars agree that what is critical to this housing crisis is not a lack of supply, but rather the erosive effects of impoverishment, unemployment, a precarious job market, and indebtedness that challenge access to housing. This is true in Rome more than elsewhere, making the Italian capital the perfect case study.

1.1 The Italian housing affordability problem

Italy is a country with traditionally high homeownership rates across social strata, where access to housing equates to access to owner-occupation, often with substantial help from the family of origin. However, being a homeowner society did not ward off the housing crisis, on the contrary, it may have exacerbated its effects. On one hand, for many homeowners – especially mortgage holders – housing stopped being an achievement and turned into a burden, due to increased taxation and reduced value. On the other hand, a political economy of housing based on ownership reduced the capacity of the housing system to accommodate the new kind of housing demand generated after the crisis (Siatitsa & Annunziata, 2017). Indeed, housing problems no longer affect only the weakest part of the population, but increasingly also other segments: the (lower) middle-class – impoverished by the crisis, burdened by austerity measures, and neglected by housing policies – and in particular young couples, workers with little job security, elderly people, and migrants (Puccini, 2016). These households are most in need of credit but tend to be particularly discriminated against by the criteria for access to credit. In the public debate, they are usually acknowledged as a ‘grey area’ of housing need: their income is not sufficiently low to qualify for social housing, housing and yet, they cannot completely fulfil their housing needs on the free market. They clearly represent a largely unmet demand.

Although not as much as in other European countries, before the 2008 economic crisis house prices and rental costs have greatly increased in Italy, while the capacity of medium and low-income households to afford suitable dwellings on the market has reduced dramatically. Between 1991 and 2007 rents grew by 110%, while incomes only increased by 20%. It needs to be noted that in that period Italy did not experience any economic growth, and that the real incomes of wage and salary earners have been stagnating since the 1990s (Toniolo, 2013; Baldini and Poggio, 2014), making the gap between prices and incomes a very large one.

The ‘after crisis decade’ can be divided in two different periods. Up until 2010 (2012 in Rome) prices have remained high and stable, while transactions have started to decrease (Baldini & Poggio, 2014; Taltavull & Gabrielli, 2015). In these years the percentage of households overburdened by housing costs has increased, together with

the number of evictions. Rent affordability has significantly worsened, at least for the poorest tenant segment, and evictions have soared. After 2012 there was a collapse in the number of transactions and prices have also lowered. The decrease in prices was significant, but not even close to the collapse that was expected and that happened in many other European countries. This means that access to housing has remained problematic for many households. Moreover, for years after the crisis (they only relaxed after 2014) banks have restricted access to credit, making it difficult for families in the lower middle segment to access homeownership.

In the world, this neoliberal housing crisis has been met with even more neoliberal policies (Aalbers, 2016; Wetzstein, 2017). In Italy, the very few undertaken measures have also had a rather neoliberal flavour, and no housing policy in the sense of social protection is on the agenda at present (Baldini & Poggio, 2014; Siatitsa & Annunziata, 2017). Notwithstanding the widespread situation of housing difficulties, the public response has been limited. Indeed, as a way to cope with the situation, after 2008 targeted temporary measures have been implemented: laws to protect indebted homeowners, emergency solutions for evicted households, special taxation regimes and incentives aimed at reducing the financial burden of property owners, targeted housing allowances for tenants. However, the reduced funding available for these measures, along with the fact that they did not lead to a structural policy reform, strongly limited their effectiveness (Siatitsa & Annunziata, 2017). After 2009, a new program for social housing¹ (*Housing Sociale*) was established to target the grey area of housing need. A system of real estate investment funds with both public and private capital (*Sistema Integrato di Fondi*) has been established with the aim of building and acquiring residential stock. Only a few local funds have been created to date, and most projects have been realized in the metropolitan areas of the Northern regions. While this represents a welcome step towards addressing intermediate housing demand, it does not seem enough, mostly because the dwellings currently available are being sold for owner-occupation rather than being kept as social rental. Moreover, this measure has further exacerbated regional disparities. To this day – despite announcements and plans – still no *Housing Sociale* project has been built in Rome or in the Lazio region.

1.1.1 Rome as a case

While not necessarily representative of the country as a whole, Rome certainly provides a good example of the housing affordability crisis in urban Italy. It is the city with the highest unmet public housing demand – due to both a high number of

¹ The recently implemented social housing (*Housing Sociale*) fundamentally differs from the long-lived public housing in two respects: financing and target. Public housing is owned, built and managed by local public authorities – Municipalities, Regions and Public Housing Agencies – with public funding and it pursues a public interest: providing shelter to low and very low-income households. Social housing instead is financed by both public and private actors, through a system of investment funds, and it is aimed at intermediate housing demand. Because for profit actors are involved, a social mix is required in the residential projects, with both social rents (around 70-80% of market price) and market rents, and dwellings are both for rent and for sale.

struggling families and an insufficient and mismanaged public housing stock – and also the largest number of eviction orders.

Since 2001, housing policy in Italy falls under concurrent legislative jurisdiction, meaning that general guidelines with regard to housing are set out by the state, while regions and municipalities are in charge of the implementation of specific policies and tools (see Caruso, 2017 for an overview of Italian housing policy). Consequently, even when policy tools are national – such as tax relief for mortgage holders or national funds to support renters – there are great differences among regions, as each of them has large room for manoeuvre, and – most importantly – very different funding. Moreover, specific regional and municipal policies can be implemented at will, and they usually vary with the change in local government.

As a result of the inconsistency of this decentralized frame and of an important lack of funding, Rome's response to the housing crisis has been fragmented and ineffective. Measures are one-off or temporary, incoherent or even conflicting, and they perpetuate a state of 'emergency' rather than addressing the housing problem in a structural manner (Puccini, 2016; Lucciarini, 2017). Municipal rental support is chronically underfunded², Housing Vouchers have been approved in 2013 and recently discontinued³, and the management of emergency housing shelters established to temporarily house evicted or particularly vulnerable households is so problematic that it is draining the municipal coffers. Not only the set of thresholds and regulations with which they were established in 2005 have been changed several times, but the municipality is paying extremely high rents to corporate landlords for the remote (and often inadequate) buildings where families in need are housed (Lucciarini, 2017).

Moreover, housing policies are totally disjointed from other welfare measures such as income support or unemployment benefits. Finding one's way around housing and income benefits in Rome is so complex that many eligible households do not have access to them. As a result, many vulnerable households slip through the cracks of the system and it is not surprising that many people resort to squatting of vacant public and private buildings.

In addition to ineffective housing measures for the low-income population, Rome's housing market is also unable to accommodate the changing demand from lower-middle income households. Indeed, despite a reduction in house prices and rents in the last decade, the gap between prices and incomes still remains very large, and housing affordability has become problematic for many households, also from the middle-class. The housing market is rather rigidly oriented towards homeownership, but access to mortgage credit for young adults in the Roman area has been rather difficult in the past decade, due to the lack of regional and municipal tools to complement the chronically underfunded national policies; and even when granted, credit is limited in quantity. The rental sector is residual and it is mostly dominated

² This is a national housing allowance scheme managed by municipalities. It was introduced with the 1978 rent cap law (*equo canone*) and never implemented. It was then re-introduced and this time also implemented, with the 1998 law that liberalised rent and abolished the rent cap. Funding for the allowance is inconsistent and has been decreasing over time.

³ This is a municipal measure that cumulates with the national one, although the requirements are different.

by small landlords, with a high incidence of the black market (Bianchi, 2017), thus providing little security for tenants. Finally, as already mentioned, no *Housing Sociale* project has been implemented in Rome, leaving the grey area of housing demand dangerously not catered for.

1.2 The housing crisis along generational and class fault lines

In the last few decades access to housing has become increasingly difficult for young adults across both Western and Eastern societies (Forrest & Yip, 2012; Lennartz et al., 2016). Young people have to navigate the housing market in a context of rising housing costs, restricted employment opportunities, low salaries, and reduced access to credit (Dotti Sani & Acciai, 2017; Arundel & Lennartz, 2018). Homeownership – once the most common route to independent living – has become challenging to achieve (Arundel & Doling, 2017), particularly for young adults with a middle or lower middle income. As a consequence, the already existing trend towards later housing independence amongst younger generations has been further reinforced. Many young adults choose to live in co-residence with their parents for a longer period, resulting in delayed adulthood transitions; postponed nest leaving, family formation, marriage, childbearing and so on (Billari & Liefbroer, 2010; Vignoli et al., 2013).

The housing accessibility problems for the younger generations, embedded in a context of retrenching welfare states, have considerably increased the importance of intergenerational support – in the form of both financial transfers and in-kind help – for the achievement of homeownership (Mulder et al., 2015; Druta & Ronald, 2017). This is not only the case in Southern Europe – where a family-oriented welfare regime and a historical prevalence of owner-occupation have established a strong reliance on family networks for housing access – but also in Western and Northern European countries (Viazzo, 2010). The rise of intergenerational transfers goes hand-in-hand with an increase in inequality. As Ronald and Lennartz (2018) sharply observe, housing wealth, while allowing intergenerational transfers to happen, lies at the root of the inequalities that have necessitated such transfers. After all, the older generations have benefited from the very price dynamics that have contributed to the exclusion of their children from the housing market.

Intergenerational transfers have become critical in a context where housing assets are a protection against increased risk in the labour market in the face of ever declining public welfare support, as well as a path to wealth accumulation (Ronald & Elsinga, 2012; Ronald & Dewilde, 2017). Essentially, family tenure status crucially contributes not only to social inequality, but also to its reproduction across different generations (Arundel & Doling, 2017; Coulter, 2018). On one hand, in an increasingly asset-based welfare system, access to homeownership has become a requisite for economic security in later life that sets apart those who can rely on family wealth to better their position from those who cannot (Arundel, 2017; Arundel & Lennartz, 2018). On the other hand, access to the owner-occupied sector marks a great intergenerational divide, with older homeowner cohorts ripping off benefits of accumulated wealth while younger cohorts struggle to get on the housing ladder (McKee, 2012; Bertolini & Filandri, 2015; Ronald & Lennartz, 2018).

Just as they feed inequalities between generations, intergenerational wealth transfers also perpetuate housing inequalities based on social class. Indeed, there is a complex relation between housing and social class, as tenure – particularly homeownership, its achievement and its intergenerational transmission – shapes notions of class identity while at the same time influencing material patterns of social reproduction. These considerations are especially true for the middle classes (Benson & Jackson, 2017) where intra-generational divides within younger cohorts are opening up along tenure lines.

Contrary to popular belief, the middle class in Italy has not been shrinking, but it has actually remained quite stable in terms of size. Rather, in the past three decades what happened is that the “great cloud in the middle”, as Bagnasco (2016) calls it, has become very heterogeneous and fragmented, especially when considering both wealth and position in the labour market, and significant income differences can now be found within this social group (Bagnasco, 2008 and 2016; Negri & Filandri, 2010; Massari et al., 2010; Atkinson & Brandolini, 2011; Sassatelli et al., 2015; Siza, 2018). The bottom half of the cloud is declining.

Most of the factors leading to this growing gap between upper and lower middle class can be linked to the current socio-economic model: the increased instability of the job market, with job security and average income steadily declining especially for the younger generations; the stagnation of salaries for white collars (especially public employees) vis a vis the improvement of conditions of managers and of some self-employed professionals; the emergence of new categories of working poor; and obviously the impact of the economic crisis and of the subsequent austerity measures (Filandri, 2015).

The 2008 crisis has had profound effects on incomes and social stratification. Social expenditure was severely cut and higher unemployment and lowered earnings for working individuals imply that household economic capabilities have been significantly reduced. On average, the disposable individual income has dropped by about 15% in actual terms between 2006 and 2014 (Banca d’Italia, 2018). While the most affected are clearly low-income households, these dynamics had a profound impact on the lower segments of the middle class as well, thereby further intensifying inequalities within the middle group. Currently, lower-middle class households have to deal with a relatively high degree of instability, where life events (a child, a job change, an illness, a divorce) can heavily impact their financial stability and security (Filandri & Olagnero, 2014).

Housing policy has greatly contributed to the rise in inequalities. Essentially, while until the 60s and 70s a homeownership-oriented housing policy tried to be inclusive of different social groups, from the 1980s all the way to the 2000s housing policies have progressively reduced their target group, substantially lowering income thresholds and adding restrictive access requirements for public housing, assisted tenancies and housing benefits. The large public interventions fostering subsidized homeownership – in the form of rent-to-buy schemes for public dwellings or housing programmes facilitating house purchase for low to middle incomes – were discontinued. Family help to access homeownership – in terms of both financial and in-kind resources – was thus crucial for households in the lower-middle income segment.

Indeed, mortgage credit was not very developed in Italy, and only became more accessible during the 1990s. However, even at the peak of the housing bubble in 2008, still only 12,6% of Italian households had a mortgage, and most of them had incomes well above the national median value (Gobbi & Zollino, 2013). As a matter of fact, lending conditions in Italy were always stricter compared to other European countries, and after the 2008 crisis they became forbidding for those with mid to low incomes, especially young households (Felici et al., 2013; Filandri & Pauli, 2018).

With housing policies increasingly targeting only the poorest and abandoning any effort on rent regulation, as well as banks tightening credit, the lower segments of the middle class have essentially been left on their own. This means that, along those who were already in housing distress, new households – those belonging to the “grey area” – have had to face housing problems. Most households in this group were able to attain a certain housing security, but for a number of reasons – including loss of work, sudden health problems, divorce and similar issues – were later unable to keep it and slid into a situation of emergency.

In the last 30 years, while the share of homeowners in Italy has substantially remained stable, the distribution of homeownership across social groups has changed. Longitudinal data from the Bank of Italy shows that owner-occupation has decreased for households below the national median income, whereas it has increased for those above it. On the contrary, renters have increased among lower-income quintiles, while decreasing in the upper income ones (Gobbi e Zollino, 2013; Banca d’Italia, 2013).

1.3 Public-private interaction in Rome’s urban governance and development

In such a context, it is important to highlight that the affordability crisis depends as much on the housing market dynamics and housing policy as it does on local planning and development decisions. Such decisions are inherently political and depend on ideological positions towards housing (for example the ideological stance regarding owner-occupation as the privileged tenure), but also on the interaction between politics and the private interests surrounding the land and construction sector.

The case of Rome is particularly well-suited to investigate the interplay of housing system and local development and institutional factors. Indeed, in addition to the problematic housing situation, public-private relations in urban governance and development are a particularly sensitive issue for the city. In Rome, the construction sector has been the pillar of the local economy for a long time – employing a large number of people – and the real estate sector has driven the growth of the city in the decades before the 2009 Global Financial Crisis. As such, they both hold great power, which translates into political weight (Insolera, 2011). The interactions between property interest and the local government over planning and urban development policy objectives are crucial to residential development and housing provision. Indeed, the decade before the crisis has seen the planning and construction of residential stock aimed at the middle and upper-middle class that, given the transformed economic conditions of households, is currently mostly unfinished or unsold (Erbani, 2013). Public-private interaction is a fundamental aspect in a context where lobbying is not regulated, and the potential for a grey area of influence in urban governance is considerable and needs to be addressed.

It could be argued that the interaction between the interest of private developers, rentiers and real estate entrepreneurs, and public administrations might have reduced the availability of housing solutions accessible and affordable for the lower middle class. As already mentioned, construction and property development have been the leading sector in the Roman economy, thus the interests of this particular economic elite are especially sensitive when it comes to decision making concerning development and cannot be disregarded. Planning and development decisions hold a great potential for discretionary choices and economic gains, thus an hypothesis might be that political choices might have been steered in order to better suit the interest of rentiers and construction companies, modifying planning tools to allow the construction of residential developments that – while potentially being a good investment for the developer – might not necessarily respond to the most pressing housing need. Indeed, the urban and residential development of Rome has been historically shaped by a predominance of property interest over public objectives, and the results are visible in the urban form of the city, as well as in the lack of public infrastructure in many residential areas.

2. Questions, aims and relevance

Bearing the outlined context in mind, the main research question in this work is: *What is the background of the housing crisis among lower-middle income households in the city of Rome?*

This question confronts a number of gaps of both empirical and theoretical nature. From an empirical perspective a gap is identifiable in the necessity of a more in-depth exploration of what is happening on both the demand and the supply side of the Roman housing market. On the demand side, there is a need to empirically inquire what are the problems faced by the middle and lower-middle classes, where do these issues come from, how they are being dealt with, and what consequences do they have on young adults, as they are one of the most affected groups. In terms of supply, there is a need for empirical knowledge about what kind of supply is available for the lower-middle income groups in terms of tenure, location and access to services, and whether it is affordable and adequate to their housing needs.

From a theoretical perspective, the main existing gap can be summarized as the failure of urban regime theory to clearly conceptualize residential development and housing provision as an issue around which both private and public interest can converge and build a coalition. Urban regime theory demonstrates how the physical shape of the landscape, its pattern of use, and its level of services and amenities are dependent on the patterns of cooperation and the power relations among local and non-local public and private actors and the way in which they negotiate their respective interests. Housing is clearly one of the most important features of the urban landscape, and real estate is a fundamental element of urban politics, especially in the current neoliberal economic model (Harvey, 1985; Madden & Marcuse, 2016; Aalbers, 2016). The built form of housing has always been seen as a tangible reflection of the organization of society. It reveals the existing class structure and power relationships. Privileging exchange value over use value of something like

property and housing (thus commodifying it) advances private interest over citizens' rights. Despite this, housing provision is nowhere to be found in urban regime literature.

A second theoretical gap in urban regime theory is that it largely disregards corruption, collusion and other illegal practices and actors. Regardless of which tier of government has control of land use regulations, planning is an area where large economic rents are dependent on discretionary powers with low levels of accountability, thus a breeding ground for corruptive practices (Jain, 2001; Chiodelli & Moroni, 2015). This potential for corruption and 'grey lobbying' needs to be taken into consideration when discussing urban regimes, especially in the Italian context, in order to gain a more accurate understanding of urban governance processes.

A number of sub-questions address these gaps (see Table 1). They provide focus for the research, and are answered within the thesis: *What are the housing needs, aspirations and strategies of the lower-middle class? What are the features and the spatial distribution of the housing supply affordable for lower-middle income households in the private housing market in Rome? What is the role of residential development in the governance regime of Rome? Is there a role for illegal actors and practices in urban governance in Rome?*

The final question of this thesis, instead, provides a broader scope, hinting at a larger picture and showing a direction for present and future investigation: *To what extent does the public-private interplay around residential development affect the ability of the lower middle class to find a suitable and affordable accommodation?*

By inquiring why the housing supply in Rome does not match the housing needs of the middle-income population, this research aims to outline the complex system created by the interplay of different factors at different levels. First, it aims to contribute to the debate on housing affordability by generating much needed knowledge from both the demand and the supply point of view on the housing conditions of the lower-middle class. Secondly, by investigating the role played by residential development and by illegal actors in the Roman urban regime, it wants to generate a theoretical reflection on the general role of residential development and illegal actors within urban regimes. Finally, by raising questions about whether and how a private interest-driven planning and political decision making might have impacted the ability of the lower middle class in Rome to find a suitable and affordable accommodation it adds to the debate on the role of housing in political economy.

What is the background of the housing crisis among lower-middle income households in the city of Rome?

Questions	Chapters	Methods	Theoretical tools
What are the housing needs, aspirations and strategies of lower-middle class young adults?	Paper/Chapter 1 <i>Homeownership out of reach?</i> <i>Intergenerational transfers and homeownership reproduction in middle class families in Rome, Italy</i>	Qualitative <i>Two generational, semi-structured, in-depth interviews with young adults and their home-owning parents in Rome</i>	Housing pathways Middle class
What are the features and the spatial distribution of the housing supply affordable for lower-middle income households in the private housing market in Rome?	Paper/Chapter 2 <i>Availability, affordability and adequacy of owner-occupied and rental housing for lower-middle income households.</i> <i>A spatial exploration in Rome, Italy</i>	Quantitative <i>Primary data collection via web-scraping of online real estate listings, GIS mapping and spatial analysis of listings</i>	Housing adequacy
What is the role of residential development in the governance regime of Rome?	Intermezzo & Paper/Chapter 3 <i>Regime theory and urban development. The case of Italy</i>	Qualitative <i>Critical literature review, document analysis</i>	Urban Regime Theory
Is there a role for illegal actors and practices in urban governance in Rome?	Paper/Chapter 4 <i>The many shades of grey in urban governance: how illegality shapes urban planning, policy and development</i>	Qualitative <i>Analysis of court records and judicial documents.</i>	Urban Regime Theory Illicit and illegal
To what extent does the public-private interplay around residential development affect the ability of the lower middle class to find a suitable and affordable accommodation?	Intermezzo & Conclusions chapter	Synthesis of the research findings	Urban Regime Theory Illicit and illegal Middle class Housing adequacy

Table 1 – Summary of questions, chapters, methods and theoretical approaches

3. Theoretical approaches and concepts

In order to address the different aspects of the housing issues of the Roman lower-middle class, the thesis makes use of different theories, approaches and concepts. In the first part of the work, notions of class – in particular the definitions of middle-class – are used as a lens to read the housing problems of specific groups. The housing pathway approach is also partially employed to understand young people’s housing choices and opportunities. Finally, housing adequacy is used as a concept to frame housing affordability in a more nuanced and ‘urban’ way. In the second part of the thesis, the main theoretical tool that is used to understand public-private cooperation in urban governance is Urban Regime Theory, as well as concepts of illegality and illicitness. Here, they are described in order of theoretical standing: theory, then approach, then concepts.

3.1 Urban Regime Theory

Urban regime theory (Fainstein & Fainstein, 1986; Elkin, 1987; Stone, 1989 and 1993) is a political economy conceptualization born in the US context. It is primarily interested in the urban politics of production and in the importance of agency in decision-making, as factors that shape what Logan & Molotch (1987) call the “political economy of place”. It explores networks of cooperation in city governance among public and private actors who are committed to a shared development agenda, and it defines an urban regime as a system of civic cooperation based on mutual self-interest.

Local rentiers⁴ are the key actors because they have the most to gain in economic terms (Logan & Molotch, 1987). Cox & Mair (1991) developed the concept of “local dependence” to explain business involvement in development regimes. They argue that certain business interests are tied to a particular place for a range of reasons dependent on the features of the locality itself. These businesses are place-bound in that they see their locality as a crucial sphere of activity and actively seek to improve it. Place-bound capital is seen as a key player in growth coalitions exactly because it benefits from the development process and from the increased demand generated by economic growth. Logan & Molotch's rentiers are a specific form of place-bound capital, in the sense that their fortunes are closely tied to those of their locality.

In 2015 the sociologists Ernesto D’Albergo and Giulio Moini advanced the hypothesis that between 1993 and 2013 an urban regime could be found operating in the city of Rome. According to them, the creation of the regime was related to the evolution in a neoliberal direction of the historical dominance of specific business sectors that rely on land rent. Within this research I follow this hypothesis and use urban regime theory as a framework to analyse public-private interaction in the governance of urban development in Rome (Chapter 3 and 4). I chose it because it

⁴ A rentier is someone whose income derives from rents, interest on investments, and the like. In this specific case, Logan and Molotch (1987) refer to property entrepreneurs - who are mostly concerned with maximizing their land rent – as rentiers.

combines empirical character – which allows a fine-grained analysis of local processes; and theoretical broad outlook – which allows integration of structural dynamics such as capital accumulation, globalization, financialization and so on.

3.2 Housing pathways

The housing pathways approach (Clapham, 2002 and 2005) takes a life course perspective to understand housing choices and tenure transitions as a complex string of events. It is a post-modern approach that brings together a social constructionist perspective with qualitative, ethnographic like methods. It rejects the idea that households only have rational motives for their housing choices and instead it includes the meanings, emotions, identities and perception that each household attaches to housing to analyse their journey – their pathway – through housing experiences. The first paper makes use of this approach in order to understand the housing choices and preferences of young adults in Rome, and how they are guided by beliefs and aspirations in addition to material circumstances.

3.3 Middle class

Social classes can be identified and measured in several different ways. The vast majority of the sociological literature has traditionally focused on the occupational structure and the position in the labour market to identify the demarcation lines across social classes (see Savage et al., 2013 for a summary of the general sociological debate). Within this tradition, the Erikson-Goldthorpe-Portocarero model – and its Italian counterpart formulated by Cobalti and Schizzerotto (1994) – is one of the most influential approaches to social class. Such schemes divide society in classes according to an individual's employment position and have been widely used also in comparative analysis of social mobility. However, the validity of this type of class subdivision has been recently criticized in sociological literature because it somehow fails to explain wider social and cultural processes that are not strictly related to the occupational position and that are increasingly common in today's society.

Instead, economics literature mostly looks for class demarcation along income lines (Atkinson & Brandolini, 2011; Eisenhauer, 2011). While this might seem limiting from a social stratification point of view, it opens up the possibility to assess quality of life, consumption patterns and relative poverty, and it is especially valid when trying to measure social mobility across income groups rather than across occupational classes.

However, in both strands of literature the notion of middle class seems to be vague and arbitrary, and no consensus exists about its definition. For instance, while from an occupational point of view the middle class usually comprises white collar workers, freelance professionals and small entrepreneurs, in the income-based approach being middle class is generally defined as having an income within a scale constructed around the national median. The magnitude of the scale greatly differs: traditionally it ranges from 75 to 125 percent of the median income (Thurow, 1984), but other scholars have argued for raising the upper threshold to 2 or even 3 times the median income (Atkinson & Brandolini, 2011). As Barbehon and Haus (2015) put it: “the definition of the middle class is a delicate practice of boundary-drawing rather than a

neutral act of boundary-identification”. Indeed, it would be more appropriate to talk about middle classes, plural, as this social group is a “highly diversified conglomerate of individuals” (Barbehon & Haus, 2015: 3) that “is not internally cohesive” (Giddens & Sutton, 2013: 502). Indeed, recent studies highlight increasing dynamics of fragmentation and inequality within the middle classes, with growing internal income and wealth differences, especially after the GFC (Gornick & Jantti, 2013). Some of those who were traditionally considered as part of the established middle class in terms of occupational position and educational level – mostly those working in the service industry – today have incomes that do not reflect that social position anymore (Standing, 2011; Gornick & Jantti, 2013), and this is especially true for younger generations. Due to increasing job instability, there is a growing disparity between actual income and perceived class belonging and status (Frank, 2007). According to some authors (Raffini, 2013; Standing, 2011; Gallino, 2014) the impact of employment precarization and lowering salaries is so great that it has started to erode the conceptual categories of class used so far for social stratification; so much so that consumption patterns have arguably gained more prominence as social class identifiers instead of the more traditional occupational profiles. In this respect, housing consumption plays a crucial role, as homeownership is often perceived as the only legitimate tenure and a signifier of middle-class achievement (Gurney, 1999; Allen, 2008).

In this work I use both the sociological and the economic approach to explore different aspects of the housing issue. In Chapter 1 I asked the study participants to indicate their educational level, their employment and their income, but ultimately, I left it to them to define their class identity and belonging. In this way, I had enough information to place the participants in ‘official categories’ according to both approaches and also to explore the extent of the mismatch between sociological and economic characteristics, and actual class identity. In Chapter 2 instead, I used a strictly economic evaluation, and indeed discuss income rather than class. In this case income brackets were more relevant than class belonging to evaluate housing affordability.

3.4 Housing adequacy

Notions of housing affordability are deeply linked to concepts of adequacy. Indeed, in order to be truly affordable, a dwelling cannot only be cheap from an economic perspective, but it also needs to be adequate with regard to the household’s needs and with regard to a number of physical and locational aspects. While this may seem normative, it is key to evaluate the housing conditions of specific urban populations, and to effectively address the shortcomings of housing provision. In their advocacy work for human rights, UN Habitat defines standards of housing adequacy⁵ and mentions seven factors as essential for housing to be truly adequate:

⁵ https://www.ohchr.org/documents/publications/fs21_rev_1_housing_en.pdf

- *Legal security of tenure*: Regardless of the type of tenure, all persons should possess a degree of security of tenure which guarantees legal protection against forced eviction, harassment and other threats⁶;
- *Affordability*: Personal or household financial costs associated with housing should not threaten or compromise the attainment and satisfaction of other basic needs (for example, food, education, access to health care);
- *Habitability*: Adequate housing should provide for elements such as adequate space, protection from cold, damp, heat, rain, wind or other threats to health, structural hazards, and disease vectors;
- *Availability of services, materials, facilities and infrastructure*: Housing is not adequate if its occupants do not have safe drinking water, adequate sanitation, energy for cooking, heating and lighting, sanitation and washing facilities, means of food storage, refuse disposal, etc.;
- *Accessibility*: Housing is not adequate if the specific needs of disadvantaged and marginalized groups are not taken into account (such as the poor, people facing discrimination; persons with disabilities, victims of natural disasters);
- *Location*: Adequate housing must allow access to employment options, health-care services, schools, child-care centres and other social facilities and should not be built on polluted sites nor in immediate proximity to pollution sources;
- *Cultural adequacy*: Adequate housing should respect and take into account the expression of cultural identity and ways of life.

This research makes use of the concept of housing adequacy in Chapter 2, to evaluate the conditions of lower-middle income households in the Roman private housing market. While largely based on the abovementioned notions from UN Habitat, the definition of adequacy used in this work is tailored to the Italian urban context, and to the middle-income population. Thus, a dwelling is defined as adequate if, in addition to being affordable, it guarantees security of tenure, provides enough space and physical safety, allows reasonable access to jobs, transportation, public and private services and amenities (sanitation, healthcare, schools, shops, green areas), sociocultural opportunities, and – when needed – allows proximity to personal networks.

⁶ Clearly, this aspect presents a considerable variation across the Globe. In some European countries, including Italy, security of tenure for some groups is not protected despite the regulations, for example in the case of black-market rentals, or migrant squatters. But generally in Europe evictions and repossessions are regulated and should take place according to the law, even when considering actions against squatters. However, in other countries, especially those in the Global South, arbitrary and illegal evictions are unfortunately a much bigger issue, often accompanied by violence. In many places the very issue of property rights for more vulnerable groups, linked to land tenure, is still far from being resolved. It is thus fundamental to keep these differences in mind when discussing the Italian context.

3.5 Illicit and illegal

There is no agreement in the academic world on the differences between the terms ‘illicit’ and ‘illegal’, and on their precise definition. For the purpose of this research, I refer to the work of Abraham & van Schendel (2005) and Chiodelli et al. (2018). According to them the term (il)legal refers to the relationship between a practice (or an actor) and the public regulatory system. That is, an act is illegal when it transgresses a specific law in force in a given context. On the other hand, the term (il)licit mainly refers to moral judgment, customary practice and social acceptability. That is, an act is illicit when it is subject to social disapproval, regardless of whether it violates a law or not.

Illicit and illegal practices – carried out by both legal and illegal actors – can have a substantial impact on local politics. For this reason, concepts of illicitness and illegality are used in this research – in particular in Paper 4 – to explore the relations between public actors and private ones (legal or illegal) in the governance regime of Rome, and to expand the explanatory potential of urban regime theory in the Italian context.

4. Structure of the thesis

The thesis is a collection of independent papers, each stemming from a specific question and each autonomous from the others. Nonetheless, they are deeply linked, as together they try to address the different aspects of the housing issue of the lower-middle class in Rome, in relation to both the dynamics of the housing market and those of urban governance and public-private interaction in urban development.

Following the different sets of research questions, the thesis develops along two tracks, and tries to carve a path to connect them. The first part delves deep into the class, intergenerational and spatial aspects of a homeowner society such as the Italian one. The second part addresses governance and politics aspects, exploring the relationships between public and private actors and how they influence policymaking, especially in the field of housing provision. In between is an *Intermezzo* – an additional section aiming to provide the relevant context and interpretation to clearly link the two parts of the thesis.

In addition to this introduction, the work consists of four articles, or chapters – two per part – an intermediate connecting section and a concluding chapter that summarizes findings and limitations and sets the stage for future research. Table 1 provides an overview of how the thesis is structured, and it illustrates the links between the articles, their methods, the research questions they address and the theoretical approaches they use.

4.1 Introduction to the articles

Within the first section of the thesis, Chapter 1 (or Paper 1) explores the housing demand of lower-middle class households in Rome via in-depth interviews with young adults and their parents. As a result of stagnating incomes and economic decline, the reproduction of homeownership for this social group is under severe

pressure, and intergenerational transfers are often no longer sufficient to guarantee access to housing for younger generations. Deeply ingrained social expectations and aspirations surrounding homeownership – together with an objective lack of rental options – result in young adults staying longer in their parental home and becoming independent at a later age. This may have a negative impact on the social and economic dynamics within Italian society. Moreover, a delayed access to homeownership – or to other forms of residential independence – is affecting young adults from the lower-middle class to a point where their class identity is being put to the test. Tenure and intergenerational inequalities emerge as sore points that have been overlooked by national and local housing policies.

Paper 2 provides an empirical contribution to the debate on the housing issue by analysing the spatial distribution and quality of the residential offer available to lower-middle income households in the private housing market in Rome, both in the rental and in the owner-occupied sectors. By mapping the housing options of this specific group – through a unique dataset obtained via scraping of online real estate listings – the chapter discusses the affordability problem from a broader urban perspective. The results of the analysis show that the housing choices of lower-middle income households are severely limited in Rome, and that they are being pushed out of the consolidated city. The chapter also illustrates how planning and development choices are very consequential for the quality of life of lower-middle income households that are being priced out by the urban affordability crisis.

The *Intermezzo* outlines the historical roots of the unbalanced relations between the public sector – local politics, planning and administration – and private actors in the construction and real estate sectors in the city of Rome. By providing the historical knowledge necessary to understand how these relations have developed over time, it also argues that the predominance of private interests over public objectives permeates public-private interactions still today.

The second part of the thesis starts with Chapter 3, a critical review of Urban Regime Theory as an analytical approach to urban governance, which advances the idea that Urban Regime Theory is a useful theoretical tool to understand Italian urban politics, especially in the case of Rome. It argues that the Roman urban regime operating in the last 25 years was indeed based on residential development, and that housing and residential development are instrumental to the creation and maintenance of growth regimes.

Finally, Paper 4 pushes Urban Regime Theory a little further and concentrates on how illegal practices and actors can influence urban governance in Rome. The article analyses two case studies in the city of Rome (the *Mafia Capitale* investigation about a criminal network that infiltrated the local administration and shaped several urban policies, and the investigation of episodes of corruption related to the project for the new A.S. Roma soccer stadium). It shows the presence of different shades of ‘grey urban governance’: the existence of an illegal urban regime, centred around a criminal organisation and in parallel to the ‘regular’ one, and the use of corruption to influence municipal decisions as a customary practice for real estate entrepreneurs.

The *Intermezzo*, Chapter 3 and Chapter 4 advance the hypothesis that illicit and shady relations happen within Rome’s urban governance. Based on the knowledge developed in these chapters, the last one provides conclusions with regard to all the research questions and it reflects on whether the grey governance around residential

development has over time affected housing provision for the lower middle class in Rome.

4.2 Methods

The research uses mixed methods in order to paint a more accurate picture of a complex issue, and chooses the method in accordance with the objectives of each chapter. The general approach is mostly qualitative, with a quantitative basis of secondary data for contextualization, and primary data for the analysis of the Roman private housing market.

Secondary data on the Italian and Roman housing market comes from public bodies, such as Istat, OMI and the Bank of Italy, private research institutions, such as Cresme, Nomisma and Scenari Immobiliari, and category associations, such as Ance (the national association of the construction sector). Most of these databases are public and freely accessible, while for those that are not, official requests for data have been put forward. Moreover, data on social conditions and income levels from Istat and from Rome's Municipality has been analysed in order to clearly frame the characteristics of the lower middle class used to set the working definition of this social group, based on sociological insight as well.

Chapter 1 is based on two-generational in-depth interviews with middle class young adults (aged 21 to 38) and their home owning parents, with both cohorts residing in Rome. In total, 41 interviews were conducted with a total of 65 people (36 young adults and 29 parents). The in-depth interviews were semi-structured and carried out with the 'life story' technique, focusing on housing pathways in connection with family support and housing strategies (Jarvis, 2012; Clapham, 2002). In this respect, a reflection on my own positionality is due. Being myself a lower-middle class young adult has had a deep influence on the choice of focus and target group for my doctoral research, as I hold a personal interest in its outcomes. Moreover, my positionality has also had an effect on my interaction with both the younger and the older cohort of participants. With adult children there have been instances in which relatable struggles have led to very relaxed interview settings, while with parents I have sometimes used my own experience as an example to explain concepts or elicit opinions. Nonetheless I strived for objectivity in the analysis of the interviews, which have led to some results rather out of line with my initial expectations.

For Chapter 2 instead, the approach is mainly quantitative. Primary data on sales and rental listings has been harvested from real estate websites, which served to create GIS maps supporting the analysis of the housing opportunities of lower-middle income households. However, the profiling of reference households has been partially informed by the qualitative research carried out for the first paper.

Chapter 3 and 4 are again qualitative endeavours, mostly based on the analysis of literature and policy documents. Namely, non-academic literature such as newspaper articles, books, or blogs have provided the necessary socio-economic and historical insight regarding the urban development of the city of Rome and its politics and governance patterns.

In particular, Chapter 4 is based on the analysis of the court records of the two judicial investigations (on Mafia Capitale and on the A.S. Roma stadium), along with related judicial documents and press releases. All the official court documents (court

records, sentences and motivations) have been examined and we performed an analysis of the practices, drivers and incentives that emerged as a *modus operandi* of the criminal organization, its non-criminal counterparts and actors in the stadium development. Moreover, aided by the work of Vittorio Martone (2016, 2017), we explored the type of actors involved and their connections, and examined their motivations and practices by analysing their court statements. Research for this article has been especially challenging from a methodological point of view. Indeed, although we would have liked to develop a methodology based on primary qualitative data collection for the analysis of the interaction of regular and illegal regimes, we have been forced to recognize that this is not possible in cases that deal with issues of illegality. The hidden and potentially dangerous nature of the illegal practices that are being analysed, as well as the contingent situation in which involved actors find themselves (defendants are in jail or still under trial, while prosecutors cannot disclose information), prevent an investigation based on interviews. This highlights an important issue when addressing illegal practices in urban development and governance, that academic exploration might only be possible in cases, like the Roman one, where the process of uncovering illegal dynamics has already been carried out by the judicial system.

References

- Aalbers, M. (2016). *The financialization of housing: A political economy approach*. Routledge Taylor & Francis Group.
- Aalbers, M. B., Christophers, B. (2014). Centring Housing in Political Economy. *Housing, Theory and Society*, 31(4), 373–394. <https://doi.org/10.1080/14036096.2014.947082>
- Abraham, I., van Schendel, W. (2005). Introduction: the making of illicitness. In van Schendel, W., Abraham, I. (Eds.) *Illicit Flows and Criminal Things: States, Borders and the Other Side of Globalization*. Bloomington: Indiana University Press.
- Allen, C. (2008). *Housing market renewal and social class*. Routledge.
- Arundel, R. (2017). Equity Inequity: Housing Wealth Inequality, Inter and Intra-generational Divergences, and the Rise of Private Landlordism. *Housing, Theory and Society*, 1–25. <https://doi.org/10.1080/14036096.2017.1284154>
- Arundel, R., Doling, J. (2017). The end of mass homeownership? Changes in labour markets and housing tenure opportunities across Europe. *Journal of Housing and the Built Environment*, 32(4), 649–672. <https://doi.org/10.1007/s10901-017-9551-8>
- Arundel, R., Lennartz, C. (2018). Dualization in labour markets and housing outcomes: Insiders versus outsiders. *HOUWEL Working Paper Series*, 12, 26.
- Atkinson, A., Brandolini, A. (2011, September). On the identification of the “middle class.” *Working Paper*. ECINEQ - Society for the study of economic inequality.
- Bagnasco, A. (2016). *La questione del ceto medio: Un racconto del cambiamento sociale*. Società editrice Il mulino.
- Bagnasco, A. (Ed.). (2008). *Ceto medio: Perché e come occuparsene. Una ricerca del Consiglio Italiano per le Scienze Sociali*. Il mulino.
- Baldini, M., Poggio, T. (2014). The Italian housing system and the global financial crisis. *Journal of Housing and the Built Environment*, 29(2), 317–334. <https://doi.org/10.1007/s10901-013-9389-7>
- Banca d'Italia (2013). *Le tendenze del mercato immobiliare: L'Italia e il confronto internazionale* (Vol. 15). Roma: Banca d'Italia. <http://ssrn.com/abstract=2384414>
- Banca d'Italia. (2018). *Indagine sui bilanci delle famiglie italiane nell'anno 2016*. <https://www.bancaditalia.it/pubblicazioni/indagine-famiglie/bil-fam2016/index.html>
- Barbehön, M., Haus, M. (2015). Middle class and welfare state – discursive relations. *Critical Policy Studies*, 9(4), 473–484. <https://doi.org/10.1080/19460171.2015.1009840>

- Benson, M., Jackson, E. (2017). Making the middle classes on shifting ground? Residential status, performativity and middle-class subjectivities in contemporary London. *The British Journal of Sociology*, 68(2), 215–233. <https://doi.org/10.1111/1468-4446.12256>
- Bertolini, S., Filandri, M. (2015). Lavoro, casa e famiglia: Le strategie formali e informali dei giovani adulti nel Sud Europa. *SOCIOLOGIA DEL LAVORO*, 139, 13–28. <https://doi.org/10.3280/SL2015-139002>
- Bianchi, R. (2017). *Residential tenancies and housing policy in Italy*. Pisa University Press.
- Billari, F. C., Liefbroer, A. C. (2010). Towards a new pattern of transition to adulthood? *Advances in Life Course Research*, 15(2–3), 59–75. <https://doi.org/10.1016/j.alcr.2010.10.003>
- Caruso, N. (2017). Housing Policies in Italy: From Social Housing to Neo-Liberalism. In N. Caruso, *Policies and Practices in Italian Welfare Housing* (pp. 23–46). Springer International Publishing. https://doi.org/10.1007/978-3-319-41890-2_2
- Chiodelli, F., Hall, T., Hudson, R. (Eds.) (2018). *The Illicit and Illegal in the Development and Governance of Cities and Regions: Corrupt Places*. London and New York: Routledge.
- Chiodelli, F., Moroni, S. (2015). Corruption in land-use issues: A crucial challenge for planning theory and practice. *Town Planning Review*, 86(4), 437–455. <https://doi.org/10.3828/tpr.2015.27>
- Clapham, D. (2002). Housing Pathways: A Post Modern Analytical Framework. *Housing, Theory and Society*, 19(2), 57–68. <https://doi.org/10.1080/140360902760385565>
- Clapham, D. (2005). *The Meaning of Housing: A Pathways Approach*. Bristol: Policy Press.
- Cobalti, A., Schizzerotto A. (1994). *La mobilità sociale in Italia*. Bologna: il Mulino.
- Coulter, R. (2018). Parental background and housing outcomes in young adulthood. *Housing Studies*, 33(2), 201–223. <https://doi.org/10.1080/02673037.2016.1208160>
- Cox, K. Mair, A. (1991). From localised social structures to localities as agents. *Environment and Planning A*, 23, 197–213.
- D’Albergo, E., Moini, G. (Eds.) (2015). *Il regime dell’Urbe: Politica, economia e potere a Roma*. Carocci editore.
- Dotti Sani, G. M., Acciai, C. (2017). Two hearts and a loan? Mortgages, employment insecurity and earnings among young couples in six European countries. *Urban Studies*, 004209801771721. <https://doi.org/10.1177/0042098017717211>
- Druta, O., Ronald, R. (2017). Young Adults’ Pathways into Homeownership and the Negotiation of Intra-Family Support: A Home, the Ideal Gift. *Sociology*, 51(4), 783–799. <https://doi.org/10.1177/0038038516629900>

- Eisenhauer, J. G. (2011). The rich, the poor, and the middle class: Thresholds and intensity indices. *Research in Economics*, 65(4), 294–304. <https://doi.org/10.1016/j.rie.2011.01.002>
- Elkin, S. L. (1987). *City and Regime in the American Republic*. University of Chicago Press.
- Erbani, F. (2013). *Roma: Il tramonto della città pubblica*. Roma: Laterza.
- Fainstein, S. S., Fainstein, N. I. (1986). Regime strategies, communal resistance, and economic forces. In *Restructuring the city: The political economy of urban redevelopment* (pp. 245–282). Longman Publishing Group.
- Farha, L. (2017). *Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context: Financialization of housing and the right to adequate housing*. Geneva: United Nations Office of the High Commissioner on Human Rights.
- Felici, R., Manzoli, E., Pico, R. (2013). La crisi e le famiglie italiane: Un'analisi microeconomica dei contratti di mutuo. In Banca d'Italia, *Le tendenze del mercato immobiliare: L'Italia e il confronto internazionale* (Vol. 15). Roma: Banca d'Italia.
- Fields, D. J., Hodkinson, S. N. (2018). Housing Policy in Crisis: An International Perspective. *Housing Policy Debate*, 28(1), 1–5. <https://doi.org/10.1080/10511482.2018.1395988>
- Filandri, M. (2015). *Proprietari a tutti i costi: La disuguaglianza abitativa in Italia* (1a edizione). Carocci editore.
- Filandri, M., Olagnero, M. (2014). Housing Inequality and Social Class in Europe. *Housing Studies*, 29(7), 977–993. <https://doi.org/10.1080/02673037.2014.925096>
- Filandri, M., Pauli, G. (2018). La finanziarizzazione del bene casa: Accesso al credito e disuguaglianze sociali. *Quaderni Di Sociologia*, 76, 81–105. <https://doi.org/10.4000/qds.1862>
- Frank, R. H. (2007). *Falling behind: How rising inequality harms the middle class*. University of California Press.
- Gallino, L. (2014). *Vite rinviate: Lo scandalo del lavoro precario*. Roma: Editori Laterza.
- Giddens, A., Sutton, P. W. (2013). *Sociology* (7th edition). Polity.
- Gobbi, G., Zollino, F. (2013). Tendenze recenti del mercato immobiliare e del credito. In Banca d'Italia, *Le tendenze del mercato immobiliare: L'Italia e il confronto internazionale* (Vol. 15). Roma: Banca d'Italia.
- Gornick, J. C., Jäntti, M. (Eds.). (2013). *Income inequality: Economic disparities and the middle class in affluent countries*. Stanford University Press.

- Gurney, C. M. (1999). Pride and Prejudice: Discourses of Normalisation in Public and Private Accounts of Home Ownership. *Housing Studies*, 14(2), 163–183. <https://doi.org/10.1080/02673039982902>
- Harvey, D. (1985). *The urbanization of capital: Studies in the history and theory of capitalist urbanization*. John Hopkins University Press.
- Insolera, I. (2011). *Roma moderna: Da Napoleone I al XXI secolo* (Nuova ed. ampliata). G. Einaudi.
- Jain, A. K. (2001). Corruption: A Review. *Journal of Economic Surveys*, 15(1).
- Jarvis, H. (2012). House Biographies. In *International Encyclopedia of Housing and Home*. Elsevier.
- Lennartz, C., Arundel, R., Ronald, R. (2016). Younger Adults and Homeownership in Europe Through the Global Financial Crisis. *Population, Space and Place*, 22(8), 823–835. <https://doi.org/10.1002/psp.1961>
- Logan, J. R., Molotch, H. L. (1987). *Urban fortunes: The political economy of place*. Univ. of California Press.
- Lucciarini, S. (2017). Politiche della casa a Roma: Premesse per una missione (im)possibile? *SOCIOLOGIA URBANA E RURALE*, 112, 52–61. <https://doi.org/10.3280/SUR2017-112006>
- Madden, D. J., Marcuse, P. (2016). *In defense of housing: The politics of crisis*. Verso.
- Martone, V. (2016). Mafia Capitale: corruzione e regolazione mafiosa nel "mondo di mezzo". *Meridiana*, 87.
- Martone, V. (2017). *Le mafie di mezzo. Mercati e reti criminali a Roma e nel Lazio*. Roma: Donzelli.
- Massari, R., Pittau, M. G., Zelli, R. (2009). A dwindling middle class? Italian evidence in the 2000s. *The Journal of Economic Inequality*, 7(4), 333–350. <https://doi.org/10.1007/s10888-008-9078-z>
- McKee, K. (2012). Young People, Homeownership and Future Welfare. *Housing Studies*, 27(6), 853–862. <https://doi.org/10.1080/02673037.2012.714463>
- Mulder, C. H., Dewilde, C., van Duijn, M., Smits, A. (2015). The Association Between Parents' and Adult Children's Homeownership: A Comparative Analysis. *European Journal of Population*, 31(5), 495–527. <https://doi.org/10.1007/s10680-015-9351-3>
- Negri, N., Filandri, M. (Eds.) (2010). *Restare di ceto medio: Il passaggio alla vita adulta nella società che cambia*. Il mulino.
- Puccini, E. (2016). *Verso una politica della casa: Dall'emergenza abitativa romana ad un nuovo modello nazionale*. Ediesse.
- Raffini, L. (2013). Moratoria di classe, eclissi del ceto medio o incongruenza di status? Il posto dei giovani nella società della precarietà. *Società Mutamento Politica*, 4(7). <https://doi.org/10.13128/smp-12975>

- Rolnik, R. (2014). Place, inhabitation and citizenship: The right to housing and the right to the city in the contemporary urban world. *International Journal of Housing Policy*, 14(3), 293–300. <https://doi.org/10.1080/14616718.2014.936178>
- Ronald, R., Dewilde, C. (2017). Why housing wealth and welfare? In C. Dewilde & R. Ronald, *Housing Wealth and Welfare* (pp. 1–34). Edward Elgar Publishing. <https://doi.org/10.4337/9781785360961.00009>
- Ronald, R., Elsinga, M. (Eds.). (2012). *Beyond home ownership: Housing, welfare and society*. Routledge.
- Ronald, R., Lennartz, C. (2018). Housing careers, intergenerational support and family relations. *Housing Studies*, 33(2), 147–159. <https://doi.org/10.1080/02673037.2017.1416070>
- Sassatelli, R., Santoro, M., Semi, G. (Eds.). (2015). *Fronteggiare la crisi: Come cambia lo stile di vita del ceto medio*. Il mulino.
- Savage, M., Devine, F., Cunningham, N., Taylor, M., Li, Y., Hjellbrekke, J., Le Roux, B., Friedman, S., Miles, A. (2013). A New Model of Social Class? Findings from the BBC's Great British Class Survey Experiment. *Sociology*, 47(2), 219–250. <https://doi.org/10.1177/0038038513481128>
- Siatitsa, D., Annunziata, S. (2017). Attempts to prevent displacement: Housing policies in time of austerity in Athens and Rome. *Urbanistica Tre*, 5(13).
- Siza, R. (2018). Narrowing the gap: The middle class and the modernization of welfare in Italy. *International Journal of Sociology and Social Policy*, 38(1/2), 116–129. <https://doi.org/10.1108/IJSSP-02-2017-0011>
- Standing, G. (2011). *The precariat: The new dangerous class*. Bloomsbury.
- Stone, C. N. (1989). *Regime Politics: Governing Atlanta, 1946-1988* (New. edizione). Univ Pr of Kansas.
- Stone, C. N. (1993). Urban Regimes and the Capacity to govern: A Political Economy Approach. *Journal of Urban Affairs*, 15(1), 1–28. <https://doi.org/10.1111/j.1467-9906.1993.tb00300.x>
- Taltavull de La Paz, P., Gabrielli, L. (2015). Housing Supply and Price Reactions: A Comparison Approach to Spanish and Italian Markets. *Housing Studies*, 30(7), 1036–1063. <https://doi.org/10.1080/02673037.2015.1006183>
- Thurow, L. C. (1984, February 5). The Disappearance of the Middle Class. *The New York Times*. <https://www.nytimes.com/1984/02/05/business/business-forum-the-disappearance-of-the-middle-class.html>
- Toniolo, G. (Ed.) (2013). *L'Italia e l'economia mondiale: Dall'unità a oggi*. Roma: Marsilio.
- Viazzo, P. P. (2010). Family, kinship and welfare provision in Europe, past and present: Commonalities and divergences. *Continuity and Change*, 25(1), 137–159. <https://doi.org/10.1017/S0268416010000020>

- Vignoli, D., Rinesi, F., Mussino, E. (2013). A Home to Plan the First Child? Fertility Intentions and Housing Conditions in Italy: A Home to Plan the First Child? *Population, Space and Place*, 19(1), 60–71. <https://doi.org/10.1002/psp.1716>
- Wetzstein, S. (2017). The global urban housing affordability crisis. *Urban Studies*, 54(14), 3159–3177. <https://doi.org/10.1177/0042098017711649>

Part 1

CHAPTER 1

Homeownership out of reach? Intergenerational transfers and homeownership reproduction in middle class families in Rome, Italy

A version of this chapter has been submitted as an academic article to *Cities* and it is currently under review.
Co-authored by Assistant Professor Joris Hoekstra from TU Delft.

Abstract

Access to homeownership for young adults is becoming more and more difficult. Italy – where homeownership rates for young adults are steadily decreasing – is a case in point. In the recent past, becoming homeowner was an obvious housing pathway for Italian young adults, even from lower-middle class families. If your parents were homeowner, you became homeowner as well, often with the help of intergenerational transfers. However, the Italian reproduction of homeownership is under severe pressure, as a result of the economic crisis and the subsequent austerity measures. Through in-depth interviews with young adults and their parents, this paper shows how deeply ingrained social expectations and aspirations surrounding homeownership – together with an objective lack of rental options – result in young adults staying longer in their parental home and becoming independent at a later age. This may have a negative impact on the social and economic dynamics within Italian society.

1. Introduction

As testified by a wealth of literature, in the last few decades access to housing has become increasingly difficult for young adults across both Western and Eastern societies (Forrest & Hirayama, 2009; Forrest & Yip, 2012; Clapham et al., 2014; Filandri & Bertolini, 2016; Lennartz et al., 2016). Affordability problems disproportionately affect younger subjects, who have to navigate the housing market in a context of rising housing costs, restricted employment opportunities, low salaries, and reduced access to credit (Lersch & Dewilde, 2015; Barbieri & Cutuli, 2016; Dotti Sani & Acciai, 2017; Arundel & Lennartz, 2018). In particular, these housing difficulties are affecting households in the middle and especially lower-middle classes. Specifically, homeownership – once the most common route to independent living – has become challenging to achieve (Druta & Ronald, 2017; Arundel & Doling, 2017), despite remaining a “universal aspiration” (Clapham et al., 2014; Arundel & Ronald, 2016). Indeed, concepts like “generation rent” have emerged to signal the important changes in the residential trajectories of young people (McKee, 2012; Hoolachan et al., 2017; Fuster et al., 2018).

Indeed, access to housing has for the longest time been equated with entry to homeownership (Poggio, 2012b; Arundel & Doling, 2017), thus setting the housing bar at a demandingly high entry level for young adults in today’s market. As a consequence, the already existing trend towards later housing independence amongst younger generations – brought about by changes in educational careers, social norms and labour markets (Christie et al., 2002; Billari, 2004) – has been further reinforced, resulting in delayed adulthood transitions – postponed nest leaving, family formation, marriage, childbearing and so on (Lucchini & Schizzerotto, 2001; Scherer, 2009; Blossfeld et al., 2008; Mulder & Billari, 2010; Billari & Liefbroer, 2010). Although the extent of these problems varies across different housing systems, they are common throughout European countries, especially after the Global Financial Crisis and the ensuing recession (McKee, 2012; Lennartz et al., 2016; Mackie, 2016; Arundel & Doling, 2017). Various studies confirm that general trends are a prolonged co-residence of young adults with their parents, greater housing costs when residential independence is finally reached, and an increased reliance on the private rental sector where this is available (Clapham et al., 2012; Hochstenbach & Boterman, 2015; Arundel & Doling, 2017).

Against this backdrop of declining affordability for young adults, the retrenchment of the welfare state within a larger context of austerity has considerably increased the importance of intergenerational support – in the form of both financial transfers and in-kind help – for the achievement of homeownership (Kemp, 2015; Mulder et al., 2015; Cigdem & Whelan, 2017; Druta & Ronald, 2017; Ronald & Lennartz, 2018). This is increasingly the case not only in Southern Europe – where a familistic welfare regime and a historical prevalence of owner-occupation have established a strong reliance on family networks for housing access – but also in Western and Northern European countries, thus hinting at a convergence that is worrisome in terms of its potential social unsustainability (Viazzo, 2010).

The situation is particularly pressing in Italy, where intergenerational help might already be stretching to its limits (Poggio, 2012b; Lennartz et al., 2016). Indeed, in addition to already fulfilling a primary role in ensuring smooth housing transitions for

young adults (Allen et al., 2004), transfers of housing wealth and property have taken on an even greater importance in the last decade as a vital strategy to ward off the effects of post-crisis austerity, welfare state erosion and precarious labour market conditions (Poggio, 2012b; Manzo et al., 2018; Bertolini et al., 2018). Kinship networks represent a vital resource to overcome the constraints imposed by the current housing market – particularly so for (lower) middle-class households – and family support is the key means for the reproduction of homeownership across generations.

This highlights a deep intergenerational divide, where older cohorts, especially ‘baby boomers’, have been able to easily build up large housing equity, while current worsening conditions make it difficult for younger households to access owner occupation without family support (Doling & Ronald 2010; McKee 2012). As Ronald and Lennartz (2018) sharply observe, housing wealth, while allowing intergenerational transfers to happen, also lies at the root of the inequalities that have necessitated them, as older generations have benefited from the very price dynamics that have contributed to the exclusion of their children from the housing market.

At the same time, such divides play out along social class lines, with tenure – and its intergenerational transmission – emerging as one of the key factors in class inequalities (Arundel, 2017). Particularly among the lower-middle classes the increased reliance on intergenerational transfers can prove challenging. For multi-generational families with a low or unstable occupational status and a relatively low household income the financial resources at the basis of family help might be faltering, thus affecting housing access for the younger generations (Druta & Ronald, 2017). As a result, groups whose housing pathway into homeownership would have been pretty straight forward as a result of their class belonging, are now being forced by increasingly precarious economic conditions (theirs but also their parents’) into alternative housing trajectories (Arundel & Doling, 2017). The combination between low and unstable income on the part of adult children, and the inability to provide financial help on the part of parents means that access to housing finance is reduced, thus effectively threatening the reproduction of homeownership for this group. Additionally, property ownership is a key asset in the formation of the middle classes, as it influences both class reproduction and identity (Savage et al., 2005; Benson & Jackson, 2017). An excessively difficult, delayed, or even unattainable homeownership not only hinders social reproduction, but also contributes to disrupting class identities for young adults. The lower-middle class seems to be at a threshold, where young adults who were supposedly immune to shifts in homeownership access thanks to previous generations’ housing equity are finding themselves exposed to adverse housing dynamics.

This paper aims to address these issues by exploring how young Italian lower-middle class adults and their parents are adapting their strategies in order to cope with increasingly difficult housing pathways – where homeownership is desired but unattainable and rent is despised as well as limited. Through extensive two-generational in-depth interviews carried out in the city of Rome, we aim to provide empirical insight into the changing patterns of intergenerational transmission of homeownership for this social group.

In line with previous quantitative findings for European countries (Arundel & Doling, 2017; Lennartz et al., 2016), this work qualitatively exposes how in Italy deeply ingrained social expectations and aspirations surrounding homeownership –

together with an objective lack of rental options – can result in young adults staying longer in their parental home and becoming independent at a later age. Moreover, by explicitly addressing the issues of class reproduction and intergenerational transfers in the interviews, our research considers how difficult or disrupted pathways to homeownership impact young lower-middle class adults and their class identity in relation to their parents and peers. Overall, the work contributes to the existing literature by offering an Italian perspective with views from both parents and young adults, and also by focusing on vulnerable lower middle-incomes, a category that seems to be under pressure in all major European cities.

Beyond this introduction, the paper consists of four more sections. The first section examines existing literature on the role of family in the intergenerational transmission of homeownership, situating young adults' access to housing in the context of Italy's ingrained cultural expectations around homeownership and parental support for the middle classes. The second part briefly explains our research design and methodology, while also outlining the characteristics of the Roman context. Next, building on the narratives of both parents and adult children, our findings address the attitudes of both cohorts towards tenure, class and intergenerational help, as well as their adapted strategies in the face of shifting economic and social conditions. The final section places these findings in the context of wider debates on homeownership at the intersection of adulthood transitions, intergenerational support and class reproduction. Moreover, our conclusions reflect on the potential negative impact of these changing patterns of homeownership transmission on the social and economic dynamics within Italian society, both now and in the future, and suggest possible ways forward for policy and research.

2. Access to housing for young adults in a stratified homeowner society

2.1 Homeownership and intergenerational help as societal values

Homeownership has become increasingly widespread across Europe. This tenure transition was generally driven by the political promotion of homeownership as means of asset accumulation in a context of welfare state retrenchment. As collective protection is dismantled in favour of the individualization of responsibility, personal asset accumulation acts as protection against loss of income, old age and ill health (Ronald, 2008; Doling and Ronald 2010; Doling & Elsinga, 2012). In particular, Southern European countries have had traditionally higher levels of outright homeownership since the 1950s or even earlier due to a strong reliance on family for access to housing (Poggio, 2012a), while Northern Europe has experienced a rapid shift in homeownership rates in the late 20th century thanks to the growth of the mortgage market (Aalbers, 2007). However more recently, particularly after the GFC and the ensuing credit crunch, Northern European countries have also come to increasingly rely on family help as a means to access homeownership (Ronald & Lennartz, 2018).

International comparative studies have illustrated different “transfer regimes” across Europe (Albertini & Kohli, 2013; Isengard et al., 2018), highlighting how

Northern European households contribute to their children's transition to adulthood primarily with financial transfers, whereas Southern European households mainly offer in-kind support in the form of co-residence to their adult children. However, in Italy financial and housing wealth transfers – structurally sustained by the inheritance and gift tax system – have become larger and have gained a much more important role in recent decades, as the financial sector has expanded and more and more households have to resort to mortgage lending in order to purchase a home (Bernardi & Poggio, 2002; Baldini & Poggio, 2014). Clearly, family transfers depend on the resources available to the older generations, which differ across social strata. Unsurprisingly, in-kind support is more common among less affluent social classes (Aquilino, 2005).

The motivations and dynamics behind intergenerational practices of support are socially and culturally differentiated, and literature identifies them as either altruistic – motivated by love and kind-heartedness (Berry, 2008) – or reciprocal – motivated by the expectation of future support and care (Izuhara, 2010) – although a combination of the two is often more common (Heath & Calvert, 2013; Druta & Ronald, 2017; Deng, 2018; Manzo et al., 2018). Similarly, motives for intergenerational transfers – especially when directed towards homeownership – can be related to social reproduction and family continuity. After all, property ownership helps accumulate wealth for the whole family across generations (Sjorslev, 2012), essentially sustaining the long-term capacity of children to take care of the family in the future (Ronald & Lennartz, 2018).

It follows that giving and receiving support entails a negotiation of reciprocal obligations and responsibilities, and it might engender feelings of gratitude, but also of indebtedness and ambivalence (Luscher, 2005). This can have an impact on independence and family relations. While some research (Coda-Moscarola et al., 2011) points out that the advantages of intergenerational exchanges of care and (advance) inheritance are so clear that they are unconditionally accepted by all involved, other recent studies (Heath & Calvert, 2013; Druta & Ronald, 2017; Manzo et al., 2018) explore the tensions in family support, pulling apart transfer practices and discourses, in order to discuss the values and obligations lying beneath the intergenerational contract.

Finally, intergenerational transfers have become critical in a context where housing assets are a protection against increased risk in the labour market in the face of ever declining public welfare support, as well as a path to wealth accumulation (Conley & Gifford, 2006; Ronald & Elsinga, 2012; Ronald & Dewilde, 2017). Essentially, family tenure status crucially contributes not only to social inequality, but also to its reproduction across different generations (Dewilde & de Decker, 2016; Coulter, 2018; Arundel & Doling, 2017). On one hand, in an increasingly asset-based welfare system, access to homeownership has become a requisite for economic security in later life that sets apart those who can rely on family wealth to better their position from those who cannot (Doling & Ronald 2010; Ronald & Elsinga, 2012; Arundel, 2017; Arundel & Lennartz, 2018). On the other hand, access to the owner-occupied sector marks a great intergenerational divide, with older homeowner cohorts ripping off benefits of accumulated wealth while younger cohorts struggle to get on the housing ladder (Forrest & Yip, 2012; McKee, 2012; Bertolini & Filandri, 2015; Arundel & Ronald 2016; Ronald & Lennartz, 2018).

2.2 The class dimension of housing access and intergenerational transfers

Just as they feed inequalities between generations, intergenerational wealth transfers also perpetuate housing inequalities based on social class. Indeed, there is a complex relation between housing and social class, as tenure – particularly homeownership, its achievement and its intergenerational transmission – shapes notions of class identity while at the same time influencing material patterns of social reproduction.

Several works point at how the socio-economic background and social class of parents determine the likelihood and timing of homeownership for young adults (Kurz, 2004; Filandri, 2015; Filandri & Bertolini, 2016; Coulter, 2018). Particularly, the role of parental tenure is fundamental, not only because homeowner parents have more housing wealth to pass on (Engelhardt & Mayer, 1998; Guiso & Jappelli, 2002; Helderma & Mulder, 2007; Filandri & Olagnero, 2014), but also because of a socialization effect (Henretta, 1984; Rowlands & Gurney, 2000; Helderma & Mulder, 2007; Lux et al, 2018). According to Mulder et al. (2015) the impact of parental tenure on young adults' entry into homeownership is stronger in countries where affordability is low, access to credit is difficult, renting is not a valid alternative and where the family plays a larger role in the provision of welfare and housing – all of which can be found in Italy. These considerations are especially true for the middle classes (Benson & Jackson 2017) where intra-generational divides within younger cohorts are opening up along tenure lines (Arundel, 2017).

Admittedly, the notion of middle class seems to be vague and arbitrary, and no consensus exists about its definition (see Atkinson & Brandolini, 2011 about the economic debate; see Savage et al., 2013 for a summary of the sociological debate). As Barbehon and Haus (2015: 3) put it: “the definition of the middle class is a delicate practice of boundary-drawing rather than a neutral act of boundary-identification”. It would be more appropriate to talk about middle classes, plural, as this social group is a “highly diversified conglomerate of individuals” (Barbehon & Haus, 2015: 3) that “is not internally cohesive” (Giddens & Sutton, 2013: 502). Recent studies highlight increasing dynamics of fragmentation and inequality within the middle classes, with growing internal income and wealth differences, especially after the GFC (Chauvel, 2006; Maurin, 2009; Gornick & Jantti, 2013).

Consequently, being part of the same social class does not necessarily entail having homogeneous economic positions (Wright, 2005; Savage, 2015). Some of those who were traditionally considered as part of the established middle class in terms of occupational position and educational level – mostly those working in the service industry – today have incomes that do not reflect that social position anymore (Standing, 2011; Gornick & Jantti, 2013), and this is especially true for younger generations. Indeed, due to increasing job instability, there is a growing disparity between actual income and perceived class belonging and status (Chauvel, 2006; Frank, 2007; Maurin, 2009). Especially young people brought up in a middle-class environment might experience an unsettling mismatch between what they expect – and deem as appropriate for and defining of their social status – and what their income actually affords them in terms of lifestyle, patterns of consumption and tenure (Standing, 2011; Druta & Ronald, 2017).

According to some authors (Standing, 2011; Raffini, 2013; Gallino, 2014) the impact of employment precarization and lowering salaries is so great that it has started to erode the conceptual categories of class used so far for social stratification; so much so that consumption patterns have arguably gained more prominence as social class identifiers instead of the more traditional occupational profiles (Savage et al., 1992; Ortnor 1998). In this respect, housing consumption plays a crucial role, as homeownership is often perceived as the only legitimate tenure and a signifier of middle-class achievement (Gurney, 1999; Allen, 2008; Druta & Ronald, 2017).

Indeed, both property ownership and place of residence are crucial within middle-class identity-making practices (Hamnett 1995; Savage et al., 2005), and homeownership is one of the markers by which both middle-class parents and adult children understand social reproduction (Benson & Jackson, 2017). Therefore, an excessively difficult, delayed, or even unattainable homeownership contributes to disrupting class identities for young adults from the lower-middle class. Benson & Jackson (2017) go as far as arguing that shifts in access to housing disrupt middle-class reproduction in ways that fundamentally influence class formation.

On a similar note, anxieties related to the inability of children to follow in the housing footsteps of their parents were a repeated pattern within our research. In this regard, we think it is interesting to introduce the theoretical concept of ontological security, or rather, insecurity. Ontological security (Laing, 1965; Giddens, 1984, 1990 and 1991) is about people trusting the continuity of the social order and having a good degree of predictability in their day-to-day lives. The precariousness and uncertainty of housing pathways for young people constitutes a breach of this trust (Saunders 1990; Colic-Peisker & Johnson, 2010), thus configuring itself as a fundamental factor in the crisis of ontological security of contemporary societies (Giddens, 1991).

2.3 Young adults, homeownership and intergenerational support in Italy

The Italian housing system is characterised by a clear prevalence of homeownership and by a very limited rental market. Indeed, owner occupation has been actively promoted for all social groups through fiscal measures and specific policies and programs since the 1950s (e.g. right-to-buy schemes in public housing) (Poggio 2012a; Baldini & Poggio, 2014; Bianchi, 2017). Homeownership has thus become a fundamental cultural value ingrained in Italian society; it simultaneously represents a social safety net in a weak welfare state, a safe (and for the longest time also the only) form of investment, a symbol of stability and adulthood, and an asset for social reproduction to be passed on to future generations (Allen et al., 2004; Ronald, 2008).

The cultural predominance of homeownership as a tenure is testified also by a rental sector that is limited in size and scope, as it only captures the poorest households – or the very affluent and mobile ones (Poggio, 2018; Baldini & Poggio, 2012; Filandri & Bertolini, 2016). The active promotion of homeownership, and the resulting residualization of rental tenures, is coherent with a welfare regime – variously defined as familistic, Southern European or Mediterranean (Tosi, 1987; Castles & Ferrera, 1996; Allen et al., 2004; Poggio, 2008) – in which the state heavily relies on the family as an institution able to provide welfare in areas such as housing and care. Indeed, becoming a homeowner represents an important life transition in

Italy, and family is expected to play a fundamental role in the production, financing and transfer of this tenure (Allen et al., 2004; Kurz & Blossfeld, 2004; Poggio, 2012a). In this regard, family help has attained even more importance in the last decade, as the erosive effects of precarious employment conditions and the marketization of the Italian housing system – as well as the progressive dismantling of affordable housing policies and welfare state retrenchment – have challenged access to housing for young adults (Aalbers, 2007; Baldini & Poggio, 2014; Filandri, 2016).

Indeed, temporary and often unprotected employment has become the main way by which young adults enter the labour market in Italy (Bruno et al., 2012), but precariousness and low earnings increasingly characterize also later stages of young people's careers (Bernardi & Nazio, 2005; Barbieri & Scherer, 2009; Gallino, 2014; Barbieri & Cutuli, 2016). In the long term, this makes them more economically vulnerable than other cohorts, thus impacting their ability to save and to make large financial commitments, such as a mortgage. On one hand, young people with unstable employment are more likely to be exposed to job-related residential mobility (Coulson & Fisher, 2009), thus they are less likely to enter first-time homeownership. On the other hand, precarious employment conditions impede entry into homeownership because households with high job insecurity and low earnings have lower chances of being mortgage holders (Lersch & Dewilde, 2013; Dotti Sani & Acciai, 2017). Indeed, young adults are often not eligible for a mortgage because they lack the economic resources for the initial down payment. Indeed, although the Italian mortgage market has expanded in recent decades (Chiuri & Jappelli, 2003; Bernardi & Poggio, 2002; Aalbers, 2007), mortgage lending still typically entails large deposits, for which reliance on personal savings and family wealth are crucial. Even when granted, often mortgage credit is limited in quantity (Lersch and Dewilde, 2015; Dotti Sani & Acciai, 2017): according to Nomisma data¹, in the 13 major Italian cities an average of 28% of mortgage applications have been refused in 2015 (values go from 37% of Catania to 13% of Venice, with Rome close to the general average), with applicants subsequently giving up their purchase. Overall, the mortgage market is penalizing the people that are more dependent on it for their entry into homeownership (Baldini & Poggio, 2012; Poggio, 2012b; Lennartz et al., 2016), and the few policy measures to support vulnerable mortgagors and first-time buyers are too fragmented and poorly funded to be effective (Baldini & Poggio, 2014; Dotti Sani & Acciai, 2017). In this context, autonomously buying a dwelling has become an almost unachievable aspiration for younger generations, thus greatly enhancing the importance of parental help in its many forms.

As already mentioned, financial and wealth transfers towards homeownership have become larger and more important in Italy in recent years. They can be inter-vivos transfers or bequests. In the first case, property or money – ranging from small sums up to large deposits or even the full house price – is transferred from living parents or grandparents to adult children as a gift, as a loan or as an advance inheritance. However, not all families, especially lower-middle class ones, have access to liquid assets, thus inheritance still plays a prominent role, with young adults benefitting from

¹ <https://www.nomisma.it/index.php/it/press-area/comunicati-stampa/item/943-8-luglio-i-dati-emersi-dall-osservatorio-sul-mercato-immobiliare>

bequests of money or property mostly from late grandparents. Although financial and property transfers are more effective – and also positively impact on the timing of homeownership – the role of in-kind support should not be underestimated. Indeed, prolonged co-residence is often used as a precise reproduction strategy by middle and lower-middle class Italian households (Bertolini & Filandri, 2015). Living in the parental dwelling allows adult children to deal with employment instability and find a job matching their educational background, while also saving for future housing independence (Negri & Filandri, 2010; Albertini & Kohli, 2013). In-kind support can also take the form of guidance thanks to knowledge of the housing market or access to networks (Boterman, 2012; Deng, 2018), and parents who are unable to provide large sums of money can still use their housing position to help, by acting as mortgage guarantor for their adult children (Poggio, 2008; Mulder et al., 2015).

When discussing housing independence, it is important to note that – although social norms have started to change – new family formation still plays a crucial role for Italian youth emancipation (Negri & Filandri, 2010). Indeed, while it is no longer socially frowned upon to move out of the parental home as a single, taking the next step in a long-term relationship – marriage but increasingly also co-habitation – is often the main reason for doing so (Mencarini & Tanturri, 2006; Billari et al., 2002). However, this might reflect a growing reliance on double income in order to sustain the costs of housing rather than a persistence of traditional understandings of life transitions (Poggio, 2012a; Filandri & Bertolini, 2016).

Whether intergenerational support is a gift or a loan – and whether it is perceived in the same way by parents and children – is key to intra-family relations. In Italy inter-vivos transfers are more commonly framed as gifts rather than loans, because love, solidarity and strong ties are central to notions of family and intergenerational help (Barbagli et al., 2003; Saraceno, 2003). However, even if direct monetary repayment of such gifts is excluded, they might still entail some form of reciprocation (Heath & Calvert, 2013). The same applies for in-kind support, which is even more difficult to quantify, thus to reciprocate (Manzo et al., 2018). Among Italian households, reciprocation mostly takes the form of assistance in old age, and proximity is often the key to such practice, as mutual in-kind support between generations – both elderly care from adult children and childcare from grandparents – can be best performed at a close distance (Glaser & Tomassini, 2000; Poggio, 2008 and 2012a). Reciprocation is often complicated by the fact that these issues are rarely discussed explicitly in Italian households. This is not to say that there are no expectations in intergenerational exchanges, but rather that in Italian society these expectations tend to remain unspoken, largely relying on implicit understandings of love, responsibility and care (Naldini, 2003; Saraceno & Naldini, 2013). This is further reinforced by the fact that, in addition to being long-standing social expectations, duties of reciprocal care among generations are rooted in inheritance and family law as well (Poggio, 2012b).

Figure 1 illustrates tenure changes for young adults over the last decade. While homeownership rates are steadily decreasing, it is not rent as a tenure that is increasing as a result, but rather the percentage of young adults staying longer in the family home. This is in line with the general European turn, although it shows a greater intensity, given that Italy had a heavier reliance on family as a housing provider to begin with (see Lennartz et al., 2016 and Arundel & Doling, 2017 for comparative analyses of

European countries). On one hand, this trend might suggest a persistence of the cultural bias towards homeownership despite the obstacles in achieving it, coupled with an objective lack of suitable rental alternatives, as more and more young adults postpone nest leaving in order to be in a better position to enter the homeownership market (Bertolini & Filandri, 2015; Lennartz et al., 2016). Because Italian millennials are already leaving the parental home at a very late age compared to their Northern European counterparts, this tendency is worrying, since it leaves virtually no time to achieve the traditional early adulthood milestones – residential and financial independence, a new family, maybe children (Mulder & Billari, 2010; Buchmann & Kriesi, 2011; Flynn, 2017). On the other hand, it also hints at an eroded capacity for intergenerational financial or wealth transfers of Italian households – especially from the lower and lower-middle classes. Indeed, in a context of economic stagnation and austerity, for many lower-middle class families co-residence is the only type of intergenerational help available.

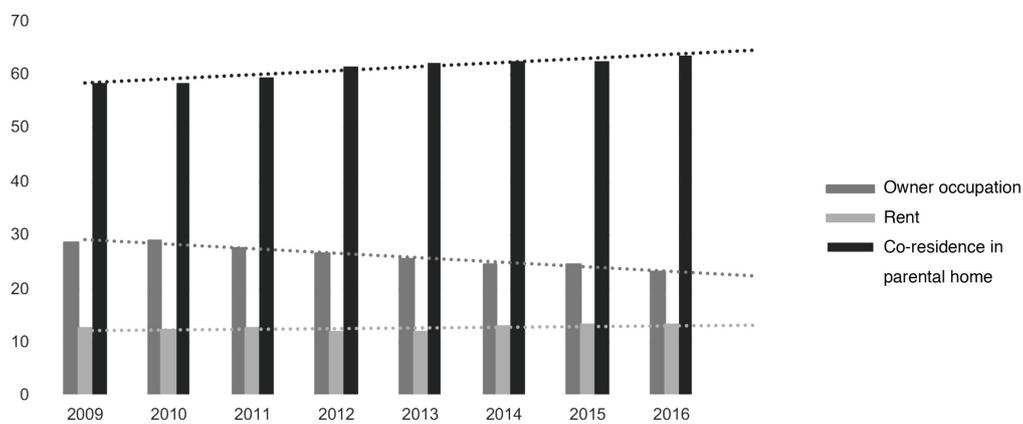


Figure 1 – Living arrangements of young people (18-35 years old), 2009 to 2016. Source: Istat.

With regard to class, in the past three decades the Italian middle class has become very heterogeneous and fragmented, especially when considering both wealth and position in the labour market, and significant income differences can be found within this social group (Bagnasco, 2008 and 2016; Negri & Filandri, 2010; Atkinson & Brandolini, 2011; Sassatelli et al, 2015; Siza, 2018). In addition to the changing dynamics of the job market, the 2008 crisis has had profound effects on the Italian housing system. On one hand, social expenditure was severely cut, with a major impact on housing policies. On the other hand, higher unemployment and lowered earnings for working individuals imply that household economic capabilities have been significantly reduced: on average, the disposable individual income has dropped by about 15% in actual terms between 2006 and 2014 (Banca d'Italia, 2018). While the most affected are clearly low-income households, these dynamics had a profound impact on the lower segments of the middle class as well, further intensifying inequalities within the middle group. Indeed, lower-middle class households have to deal with a higher degree of instability, where life events (a child, a job change, an illness, a divorce) can heavily impact their financial stability (Filandri & Olganero,

2014). This often happens because of a lack of substantial wealth to fall back on in case of temporary loss of income (Dagnes et al., 2018). The employment insecurity and low wages that we see for children have also been experienced by low and lower-middle income parents after the crisis, albeit to a lesser extent. After the crisis labour market conditions have significantly worsened for blue and white-collar jobs, and this has impacted lower-middle class households' capacity to save (Bagnasco, 2016). This is especially true for public employees, who compose most of the lower-middle class in Italy and who had to bear the brunt of austerity measures. As access to housing depends on financial stability, it is not surprising that lower-middle class households are increasingly experiencing housing problems. They represent a grey area of housing demand because their income is too high to access public housing and yet they cannot fulfil their housing needs on the free market (Puccini, 2016).

In particular, the growing inequalities within the middle-class can mean a reduced ability for lower-middle class parents to financially help their children in accessing homeownership. In this respect, it is important to note that property is usually the only accumulated wealth for lower-middle class households, which often corresponds to the house that they are living in (Banca d'Italia, 2019). They tend to be marginal homeowners, meaning that their property is often located in market cold spots (Hochstenbach & Boterman, 2015; Ronald & Lennartz, 2018). Thus, lower-middle class homeowners generally have lower property values than more affluent households due to location, typology and conditions of their dwelling (Burrows, 2003), and they did not benefit as much from house prices increases before the crisis (Ronald & Lennartz, 2018). Nonetheless, even if lower-middle class parents had greater housing wealth, it is unlikely that they would have been able to tap into it. Indeed, housing equity release is not very common in Italy, due both to underdeveloped financial tools and to a scarce propensity of households to cash in on their housing wealth (Bronzini, 2014; Fornero et al., 2016). Moreover, previous research shows that parental support for homeownership tends to be added to previous family investment in children's education (Guiso & Jappelli, 2002; Bernardi & Poggio, 2002; Poggio, 2012b). This could mean that lower-middle class parents have already spent a substantial amount of the financial resources destined to their children's future in the hope that a degree would guarantee them more stable and better paying jobs, and that mortgage lending would always be an option. Considering the recent changes in the labour, housing and mortgage markets we can presume that these expectations were not met. In this context, it is interesting to see how both parents and adult children are adapting to these changed circumstances.

3. Research design

3.1 The Roman context

While Rome is not necessarily representative of Italy as a whole, it certainly provides an interesting case in the geography of the Italian housing crisis. It is the city with the highest unmet public housing demand – due to both a high number of struggling families and an insufficient and mismanaged public housing stock – and also that with the largest number of eviction orders. Indeed, as a consequence of a short-sighted

policy approach that only tackles “emergencies” rather than planning structural action (Puccini, 2016; Siatitsa & Annunziata, 2017; Lucciarini, 2017) Rome has seen a sharp increase in eviction orders due to rent arrears: only in 2015 there were 10.263 eviction requests, a figure that increased by 6.11% in 2017².

Although the housing market in Rome is not as active as before the crisis – transactions plummeted and are only slowly recovering now – prices have never collapsed, and they remain relatively high to this day (Figure 2). At the same time the labour market – once largely based on stable, permanent white-collar jobs in various sectors of the Public Administration – has suffered great precarization. According to data from Rome’s Municipal Statistics Office, between 2007 and 2018 unemployment went up from 5,8% to 9,8% and involuntary part-time contracts increased by 17,1%. As everywhere in Europe, precarious employment conditions affect young people disproportionately: unemployment rates for young people in 2016 were 36,3% and 14,1% respectively for young adults aged 15 to 24 and 25 to 34. Less than half of the working population in Rome is younger than 45 and the number of NEET³ youth rose by 56,9% between 2008 and 2017. It is thus evident how, in the absence of an adequate structural housing policy, affordability problems have been increasingly affecting also the lower middle class (Lucciarini, 2017; Puccini, 2016), as on average it takes more than 12 years of a household’s disposable income to buy a mid-sized dwelling in Rome⁴.

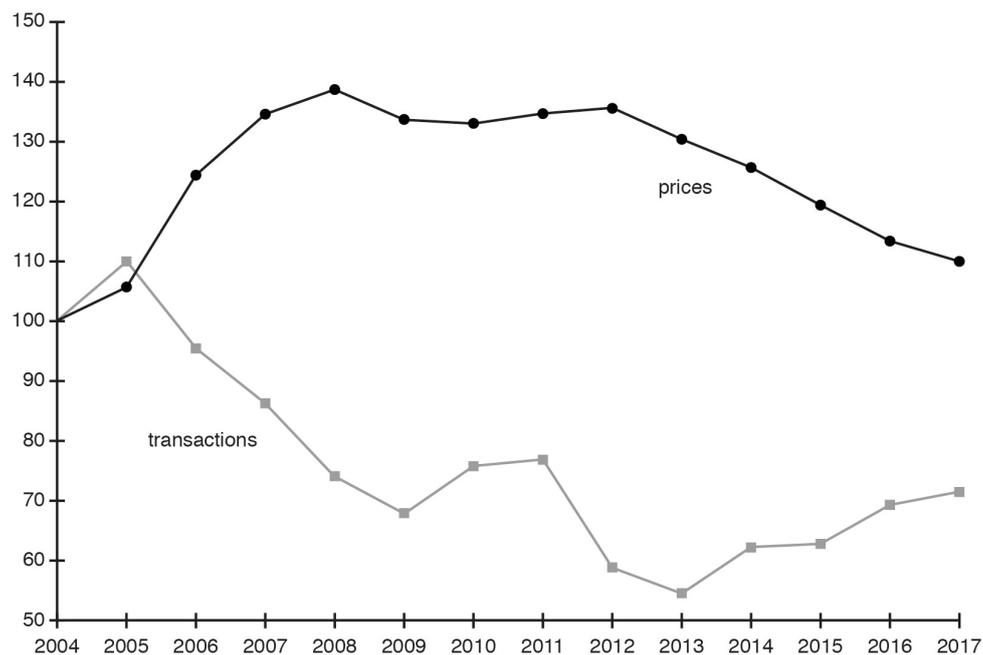


Figure 2 – Prices and transactions in Rome 2004-2017 (index, 2004=100). Source: Osservatorio del Mercato Immobiliare, 2018 - Statistiche Regionali. Il mercato immobiliare residenziale del Lazio.

² Data from the Ministry of Internal Affairs, 2017.

³ Not in Education, Employment or Training.

⁴ <https://www.ilsole24ore.com/art/finanza-e-mercati/2019-05-30/casa-comprare-europa-servono-15-anni-stipendi-italia-12-133450.shtml?uuid=AC1sZYK>

The housing market is also rather rigidly oriented towards homeownership, with the residual rental sector mostly dominated by small landlords, with a high incidence of the black market (Bianchi, 2017; Bargelli & Bianchi, 2018). Indeed, in terms of tenure there is only 20,7% of rental (including social and public rents) against 69,3% of homeownership and 10% of other tenures, such as usufruct or other free of charge arrangements⁵. These are often homeownership in disguise, as they mostly consist of households living rent free in some family property (Poggio, 2012a).

Access to mortgage credit for young adults in the Roman area has been rather difficult in the past decade, due to the lack of regional and municipal policies to complement the chronically underfunded national policy tools (Dotti Sani & Acciai, 2017). When granted, credit is limited in quantity: the average Loan to Value Ratio in the Lazio region was only 66% in 2018. Nonetheless, in that same year 57,4% of houses were purchased with a mortgage in Rome⁶.

3.2 Research methods

Fieldwork was conducted between May and December 2018, and it consisted of two-generational in-depth interviews with middle class young adults (aged 21 to 38) and their homeownership parents, with both cohorts residing in Rome. 36 young adults and 29 parents participated in the study, for a total of 65 people in 41 interviews. The interviews were sampled to achieve diversity in gender, age, relationship status, education level and occupation. All the research participants belonged to the middle class, with wide variations in income; this allowed us to explore the differences between the lower- and the higher-middle class. Since we aimed to investigate intergenerational transmission of homeownership, we considered only parental income to identify the different class groups: higher-middle, middle and lower-middle. For the purpose of our analysis, we defined as lower-middle class the households with a gross income between 20 and 40 thousand euros per year, and they represented almost half of the total households (see Table 1 for an overview of the sample).

Both young adults and middle-class baby boomer homeowners were approached through personal networks and local community groups in order to build trust, and were then asked to refer their parents or their adult children, as well as other potential participants, for follow-up interviews. The in-depth interviews were semi-structured and carried out with the 'life story' technique, with a focus on housing biographies in connection with family support and housing strategies (Jarvis, 2012; Clapham, 2002). Class was also explicitly addressed: participants were asked to fill in a questionnaire about their income level and their perceived class status, then they were invited to reflect on the meaning of homeownership in relation to class.

Interviews with parents and children were conducted separately, although siblings and couples were often interviewed together. While this might be problematic due to the emergence of relational dynamics, we have nonetheless decided that it was

⁵ Data from the Municipal Statistics Office (Roma Capitale).

⁶ Osservatorio del Mercato Immobiliare (2018) *Statistiche Regionali. Il mercato immobiliare residenziale del Lazio*.

important in order to explore how decision making about housing works at the household level. Interviews lasted between one and three hours and were carried out in Italian. Quotes and excerpts have been translated by the interviewer and the initials used in this paper are fictitious to ensure anonymity. The content analysis of interview material was carried out in two phases and in the original language. The initial step was the recursive use of both open and template coding (Blair, 2015) of transcripts and interview notes. In the second phase, matrixes (see Ritchie & Lewis, 2014) were constructed in order to guide the interpretation process.

4. Results

As expected, the housing pathways of the research participants were chaotic, slow, and required a complex network of help – either financial or in-kind – in order to progress. Regarding the adult children participants, a bit more than half was still living with their parents. Of those living independently, the majority were owner occupiers, with and without a mortgage, followed by those renting on the private market, either on their own (with a partner) or in a shared accommodation with friends or strangers; only a few had other types of tenure (ranging from those paying a reduced rent to family members, to those living rent free in their partner’s dwelling, all the way to squatting).

Of all young adults, less than a half received some form of financial support from their family: the great majority were helped towards homeownership (regardless of whether they were already living in it or waiting for renovations, or renting it out and still living with their parents in the meantime), but a few were also helped with paying their rent in exceptional situations (while temporarily unemployed or while studying in another city). Among lower-middle class households the share of intergenerational support was considerably lower: only less than a third of young adults from this group received financial help towards homeownership, and only one towards rent. The rest were still living in the parental home (except one case of squatting). However, all the independently living interviewees from all class groups had received some form of in-kind help – mostly co-residence – in the past.

When present – and for all social classes – intergenerational transfers of money were mostly provided by parents, often after they retired and received their severance pay, or by a combination of parents and grandparents. Sums ranged between few hundred and several thousand euros (in one case enough to buy a house without a mortgage). Intergenerational transfers of property on the other hand were mostly provided by grandparents, usually as inheritance upon their death. It is important to note that, while some of the lower-middle class parents were not able to financially help their children with large sums of money towards a deposit, they were able to provide them with smaller sums to be used for renovations or furniture.

In the following paragraphs, we will discuss our results focusing on attitudes towards tenure and towards intergenerational help, and how they intersect with class identity and personal independence, both from the perspective of parents and of adult children

Table 1 – Overview of research participants and the intergenerational transfers they gave and received (next page)

Introduction

Adult children										Intergenerational help (ever received)										Parents									
Interview code	Sex	Age	Couple	Relationship status	Education	Income	Type of contract	Occupational status	Class perception compared to parents	Extra info	Housing situation	From whom assistance: (C)	Other (small sums, gifts, assistance...): (O)	Co-residence (C)	Transfers towards rent (R)	Property transfers	Financial transfers towards homeownership	Housing situation	Class perception (individual)	Class category (for household, based on gross income, thousand euros)	Income level (gross yearly household income, thousand euros)	Type of contract	Occupational status	Education	Relationship status	Sex	Interview code		
01_A	F	30		Relationship	Bachelor	NO	-	Student	=	Co-residence	Parents	YES					LMC	LMC	30-40k	Permanent	Unemployed	Master	Married	F	A.B.				
01_B	F	28		Single	Bachelor	NO	-	Student	=	Co-residence	Parents	YES					LMC	LMC		Permanent	Employed	Bachelor	Married	M	W.P.				
02_A	F	33		Single	Bachelor	YES	Temporary	Employed	-	Co-residence	Parents	YES					HMC	MC	50-70k	Permanent	Employed	High school	Married	F	R.P.				
02_B	F	26		Relationship	Master	(YES)	Temporary	Trainee	-	Co-residence	Parents	YES					LMC	LMC		Freelance	Self-employed	High school	Married	M	P.S.				
03_A	F	31		Single	PHD	YES	Freelance	Self-employed	-	No mortgage, parents invested retirement money to buy small apartment, grandma added some extra	Owner occupation	YES	Fully Abroad			Inter-vivos Full price	Owner occupation	HMC	HMC	70-90k	-	Retired	Master	Married	F	A.L.			
03_B	F	31		Single	PHD	YES	Freelance	Self-employed	-	They live with her mother while saving	Owner occupation	YES				Inter-vivos Full price	Owner occupation	LMC	LMC	50-70k	Permanent	Employed	High school	Married	F	M.D.			
04_A	F	30		Married	Master	(YES)	Temporary Salary	Employed	+	They live with her mother while saving	Co-residence	YES				Inter-vivos Monthly contribution	Owner occupation	LMC	LMC	50-70k	Permanent	Employed	High school	Married	F	N.S.			
04_B	F	25		Married	High school	YES	Permanent	Employed	+	Mortgage in his name, she pays her quota with parents help	Owner occupation	YES				Inter-vivos Monthly contribution	Owner occupation	LMC	LMC	30-40k	Temporary	Employed	High school	Married	F	C.G.			
05_A	F	23		Married	High school	(YES)	Temporary	Employed	=		Co-residence	YES					Owner occupation	LMC	LMC	30-40k	Temporary	Employed	High school	Married	F	M.S.			
05_B	F	21		Single	Middle school	(YES)	Black market	Employed	=		Co-residence	YES					Owner occupation	LMC	LMC	50-70k	Permanent	Employed	High school	Married	F	M.S.			
06_A	F	31		Single	High school	YES	Permanent	Employed	-	Rents at reduced rate from relative, is looking to buy with grandpa's inheritance and mortgage	Rent	YES	Grandparents (F) Parents (C)			Inheritance Partial deposit	Owner occupation	HMC	MC	50-70k	Permanent	Employed	High school	Married	F	F.S.			
06_B	F	25		Single	Bachelor	NO	-	Unemployed	-	Will use grandpa's inheritance in the future	Co-residence	YES				Inheritance Partial deposit	Owner occupation	HMC	MC	70-90k	Temporary	Employed	Middle school	Married	M	G.S.			
07_A	F	38		Relationship	PHD	YES	Temporary	Employed	-	Parents bought house, she rents out a room for extra income	Owner occupation	YES	Parents			Inter-vivos Deposit and mortgage	Owner occupation	MC	HMC	70-90k	-	Housewife	High school	Married	F	P.F.			
07_B	F	26		Single	Master	YES	Permanent	Employed	=		Co-residence	YES					Owner occupation	MC	MC		-	Retired	Master	Married	M	F.S.			
08_A	M	31		Cohabitation	PHD	NO	-	Unemployed	-	Parents offered help to buy dwelling, but not to rent	Rent with partner	YES	Parents				Owner occupation	MC	HMC	70-90k	-	Housewife	High school	Married	F	L.C.			
09_A	M	29		Married	Master	YES	Temporary	Employed	=	Parents are renters	Owner occupation	YES	Parents				Owner occupation	HMC	HMC		Permanent	Employed	Master	Married	M	M.B.			
10_A	F	32		Relationship	Master	YES	Temporary	Employed	-	Parents always paid her rent, she inherited flat from grandparents, parents currently paying for renovations	Shared rent	YES	Parents (F) Grandparents (F)	Fully Other city Rome	Inheritance	Inter-vivos Renovations	Owner occupation	HMC	MC	50-70k	-	Retired	Master	Married	F	G.B.			
10_B	F	32		Relationship	Master	YES	Temporary	Employed	-		Shared rent	YES	Parents (F) Grandparents (F)	Fully Other city Rome	Inheritance	Inter-vivos Renovations	Owner occupation	MC	MC	50-70k	-	Retired	High school	Married	M	G.Z.			

4.1 Understanding attitudes toward tenure

As expected, homeownership clearly emerged as the preferred tenure. The reasons offered for this were mostly related to financial security and overall stability, blurring the lines between housing as a home and as an investment. Homeownership was defined by many participants as “solid ground” – the corner stone on which to build the rest of life. In this respect, feelings of safety, comfort and being in control of one’s space, time and choices were often raised as motivations to prefer homeownership over rent. T. A – a divorced mother in her fifties currently sharing a rental apartment with her partner – attached very different feelings to the multiple stages of her housing trajectory. In particular, she blamed both an unregulated rental sector and poor welfare provisions – especially for those who temporarily find themselves in unfortunate situations – for not making her feel protected as a young divorced mother navigating the housing market, thus highlighting how life projects depend on securing a *home*, not just a roof over one’s head:

Owning a house is important, I think. And I only understood that when I got divorced and ended up with nothing because the house belonged to my ex-husband. [...] It really eases your mind when you don’t need to worry about rent, or to depend on your landlord’s mood... it’s about stability, the idea that the house you live in is yours, nobody can take it away [...] and I know the difference, I’ve experienced it on my own skin! So I would like my children to be homeowners... I’d be much less worried if I knew they were homeowners.

[T.A., parent]

As outlined earlier, the Italian rental market is not very well developed, thus it is not surprising that most, if not all, participants thought of rent as a lesser tenure and specifically as a waste of money. G.L. – a young professional with a stable contract – justifies still living in the parental home with the need to save money for future homeownership rather than wasting it on a “meaningless rent”:

Yeah, I could rent... my salary is good enough. But if you rent, and then you add up all the expenses...the bills, the food, the commuting... then I would spend all my money and I couldn’t save anything. It just doesn’t seem very smart. [...] If I can resist a bit longer, then I can save up enough to maybe buy an apartment... I don’t know... and then maybe in the meanwhile a girlfriend also comes along! (laughs)

[G.L., 26, lives in the parental home, working on permanent contract]

Despite the family dwelling being extremely small – so much so that three siblings have to share one room – and despite him admitting that the lack of privacy might be affecting his personal life, these inconveniences do not seem enough to seek housing independence disjointed from homeownership. Indeed, both cohorts of interviewees instinctively place more value on homeownership than they do on residential independence. However, young adults seem to have a clearer understanding of the potential value of rent as a tenure due to their life experiences. Indeed, some younger participants could not yet envision in their life the kind of “settling down” that owner occupation entails and, when explicitly asked, they identified the inherent flexibility of rental as a positive feature, seamlessly matching with their increasingly flexible – or unstable, depending whether you are an optimist or not – employment pathways.

I don't know, the advantage in renting could be that it might be easier if I have to move relatively often... and it could be that I have to move to another city. So maybe it could be convenient to rent – at least at the beginning of one's career.

[G.S., 26, lives in the parental home, working as a trainee]

M.B. and E.M. – a couple with precarious contracts - have refused his parents help towards buying a dwelling in order to pursue a shared career objective, as well as to avoid an imbalance in their relationship, as she, and her family, would not have been able to contribute to the purchase:

We decided to rent because we really wanted to go and live together and for many reasons renting was the only way... also because we want to go work abroad for a while soon. [...] But my parents would have liked me to buy a house. They actually offered help, saying it's an investment, even if we don't live in it...

[M.B., 29, shares rent with a partner, currently unemployed]

Against this backdrop, the majority of the interviewees expressed a lack of trust in the banking system, as well as in their own financial means. This might be due to the general wariness and caution bred by recent banking bailouts and the overall austerity still looming on Italy's economy. Moreover, there seems to be among the participants an insufficient knowledge – especially for lower-middle class households – of financial tools, mortgage markets and policy measures aimed at helping with home purchase. Most of the participants have not even tried to approach a bank to ask for a mortgage and show a sense of frustration and defeat in this regard:

C.C.: We have some savings, not much... so I think maybe we could go to the bank now...

L.P.: [...] but if A. doesn't have a permanent job then what are we talking about? It's not like they are going to give her a loan anyway, not even with our savings I'm afraid. It's not a lot of money, you know? It's not like we can get the mortgage for her.

[C.C. & L.P., parents]

In this, a great role is played by unstable employment, temporary contracts and low salaries: young adults were so aware of their reduced economic capacity and unstable employment situation that they already denied themselves a mortgage without even asking for it:

As if I could go to the bank and ask for money!! My contract is fixed, and I mostly get paid under the table, cash. I have nothing for the bank.

[R.F., 33, lives rent free in partner's house, working on temporary contract]

4.2 Homeownership and class identity

This attitude was also evident when their class position was discussed. While parents drew on their economic stability and the commodities and comfortable life it afforded them to articulate being middle class, young adults had to rely of different forms of capital to justify belonging to the middle class to their own eyes. In particular, they drew on their level of education, cultural consumption and family background, while at the same time expressing uncertainty about their future, especially in terms of traditional markers of middle class such as property ownership.

[Being middle class] means having stability and not being worried about money. You should be able to satisfy all the basic needs of the family without having to worry, that's it. And also you should be able to pay for some extra expenses without much effort, like a nice holiday, a new car, or health related stuff. It's really about feeling safe.

[R.P., parent]

Many parents wished for their children the same social status as themselves, and children often internalized these parental and social expectations, as well as showing a tendency to compare themselves to their peers and their own parents at their age. This was in most cases translated in a desire for homeownership as a symbol of full adulthood. The cultural expectation of property ownership and its link with middle class identity is so strong that choosing not to own property seemed almost inconceivable for some participants:

If you don't own your house then no, you're not middle class...I think... or maybe if you earn so much that you don't care about paying money for rent then maybe you are... but then if you have the money why wouldn't you buy property?

[M.V., parent]

Indeed, for many young adult interviewees not being able to access homeownership, or needing extensive help and considerable time to do so, was perceived as a 'loss of status':

Well, I think there is a difference between me and my parents. I will never reach the level of economic stability and comfort that they have... or at least not at the same age they did. When they were my age, they had me already, they were married, they bought their house... It's just different now, I think. So maybe yes, my family is middle-class but I am not... or not yet... or not completely? Does that make sense?

[G.S., 26, lives in the parental home, working as a trainee]

Moreover, for many interviewees the mismatch between class position, income levels and consumption patterns, which was evident in feelings and identities, did not translate into different strategies on the housing market: shifting housing economies were not reflected in shifting expectations of tenure. Despite acknowledging that homeownership is difficult to achieve – and despite having trouble with their middle-class identity because of this – both children and their parents were still prioritizing homeownership as a key life choice instead of shifting their focus to other solutions or tenures. Even when homeownership was clearly out of reach – at least for the time being – considerable effort and time was invested into trying to achieve it:

We wanted to sell this house, so mum could go back to the village and we could split the money [among the three brothers] and then I could buy a house for myself. But even if we sold it well, which is not very likely because it's an old apartment building with almost no maintenance... even if we sold it well the mortgage is still gonna be difficult... it won't be enough money for the deposit, and I'm not sure how much I could get from the bank... also, mum is too old to guarantee for me. It's a problem. So we are still waiting...

[L.D., 28, lives in the parental home, black labour market]

4.3 Intergenerational transfers: giving, receiving and doing without

Attitudes toward and access to different tenures are deeply intertwined with intergenerational support – whether it is available, what form it comes in, and the terms in which it is understood. Generally, among our interviewees, intergenerational support – when in the form of financial or property transfers – was very widely understood as a gift, at least on the surface. Parents explicitly referred to ideas of love, family solidarity, responsibility and commitment when discussing the reasons for providing inter-vivos gifts or advance inheritance towards their children’s access to housing. In their discourse, often shared by the young adults of the same family, children do not need to “pay back”, but there is a mutual understanding that some form of reciprocation will happen in the future. The case of M.Z. is emblematic. Her parents paid her rent when she was studying at university in another city. When she moved back to Rome for work she didn't return to her parents' place, but they instead paid her rent in a small flat. At the time of the interview, she was waiting to move to the apartment she had inherited from her grandparents – which was being renovated thanks to her parents financial help. She is the interviewee that received the most intergenerational help out of all participants and was fully aware of the impact this had on her independent life. She had always known that she could count on her parents, and was willing to do the same for them, although reciprocation was never asked or even implied.

I'd say I'm aware... I don't feel guilty, or that I owe them, or that they expect something in return, nothing like that. But I am definitely aware of the fact that they're helping me [...] and when they will need it, I will be there for them too... It's like that.

[M.Z., 32, shared rent paid by parents, working on temporary contract]

For most of our interviewees nothing was “due”, rather the unspoken assumption was more that “reciprocation will happen, because this is how it is”. By framing it as an unavoidable generational contract, they focused on ideas of family continuity, combining notions of love and solidarity with social reproduction. The issue of reciprocation was never spontaneously raised by the participants, from neither generation. Nonetheless, young adults seemed more comfortable than older cohorts with discussing the ways in which they expected to pay back their parents, as this projected an image of gratitude and responsibility. Parents instead went to great lengths to explain that their offer for help was not dependent on future repayment (see similar patterns in Heath & Calvert, 2013; Bahr & Bahr, 2001; Manzo et al., 2018). They were reluctant to openly discuss reciprocation, as if this would somehow question their love towards their offspring, and often turned to half-hearted jokes about retirement homes or “being out of the picture”.

Reciprocation often entails geographical proximity to the family of origin. This is convenient for both generations, as it can facilitate a closer connection, as well as care provision in old age and help with future children. However, it sometimes comes at a

price: finding a suitable accommodation close to the parental home might now prove more difficult and expensive than anticipated, as neighbourhoods have often changed since the original family dwelling was bought, and prices have risen. Despite this, for some interviewees, both geographical proximity to parents and neighbourhood attachment were still fundamental in informing their localization choices, even though this meant postponing housing purchase and independence more than if they were to choose a different, more distant or peripheral, location:

I'm looking for a house [to buy] here in [the neighbourhood], or somewhere nearby anyway... I don't want to live too far, because this is where I have all my network... my family, my friends, my gym... it would be too complicated, I already have to commute far away for work. But it's not so easy to find something nice in my price range.

[F.S., 31, rents at reduced rate from a relative, working on permanent contract]

Increasingly, intergenerational transfers of money or housing can only be achieved by involving a larger family network than just parents. For many of the interviewees who could rely on this kind of support, grandparents had typically provided the crucial resources by bequeathing either property or money.

When grandma died, we sold her house... it was a big house, so we made quite some money out of it, and we divided the money between me and my brother. My brother doesn't know what to do yet, so my parents put the money in the bank, but for me we started looking for a small house to buy. The agreement is that grandma's money goes for the down payment and then I pay the rates of the mortgage.

[F.S., 31, rents at reduced rate from a relative, working on permanent contract]

In cases of bequest, advance inheritance or inter-vivos gifts the number of children plays a large role, as parent interviewees were very clear about the importance of equally sharing among children. Obviously, the more the children, the less the financial support. Indeed, in-kind support was the only help that could be offered in cases of multiple siblings sharing limited resources.

In addition to employing available means from multiple generations, the young couples in our sample who were able to attain homeownership also had to pool resources from both partners' families, thus highlighting how the successful transmission of homeownership has increasingly become an enlarged-family business involving multiple generations of multiple family networks:

I'm among the lucky ones, because I got some help from my family... and between that and the small inheritance of my husband's grandfather we managed to put together enough to buy a very tiny subsidized dwelling with a cooperative. But I know many couples who even with the two of them can't put together enough money. If you don't have a family that backs you up it's almost impossible.

[G.F., 33, married owner occupier, working on temporary contract]

Accordingly, stable relationships have a particular bearing on residential independence. Not only for many young interviewees a double income and double the parental help was the only viable route to homeownership, but often taking the next step in a long-term relationship – be it marriage or co-habitation – was seen as the only worthwhile reason to move out of the parental home, confirming the crucial role of new family formation for Italian youth emancipation.

For almost all interviewed households parental help was considered as a gift or as advance inheritance; only one household had explicitly discussed the matter with their offspring and agreed to make it a loan, which was still not repaid at the time of the interview. Yet, it is important to stress that even when housing independence has been attained, its relationship with financial independence is not as straight forward as it seems and it affects personal autonomy, especially when financial help from family members is involved. On one hand many young participants stayed in the family home despite having a job – sometimes even a stable or high-paying one (never both) – thus postponing or renouncing residential independence for a number of reasons while already being financially self-sufficient.

I have my own money to do the things I like, I put away quite a bit every month for the future... and I even get amazing food!! [laughs] No, seriously, I don't plan to stay here all my life, but it doesn't make sense to leave now. I don't want to live alone, and I don't want to share with strangers either. If a worthy boyfriend comes along then we'll see.

[A.S. 33, lives in the parental home, working on temporary contract]

On the other hand, the vast majority of young adults living independently showed some form of financial dependence on their parents. This varied from receiving a monthly allowance despite living in owner-occupation to the occasional contribution to unexpected expenses or the gift towards renovations or furniture.

Last year they helped me pay for some new equipment [for her job] and also some maintenance works... dad did some of it himself actually, but when the boiler stopped working, they paid for a new one.

[A.C. 30, shares the rent with friends, working freelance]

Depending on the extent of the financial contribution, it affected the level of parental involvement in their offspring's life – ranging from having a say in housing related choices, up to interfering with day-to-day household decisions. The importance afforded to preserving children's autonomy also clearly depends on personal attitudes, with some parents feeling entitled to an opinion on every matter and others refraining from getting involved unless explicitly asked. Although the sample is not very big, the variation in attitudes towards children autonomy and parental involvement was considerable – regardless of whether the intergenerational support was of a financial or in-kind nature – highlighting the influence of socialization, family norms and expectations.

Interestingly, compared to other recent qualitative work exploring family transfers of housing wealth (Heath & Calvert, 2013; Druta & Ronald, 2017; Manzo et al., 2018) we found considerably more reference to contextual factors as motives for intergenerational help. It seemed as if the crisis, austerity and their consequences had ramped up the sense of intergenerational responsibility of many of our parent interviewees, generating a sense of urgency and, at times, almost guilt. Arguments along the lines of “the economic and job situation is so dreadful that if we do not help them, they are never going to make it” were common among parents. This kind of discourse seemed to heighten the feeling of obligation on the part of parents, especially those with a more stable class position, and to lower the feeling of unease on the part of adult children in accepting help. What seemed very important for both cohorts in this kind of narrative was the fact that the housing struggles of young adults were mostly dependent on circumstances largely out of their control:

We do everything we can for them, but I'm worried... For us it was different, you got a job right away, then you bought a house, then you got married, and then you got kids... It's so much more difficult right now, you know? With the economic conditions, and no jobs and no stability...they have projects but they can't realize them...

[E.S., parent]

This sort of intergenerational responsibility was often evident in the responses of those lower-middle class parents who were not able to grant any economic help to their children. They expressed feelings of regret, of frustration and even of guilt, as if their inability to provide financial help somehow translated into not being worthy parents overall:

There are too many problems right now. My wife doesn't have a stable job anymore... we cannot afford to buy a house, we just don't have the money. I mean, some months we have more, some months we have less, but it's not the right moment for such an investment. My daughters might not care at the moment, but I'm bothered and worried that I can't

help them, because I'm afraid they will need it... actually I'm pretty sure they will.

[W.P., parent]

It is interesting to note that sometimes the inability to summon financial resources on the part of parents was due not so much to an objective impossibility, but rather to a lack of knowledge, or to an unwillingness to risk their personal financial security (see Druta & Ronald, 2017). On one hand, equity release is not at all common in Italy, with the majority of our sample ignoring or being quite confused about the possibility to cash in on their home in ways that do not entail selling. On the other hand, there clearly was among parents a necessity to balance their desire to support their children and their need to support themselves through old age. In this respect, housing represented for them a welfare insurance against pension poverty and ill health, and they were reluctant to squeeze everything out of their property in the present, in case they might need it in the future – also in view of potentially wanting to bequeath the family home to their children or grandchildren one day.

Hence, for lower-middle class parents co-residence is often the only form of support that can be provided. Some of the younger participants did not seem at all bothered by this, as the degree of freedom it afforded them was enough, especially when combined with full or partial financial independence. This means that they can rely on all the comforts of the parental home – from prolonged care to saving money – while also using their own income to pursue their preferred lifestyle. We believe this “hotel mama” is the kind of late emancipation that Italy is famous for. However, while all young adults that received any form of family help were grateful for it, and prepared to reciprocate it, some found it difficult to combine their desire for independent living with the constraints of in-kind support. Feelings of ambivalence were expressed both by those living with their parents and by those living under some other family arrangement, such as sharing a dwelling with grandparents, relatives or in-laws:

It's difficult...with the mother-in-law and everything... but it should be temporary. And it's also necessary...I mean, if we need to save for a deposit we don't really have a choice. But of course I'm grateful, very grateful!!! It's always a roof over our heads – and a comfortable one – that otherwise we would have to pay for...we can live decently while also saving, I know it...

[M.S., 30, lives in mother-in-law's house, working on temporary contract]

Despite family solidarity, intergenerational help always entails some form of reciprocation – if only a sense of gratitude – and this can result in ambivalence or even conflict between adult children and their families. In some cases, accepting parental

support might be considered such an unbearable burden that it seems preferable to refuse it altogether:

My father wanted to give me money to buy a house, but I said no, thank you. I have no intention to owe him, at all. We don't have a good relationship and I don't want him to think he can buy himself one like this.

[R.F., 33, lives rent free in partner's house, working on temporary contract]

Among the participants who could afford it, often the decision to buy a dwelling came from parents, not from their children. Arguably owing to an inability to project themselves in the future due to their unstable life trajectories, it was seldom the case that young adults decided to buy a house and subsequently asked for parental help. Rather, it more often happened that parents, or grandparents, or both, offered financial help towards the purchase of property. In these cases, financial support was always perceived as a gift by the parents, and often framed as an “investment in our children’s future”.

I only got this house because my mother retired and got her pension money...you know...her payout, or what's it called... And then my parents wanted to invest that money – dad put some of his pension money in it too – they wanted to invest it in a house for me. I didn't want it... I mean, I wasn't even living in Italy back then, but they insisted, said it was a good investment. But now I'm kind of glad they did...

[E.R., 31, owner occupier, working freelance]

4.4 Privilege and ontological insecurity

Among young adult interviewees who had received financial help or housing wealth transfers there was often a feeling of “living above my own means”: they were aware of the help they received and how it allowed them to take advantage of a privileged position, especially compared to their peers who didn’t receive help:

I am perfectly aware that if it weren't for my parents, I wouldn't be able to live like this. They paid for the house, for everything really... so now I can do the job I love even though it doesn't pay that much, because I don't have to worry about paying the rent.

[V.S., 38, owner occupier, mortgage paid by parents, working on temporary contract]

At the same time there was a very widespread feeling of uncertainty and preoccupation about the future among all our participants, from both generations, regardless of whether or not they were able to give or receive housing support. Nonetheless, while all young interviewees had very high levels of anxiety about employment and pensions, the specific focus of their ontological insecurity around housing changed according to whether they could or could not rely on intergenerational support. Specifically, young adults who could not rely on family support – or exclusively on in-kind help – were worried about their own housing trajectory, and particularly about the fact that they were going to achieve homeownership very late, if ever. Their primary concern was about their future economic security in a very weak welfare state with depressing prospects in terms of employment and pensions. Instead, for those whose homeownership ‘career’ started reasonably on time thanks to family resources, the main preoccupation was for their own – even unborn – children. The reasoning behind this was that, while they barely made it on the housing ladder thanks to crucial help from the previous generation, there are considerably lower chances that they are going to be able to do the same for the next one:

Mine is the first generation in Italy that will have no pension because we don't have stable work. I know that if I'll have children, I won't be able to help them like my parents did. It's scary, but I try not to think about it.

[V.S., 38, owner occupier, mortgage paid by parents, working on temporary contract]

Anger and frustration were also a common response to ontological insecurity, directed both at the unstable and low paying job market and at the inaccessible housing market, which force young adults to rely on the wealth and generosity of previous generations for any advancement into adulthood:

It's really sad, but other than a few exceptions, all the people I know are in the same boat. We all studied, went to university, did everything we had to... and now we struggle to find a good job...what am I saying good? Decent! Or at least appropriate for what we studied! And then even when you find one the conditions are ridiculous, or the pay is insulting! And you never know if they're going to renew your contract... it's frustrating...how can I plan a life like this?!? How can I possibly afford to buy a house??

[F.C., 31, went back to live in the parental home after a break-up, working on temporary contract]

And even if my parents could help more, why should I have to rely on that?!?! Why does it have to be so difficult? I don't understand why we have to beg for the basics, for the normal stuff of life!

[E.M., 29, shares rent with partner, working on temporary contract]

5. Changing patterns of homeownership transmission: societal and individual impact

From our analysis it emerges how lower-middle class parents struggle to provide financial help to their adult children to ease their access into owner occupation, and larger and larger networks need to be mobilized. Indeed, in order to gather enough money to invest towards a mortgage it is increasingly necessary to rely jointly on resources from multiple families – typically those of both members of a young couple – and from multiple generations – typically parents and grandparents. Even so, in many cases, prolonged co-residence in the parental home is the only help that can be offered. Additionally, “creative” solutions such as co-residence with grandparents, couple co-residence with in-laws, sharing with siblings and so on, represent alternative answers to a financial help that is out of reach. However, this kind of practices keep postponing (or severely limiting) residential independence, in a country where emancipation is already very late. This leaves us wondering whether Italian society might have reached a saturation level for co-residence already.

It also appears that the worse post-crisis economic situation has impacted on parental attitudes and motives towards intergenerational help, thus unsettling ‘traditional’ dynamics of intergenerational exchanges. Motives seem to be shifting from solely personal/familial ones – in which parents are willing to help towards homeownership as it is a legitimate cause that entails taking full responsibility on the part of young adults – to more generational/social ones – in which parents feel an increased sense of responsibility at how intergenerational inequalities have played out in the housing field. Moreover, children who receive help, both financial and in-kind, are extremely aware that they would not make it without parental support, and they are aware of their position of privilege with respect to those who do not have a family network to rely on, and also to future generations.

With regard to tenure, the collected narratives seem to confirm existing research and data in detecting the potential for a growing demand for rental options. We could see among our younger interviewees (especially those who had more difficulties in accessing homeownership) a certain degree of ambivalence between the understanding of owner occupation as something inherently good, appropriate and worth striving for, and the awareness of it increasingly being out of reach. They felt it was somehow ‘outdated’ with respect to their potential employment pathways, which in their discontinuity and high mobility appeared to them more suited to rent as a tenure, at least in the beginning of their careers. However, despite doubting about the suitability of owner occupation as a tenure, many interviewees still preferred to stay at home and wait for “better times” rather than rent, although rents in Rome are not as expensive as elsewhere and would be in their affordability range, albeit with

some effort or compromise. In a sense, residential independence for lower-middle class young adult seems to be hindered by both the persistent negative attitude towards rent and the insecurity and lack of suitable options on the rental market, as independence is often excluded if it can only be achieved through renting. As a matter of fact, the housing strategies of most interviewees were geared towards homeownership, regardless of the time they would have to wait, the discomfort they would have to endure, the independence they would have to renounce, the life steps they would have to postpone. Indeed, the image of homeownership as the only responsible tenure, the one truly signifying full adulthood, is a powerful norm transmitted from parents to children, and it reflects on patterns of intergenerational help (Smith, 2015; Druta & Ronald, 2017).

Homeownership seems to be particularly important for the formation of class identity of lower-middle class young adults, due to their ‘threshold status’, in-between low-income and ‘accomplished middle’. Failure to achieve homeownership – or to do so in a reasonable time – was often perceived as a blow to their class identity. A widespread preoccupation about losing ground in terms of social class with respect to their parents and to their peers emerged from their narratives, as well as a strong desire for stability in at least one of the two main life spheres, employment and housing.

Additionally, participants voiced anger, preoccupation and frustration about their unstable housing pathways, echoing more general worries expressed by scholars of various disciplines around the future sustainability of homeownership societies amid decreasing welfare protections and increasing employment instability for younger generations. Indeed, it appears clear that current housing conditions for young adults pose a threat to social reproduction. This is problematic under many aspects, both at the societal and at the individual level. Beyond a wobbly middle-class identity, frustrated housing trajectories have a significant impact on the realisation of full adulthood as well as on future welfare (McKee, 2012; Arundel & Ronald 2016; Lennartz et al., 2016; Arundel & Doling, 2017; Arundel & Lennartz 2017). On one hand, key steps of early adulthood are being delayed (Mulder & Billari 2010; Vignoli et al., 2013); and on the other hand, when young generations are being excluded from homeownership in a context of growing ‘asset-based welfare’, their future economic wellbeing and security are being threatened (Doling & Ronald, 2010; McKee, 2012; Doling & Elsinga, 2012; Filandri & Bertolini, 2016; Arundel & Doling, 2017).

6. Conclusions

The long decade of austerity and economic stagnation following the GFC has reduced homeownership access for younger generations, and family help has become crucial. Against this backdrop, the purpose of this paper was to analyse the housing pathways of young adults and explore their strategies to navigate an increasingly inaccessible housing market, as they develop at the intersection of personal identities, social class, and family relations. Our results are relevant in two main ways. On one hand they show the increased importance of prolonged co-residence for a growing share of young adults – consistently with many other studies. On the other hand, they highlight how even in Southern European countries – where homeownership and family help are traditionally well rooted and closely linked – the cogs in the homeownership

reproduction machine are getting jammed. The cracks are appearing clearly for the lower-middle class; those households at the threshold between the ‘accomplished middle-class’ and the lower incomes. For this ‘grey area’ – unprotected by housing policies and exposed to unforgiving market dynamics – patterns of homeownership reproduction are being disrupted, showing the unsustainable nature of homeowner societies.

There are of course limitations to this work, as it focuses on a rather specific population. Results might have been different – or rather more varied and complex – had we chosen to include in our sample also young adults that migrated to Rome from other regions for study or work-related reasons, and whose homeownership parents stayed in the town of origin. We would have probably seen a higher incidence of shared rent (see Bricocoli & Sabatinelli, 2016), and more varied patterns of intergenerational transfers, also with more complex spatial implications. However, since the housing dynamics for this group are very different, we decided it would be best to focus on them in a separate work.

Nonetheless, we can conclude from our results that in the Italian context, with an increasingly unsustainable pension system, a policy response to these pressing issues should not be delayed any further. As the end goal should be access to decent housing for young adults, and as the homeownership model has shown its limits in this regard, it could be time for a move towards other tenures. Perceptions among young adults show timid signs of change that should be capitalized on by changing both policy and discourse around homeownership and rent (see for example Fuster et al., 2018 on young people’s changing perceptions of tenure and new rental policies in Spain). There is already ample evidence of the need for a larger, more affordable and more secure rental sector, with both market and social rents, and other intermediate tenures – such as collective ownership for example – could help increase the pool of potential housing solutions for Italian young adults.

References

- Aalbers, M. B. (2007). Geographies of Housing Finance: The Mortgage Market in Milan, Italy. *Growth and Change*, 38(2), 174–199.
- Albertini, M., & Kohli, M. (2013). The Generational Contract in the Family: An Analysis of Transfer Regimes in Europe. *European Sociological Review*, 29(4), 828–840.
- Allen, C. (2008). *Housing market renewal and social class*. London; New York: Routledge.
- Allen, J., Barlow, J., Leal, J., Maloutas, T., & Padovani, L. (2004). *Housing and Welfare in Southern Europe*. Oxford: Blackwell Publishing.
- Aquilino, W. S. (2005). Impact of Family Structure on Parental Attitudes Toward the Economic Support of Adult Children Over the Transition to Adulthood. *Journal of Family Issues*, 26(2), 143–167.
- Arundel, R. (2017). Equity Inequity: Housing Wealth Inequality, Inter and Intra-generational Divergences, and the Rise of Private Landlordism. *Housing, Theory and Society*, 1–25.
- Arundel, R., & Doling, J. (2017). The end of mass homeownership? Changes in labour markets and housing tenure opportunities across Europe. *Journal of Housing and the Built Environment*, 32(4), 649–672.
- Arundel, R., & Lennartz, C. (2018). Dualization in labour markets and housing outcomes: Insiders versus outsiders. *HOUWEL Working Paper Series*, 12, 26.
- Arundel, R., & Ronald, R. (2016). Parental co-residence, shared living and emerging adulthood in Europe: Semi-dependent housing across welfare regime and housing system contexts. *Journal of Youth Studies*, 19(7), 885–905.
- Atkinson, A., & Brandolini, A. (2011). On the identification of the “middle class.” *Working Paper*. Presented at the ECINEQ - Society for the study of economic inequality.
- Bagnasco, A. (2008). *Ceto medio: Perché e come occuparsene. Una ricerca del Consiglio Italiano per le Scienze Sociali*. Bologna: Il Mulino.
- Bagnasco, A. (2016). *La questione del ceto medio: Un racconto del cambiamento sociale*. Bologna: Il Mulino.
- Baldini, M., & Poggio, T. (2012). Housing Policy Towards the Rental Sector in Italy: A Distributive Assessment. *Housing Studies*, 27(5), 563–581.
- Baldini, M., & Poggio, T. (2014). The Italian housing system and the global financial crisis. *Journal of Housing and the Built Environment*, 29(2), 317–334.
- Banca d'Italia. (2018). *Indagine sui bilanci delle famiglie italiane nell'anno 2016*.
- Banca d'Italia. (2019). *La ricchezza delle famiglie e delle società non finanziarie italiane: 2005-2017*.

- Barbagli, M., Castiglioni, M., & Dalla Zuanna, G. (2003). *Fare famiglia in Italia: Un secolo di cambiamenti*. Bologna: Il Mulino.
- Barbehön, M., & Haus, M. (2015). Middle class and welfare state: discursive relations. *Critical Policy Studies*, 9(4), 473–484.
- Barbieri, P., & Cutuli, G. (2016). Employment Protection Legislation, Labour Market Dualism, and Inequality in Europe. *European Sociological Review*, 32(4), 501–516.
- Barbieri, P., & Scherer, S. (2009). Labour Market Flexibilization and its Consequences in Italy. *European Sociological Review*, 25(6), 677–692.
- Bargelli, E., & Bianchi, R. (2018). La locazione abitativa a vent'anni dalla riforma del 1998. *Polis*, (1), 19–44.
- Benson, M., & Jackson, E. (2017). Making the middle classes on shifting ground? Residential status, performativity and middle-class subjectivities in contemporary London. *The British Journal of Sociology*, 68(2), 215–233.
- Bernardi, F., & Nazio, T. (2005). Globalization and the Transition to Adulthood in Italy. In H.-P. Blossfeld, E. Klijzing, M. Mills, & K. Kurz (Eds.), *Globalization, Uncertainty and Youth in Society*.
- Bernardi, F., & Poggio, T. (2002). *Home ownership and social inequality in Italy*. Università degli Studi di Trento.
- Berry, B. (2008). Financial Transfers from Living Parents to Adult Children: Who Is Helped and Why? *American Journal of Economics and Sociology*, 67(2), 207–239.
- Bertolini, S., & Filandri, M. (2015). Lavoro, casa e famiglia: Le strategie formali e informali dei giovani adulti nel Sud Europa. *Sociologia del Lavoro*, (139), 13–28.
- Bertolini, S., Goglio, V., Moiso, V., & Torriani, P. M. (2018). Leaving Home in Insecure Conditions. The Role of Labour Market Policies and the Housing Market in Europe. *Studies of Transition States and Societies*, 10(3), 19.
- Bianchi, R. (2017). *Residential tenancies and housing policy in Italy*. Pisa University Press.
- Billari, F. (2004). Becoming an Adult in Europe: A Macro(/Micro)-Demographic Perspective. *Demographic Research*, Special 3, 15–44.
- Billari, F. C., & Liefbroer, A. C. (2010). Towards a new pattern of transition to adulthood? *Advances in Life Course Research*, 15(2–3), 59–75.
- Billari, F. C., Castiglioni, M., Martin, T. C., Michielin, F., & Ongaro, F. (2002). Household and union formation in a Mediterranean fashion: Italy and Spain. In M. Macura, G. Beets, E. Klijzing, & M. Corijn (Eds.), *Dynamics of fertility and partnership in Europe: Insights and lessons from comparative research*. New York: United Nations.

- Blair, E. (2015). A reflexive exploration of two qualitative data coding techniques. *Journal of Methods and Measurement in the Social Sciences*, 6(1), 14–29.
- Blossfeld, H. P., Bucholz, S., Erzsébet, B., & Kurz, K. (Eds.). (2008). *Young Workers, Globalization and the Labor Market: Comparing Early Working Life in Eleven Countries*. Cheltenham, UK: Edward Elgar Publishing.
- Boterman, W. R. (2012). Deconstructing Coincidence: How Middle-Class Households use Various Forms of Capital to Find a Home. *Housing, Theory and Society*, 29(3), 321–338.
- Bricocoli, M., & Sabatinelli, S. (2016). House sharing amongst young adults in the context of Mediterranean welfare: The case of Milan. *International Journal of Housing Policy*, 16(2), 184–200.
- Bronzini, M. (2014). *Nuove forme dell'abitare: L'housing sociale in Italia*. Roma: Carocci editore.
- Buchmann, M. C., & Kriesi, I. (2011). Transition to Adulthood in Europe. *Annual Review of Sociology*, 37(1), 481–503.
- Burrows, R. (2003). *Poverty and home ownership in contemporary Britain*. Bristol, UK: Policy Press.
- Castles, F. G., & Ferrera, M. (1996). Home Ownership and the Welfare State: Is Southern Europe Different? *South European Society and Politics*, 1(2), 163–185.
- Chauvel, L. (2006). *Les classes moyennes à la dérive*. Paris: Editions de Seuil.
- Chiuri, M. C., & Jappelli, T. (2003). Financial market imperfections and home ownership: A comparative study. *European Economic Review*, 47(5), 857–875.
- Christie, H., Munro, M., & Rettig, H. (2002). Accommodating Students. *Journal of Youth Studies*, 5(2), 209–235.
- Cigdem, M., & Whelan, S. (2017). Intergenerational transfers and housing tenure. Australian evidence. *International Journal of Housing Policy*, 17(2), 227–248.
- Clapham, D. (2002). Housing Pathways: A Post-Modern Analytical Framework. *Housing, Theory and Society*, 19(2), 57–68.
- Clapham, D. F., Clark, W. A. V., & Gibb, K. (Eds.). (2012). *The SAGE handbook of housing studies*. Los Angeles: SAGE.
- Clapham, D., Mackie, P., Orford, S., Thomas, I., & Buckley, K. (2014). The Housing Pathways of Young People in the UK. *Environment and Planning A: Economy and Space*, 46(8), 2016–2031.
- Coda Moscarola, F., Fornero, E., & Rossi, M. (2011). Parent–Children “Deals”: Inter Vivos Transfers and Living Proximity. *CeRP Working Papers*, 95, 22.
- Colic-Peisker, V., & Johnson, G. (2010). Security and Anxiety of Homeownership: Perceptions of Middle-class Australians at Different Stages of their Housing Careers. *Housing, Theory and Society*, 27(4), 351–371.

- Conley, D., & Gifford, B. (2006). Home Ownership, Social Insurance, and the Welfare State. *Sociological Forum*, 21(1), 55–82.
- Coulson, N. E., & Fisher, L. M. (2009). Housing tenure and labor market impacts: The search goes on. *Journal of Urban Economics*, 65(3), 252–264.
- Coulter, R. (2018). Parental background and housing outcomes in young adulthood. *Housing Studies*, 33(2), 201–223.
- Dagnes, J., Filandri, M., & Storti, L. (2018). Social class and wealth inequality in Italy over 20 years, 1993–2014. *Journal of Modern Italian Studies*, 23(2), 176–198.
- Deng, W. (2018). *Young People's Housing Opportunity in Post-reform China*. PhD Thesis. Delft, The Netherlands: Architecture and the Built Environment.
- Dewilde, C., & De Decker, P. (2016). Changing Inequalities in Housing Outcomes across Western Europe. *Housing, Theory and Society*, 33(2), 121–161.
- Doling, J., & Elsinga, M. (2012). Housing as Income in Old Age. *International Journal of Housing Policy*, 12(1), 13–26.
- Doling, J., & Ronald, R. (2010). Home ownership and asset-based welfare. *Journal of Housing and the Built Environment*, 25(2), 165–173.
- Dotti Sani, G. M., & Acciai, C. (2017). Two hearts and a loan? Mortgages, employment insecurity and earnings among young couples in six European countries. *Urban Studies*, 004209801771721.
- Druta, O., & Ronald, R. (2017). Young Adults' Pathways into Homeownership and the Negotiation of Intra-Family Support: A Home, the Ideal Gift. *Sociology*, 51(4), 783–799.
- Engelhardt, G. V., & Mayer, C. J. (1998). Intergenerational Transfers, Borrowing Constraints, and Saving Behavior: Evidence from the Housing Market. *Journal of Urban Economics*, 44(1), 135–157.
- Filandri, M. (2015). *Proprietari a tutti i costi: La disuguaglianza abitativa in Italia*. Roma: Carocci editore.
- Filandri, M. (2016). L'accesso al bene casa: Instabilità lavorativa e disagio abitativo in Italia. *Sociologia del Lavoro*, (142), 115–129.
- Filandri, M., & Bertolini, S. (2016). Young people and home ownership in Europe. *International Journal of Housing Policy*, 16(2), 144–164.
- Filandri, M., & Olagnero, M. (2014). Housing Inequality and Social Class in Europe. *Housing Studies*, 29(7), 977–993.
- Flynn, L. (2017). Delayed and depressed: From expensive housing to smaller families. *International Journal of Housing Policy*, 17(3), 374–395.
- Fornero, E., Rossi, M., & Urzi Brancati, M. C. (2016). Explaining why, right or wrong, (Italian) households do not like reverse mortgages. *Journal of Pension Economics and Finance*, 15(2), 180–202.

- Forrest, R. (2015). Housing and family wealth. *International Journal of Housing Policy*, 15(4), 491–494.
- Forrest, R., & Hirayama, Y. (2009). The Uneven Impact of Neoliberalism on Housing Opportunities. *International Journal of Urban and Regional Research*, 33(4), 998–1013.
- Forrest, R., & Yip, N.-M. (2012). *Housing Young People: Transitions, Trajectories and Generational Fractures*. Hoboken: Taylor & Francis.
- Frank, R. H. (2007). *Falling behind: How rising inequality harms the middle class*. Berkeley: University of California Press.
- Fuster, N., Arundel, R., & Susino, J. (2018). From a culture of homeownership to generation rent: Housing discourses of young adults in Spain. *Journal of Youth Studies*, 1–19.
- Gallino, L. (2014). *Vite rinviate: Lo scandalo del lavoro precario*. Roma: Editori Laterza.
- Giddens, A. (1984). *The Constitution of Society: Outline of the Theory of Structuration*. Berkeley: University of California Press.
- Giddens, A. (1990). *The Consequences of Modernity*. Cambridge: Polity.
- Giddens, A. (1991). *Modernity and Self Identity: Self and Society in Late Modernity*. Cambridge: Polity.
- Giddens, A., & Sutton, P. W. (2013). *Sociology*. Cambridge Malden, MA: Polity.
- Glaser, K., & Tomassini, C. (2000). Proximity of Older Women to Their Children: A Comparison of Britain and Italy. *The Gerontologist*, 40(6), 9.
- Gornick, J. C., & Jäntti, M. (Eds.). (2013). *Income inequality: Economic disparities and the middle class in affluent countries*. Stanford, California: Stanford University Press.
- Guiso, L., & Jappelli, T. (2002). Private Transfers, Borrowing Constraints and the Timing of Homeownership. *Journal of Money, Credit and Banking*, 34(2), 315–339.
- Gurney, C. M. (1999). Pride and Prejudice: Discourses of Normalisation in Public and Private Accounts of Home Ownership. *Housing Studies*, 14(2), 163–183.
- Hamnett, C. (1995). Home-Ownership and the Middle Classes. In T. Butler & M. Savage (Eds.) *Social Change and the Middle Classes*, London: UCL Press.
- Heath, S., & Calvert, E. (2013). Gifts, Loans and Intergenerational Support for Young Adults. *Sociology*, 47(6), 1120–1135.
- Helderman, A., & Mulder, C. (2007). Intergenerational Transmission of Homeownership: The Roles of Gifts and Continuities in Housing Market Characteristics. *Urban Studies*, 44(2), 231–247.
- Henretta, J. C. (1984). Parental Status and Child's Home Ownership. *American Sociological Review*, 49(1), 131.

- Hochstenbach, C., & Boterman, W. R. (2015). Navigating the field of housing: Housing pathways of young people in Amsterdam. *Journal of Housing and the Built Environment*, 30(2), 257–274.
- Hoolachan, J., McKee, K., Moore, T., & Soaita, A. M. (2017). ‘Generation rent’ and the ability to ‘settle down’: Economic and geographical variation in young people’s housing transitions. *Journal of Youth Studies*, 20(1), 63–78.
- Isengard, B., König, R., & Szydlik, M. (2018). Money or space? Intergenerational transfers in a comparative perspective. *Housing Studies*, 33(2), 178–200.
- Izuhara, M. (Ed.). (2010). *Ageing and intergenerational relations: Family reciprocity from a global perspective*. Bristol: Policy Press.
- Jarvis, H. (2012). House Biographies. In *International Encyclopedia of Housing and Home*. Elsevier.
- Kemp, P. A. (2015). Private Renting After the Global Financial Crisis. *Housing Studies*, 30(4), 601–620.
- Kurz, K. (2004). Labour Market Position, Intergenerational Transfers and Homeownership: A Longitudinal Analysis for West German Birth Cohorts. *European Sociological Review*, 20(2), 141–159.
- Kurz, Karin, & Blossfeld, H.-P. (Eds.). (2004). *Homeownership and social inequality in comparative perspective*. Stanford: Stanford University Press.
- Laing, R.D. (1965). *The Divided Self*. Harmondsworth: Penguin Books.
- Lennartz, C., Arundel, R., & Ronald, R. (2016). Younger Adults and Homeownership in Europe Through the Global Financial Crisis. *Population, Space and Place*, 22(8), 823–835.
- Lersch, P. M., & Dewilde, C. (2015). Employment Insecurity and First-Time Homeownership: Evidence from Twenty-Two European Countries. *Environment and Planning A: Economy and Space*, 47(3), 607–624.
- Lucchini, M., & Schizzerotto, A. (2001). Mutamenti nel tempo delle transizioni alla condizione adulta: Un’analisi comparativa. *Polis*, (3), 431–452.
- Lucciarini, S. (2017). Politiche della casa a Roma: Premesse per una missione (im)possibile? *Sociologia Urbana e Rurale* (112), 52–61.
- Lüscher, K. (2005). Looking at Ambivalences: The Contribution of a “New-Old” View of Intergenerational Relations to the Study of the Life Course. *Advances in Life Course Research*, 10, 93–128.
- Lux, M., Samec, T., Bartos, V., Sunega, P., Palguta, J., Boumová, I., & Kázmér, L. (2018). Who actually decides? Parental influence on the housing tenure choice of their children. *Urban Studies*, 55(2), 406–426.
- Mackie, P. K. (2016). Young people and housing: Identifying the key issues. *International Journal of Housing Policy*, 16(2), 137–143.

- Manzo, L. K., Druta, O., & Ronald, R. (2018). Supported Home Ownership and Adult Independence in Milan: The Gilded Cage of Family Housing Gifts and Transfers. *Sociology*, 1(19).
- Maurin, E. (2009). *La peur du déclassement*. Paris: Editions de Seuil.
- McKee, K. (2012). Young People, Homeownership and Future Welfare. *Housing Studies*, 27(6), 853–862.
- Mencarini, L., & Tanturri, M. L. (2006). Una casa per diventare grandi. I giovani italiani, l'autonomia abitativa e il ruolo della famiglia d'origine. *Polis*, (3), 405–430.
- Mulder, C. H., & Billari, F. C. (2010). Homeownership Regimes and Low Fertility. *Housing Studies*, 25(4), 527–541.
- Mulder, C. H., Dewilde, C., van Duijn, M., & Smits, A. (2015). The Association Between Parents' and Adult Children's Homeownership: A Comparative Analysis. *European Journal of Population*, 31(5), 495–527.
- Naldini, M. (2003). *The family in the Mediterranean welfare states*. London: Frank Cass.
- Negri, N., & Filandri, M. (Eds.). (2010). *Restare di ceto medio: Il passaggio alla vita adulta nella società che cambia*. Bologna: Il Mulino.
- Ortner, S. B. (1998). Generation X: Anthropology in a Media-Saturated World. *Cultural Anthropology*, 13(3), 414–440.
- Poggio, T. (2008). The Intergenerational Transmission of Home Ownership and the Reproduction of the Familialistic Welfare Regime. In C. Saraceno (Ed.), *Families, Ageing and Social Policy: Intergenerational Solidarity in European Welfare States*. Cheltenham, UK: Edward Elgar Publishing.
- Poggio, T. (2012a). The housing pillar of the Mediterranean welfare regime: Relations between home ownership and other dimensions of welfare in Italy. In R. Ronald & M. Elsinga (Eds.), *Beyond home ownership. Housing, welfare and society*.
- Poggio, T. (2012b). The first steps into the Italian housing system. In R. Forrest & N.-M. Yip (Eds.), *Housing Young People: Transitions, Trajectories and Generational Fractures*.
- Poggio, T. (2018). Ripensare l'affitto in un paese di proprietari. *Polis*, (1), 9–18.
- Puccini, E. (2016). *Verso una politica della casa: Dall'emergenza abitativa romana ad un nuovo modello nazionale*. Roma: Ediesse.
- Raffini, L. (2013). Moratoria di classe, eclissi del ceto medio o incongruenza di status? Il posto dei giovani nella società della precarietà. *Società Mutamento Politica*, 4(7).
- Ritchie, J., & Lewis, J. (Eds.). (2014). *Qualitative research practice: A guide for social science students and researchers*. Los Angeles: Sage.
- Ronald, R. (2008). *The ideology of home ownership: Homeowner societies and the role of housing*. New York: Palgrave Macmillan.

- Ronald, R., & Dewilde, C. (2017). Why housing wealth and welfare? In C. Dewilde & R. Ronald, *Housing Wealth and Welfare*.
- Ronald, R., & Elsinga, M. (Eds.). (2012). *Beyond home ownership: Housing, welfare and society*. London; New York: Routledge.
- Ronald, R., & Lennartz, C. (2018). Housing careers, intergenerational support and family relations. *Housing Studies*, 33(2), 147–159.
- Rowlands, R., & Gurney, C. M. (2000). Young Peoples' Perceptions of Housing Tenure: A Case Study in the Socialization of Tenure Prejudice. *Housing, Theory and Society*, 17(3), 121–130.
- Saraceno, C. (2003). *Mutamenti della famiglia e politiche sociali in Italia*. Bologna: Il Mulino.
- Saraceno, C., & Naldini, M. (2013). *Sociologia della famiglia*. Bologna: Il Mulino.
- Sassatelli, R., Santoro, M., & Semi, G. (Eds.). (2015). *Fronteggiare la crisi: Come cambia lo stile di vita del ceto medio*. Bologna: Il Mulino.
- Saunders, P. (1990). *A nation of homeowners*. London; Boston: Unwin Hyman.
- Savage, M. (2015). *Social class in the 21st century*. London: Penguin Books.
- Savage, M., Barlow, J., Dickens, P., & Fielding, T. (Eds.). (1992). *Property, bureaucracy, and culture: Middle-class formation in contemporary Britain*. London; New York: Routledge.
- Savage, M., Devine, F., Cunningham, N., Taylor, M., Li, Y., Hjellbrekke, J., ... Miles, A. (2013). A New Model of Social Class? Findings from the BBC's Great British Class Survey Experiment. *Sociology*, 47(2), 219–250.
- Savage, M., Warde, A., & Devine, F. (2005). Capitals, assets, and resources: Some critical issues. *The British Journal of Sociology*, 56(1), 31–47.
- Scherer, S. (2009). The Social Consequences of Insecure Jobs. *Social Indicators Research*, 93(3), 527–547.
- Siatitsa, D., & Annunziata, S. (2017). Attempts to prevent displacement: Housing policies in time of austerity in Athens and Rome. *Urbanistica Tre*, 5(13).
- Siza, R. (2018). Narrowing the gap: The middle class and the modernization of welfare in Italy. *International Journal of Sociology and Social Policy*, 38(1/2), 116–129.
- Sjørølev, I. (2012). "Cash the Equity and Realize Yourself": An Anthropological Approach to House Values. *Housing, Theory and Society*, 29(4), 382–400.
- Smith, S. J. (2015). Owner occupation: At home in a spatial, financial paradox. *International Journal of Housing Policy*, 15(1), 61–83.
- Standing, G. (2011). *The precariat: The new dangerous class*. London; New York: Bloomsbury.
- Tosi, A. (1987). La produzione della casa in proprietà: pratiche familiari, informale, politiche. *Sociologia e ricerca sociale*, 22, 7–24.

- Viazzo, P. P. (2010). Family, kinship and welfare provision in Europe, past and present: Commonalities and divergences. *Continuity and Change*, 25(1), 137–159.
- Vignoli, D., Rinesi, F., & Mussino, E. (2013). A Home to Plan the First Child? Fertility Intentions and Housing Conditions in Italy: A Home to Plan the First Child? *Population, Space and Place*, 19(1), 60–71.
- Wright, E. O. (Ed.). (2005). *Approaches to Class Analysis*. Cambridge: Cambridge University Press.

CHAPTER 2

Availability, affordability and adequacy of owner-occupied and rental housing for lower-middle income households. A spatial exploration in Rome, Italy

Abstract

Like many other European countries, Italy has a housing affordability problem. Since incomes have remained stagnant for a long time and dropped after the crisis, access to housing has become more difficult for larger sections of the population, especially in large cities such as Rome. Indeed, in recent years affordability issues and other forms of housing deprivation have been increasingly affecting middle and lower-middle income households as well. Despite it being the most desirable tenure – as well as a life milestone – homeownership is becoming largely out of reach and households are looking at the rental market for alternatives, but the rental supply is scarce and often not in good conditions.

This work aims to provide an empirical contribution to the debate on the housing issue by analysing the spatial distribution and quality of the residential offer available to lower-middle income households in the private housing market in Rome, both in the rental and in the owner-occupied sectors. By mapping the housing options of this specific group – through a unique dataset obtained via scraping of online real estate listings – the paper allows to discuss the affordability problem from a broader urban perspective. The results of the analysis show that the housing choices of lower-middle income households are severely limited in Rome, and that they are being pushed out of the consolidated city.

1. Introduction

Italy has a housing affordability problem. In the decades leading up to the economic crisis, rents and house prices increased at a much higher pace than incomes, thus making access to housing – which in Italy often equates to access to homeownership – more difficult for larger sections of the population. Although house prices have been falling since 2013, transactions have not sensibly increased yet. In fact, since incomes have remained stagnant for a long time and dropped after the crisis, house prices are still often too high for a large number of households, especially in large cities such as Rome (Puccini, 2016; Sabatinelli, 2016; Lucciarini, 2017). This is not only a problem for poorer households. As housing demand has become more diversified due to changes in the social structure, in recent years affordability issues and other forms of housing deprivation have been increasingly affecting middle and lower-middle income households as well (Filandri, 2015 & 2016; Sabatinelli, 2016). Indeed, despite recent attempts at reform, Italian housing policies have traditionally catered to the weakest households, mostly neglecting the intermediate groups that constitute a sort of “grey area” of housing demand, too rich to qualify for public housing (or subsidies) but still too poor to effectively navigate the housing market on their own.

Chronic lack of funding, lack of institutional coordination across government levels and a neoliberal approach to public housing have led to a drastic reduction of available public housing dwellings and housing allowances over the past three decades, with important regional disparities (see Poggio & Boreiko, 2017 for a more detailed overview of the problems of the Italian housing system). At the same time, in the past ten years, a number of policy measures have been introduced that target the intermediate segments of demand – the grey area (Bronzini, 2014). However, the lack of a strategic overview, an “emergency based approach” unable to address structural issues, combined with a fragmented decentralized management of housing policies have led to considerable confusion, the exacerbation of regional inequalities, and an overall ineffectiveness of the measures (Caruso, 2017; Poggio & Boreiko, 2017).

Therefore, the private market often remains as the only option for grey area households. But what does it offer them in terms of tenure, location, public services, urban quality? To what extent can they balance financial constraints and housing needs in their search for accommodation?

At this point, it is not simply a matter of economic affordability, as housing problems for lower-middle income households often manifest themselves as housing deprivation in the form of overcrowding, substandard dwellings, inadequate heating, fuel poverty, low level of services and safety in the neighbourhood and so on (Filandri, 2015). Additionally, if young persons are unable to move out of the parental home because they are unable to independently access housing, then they have an affordability problem, but this is hardly ever captured in the housing deprivation figures that tend to focus on people that are living independently. All these forms of hardship are not easy to detect, and the quantitative aspect of the phenomenon is hard to assess.

Clearly, affordability on its own is not enough as a concept. There is always something that someone can afford, the real question is “what can they afford?” and “is what they can afford adequate to match their needs?”. Affordability is deeply

linked to issues of quality, adequacy and standards, and it has become a prominent urban issue, with important spatial implications (Haffner & Hulse, 2019).

Moreover, affordability is usually measured for households in place rather than for market entrants, so the economic and spatial opportunities offered to the latter households are rarely assessed. Indeed, the affordability debate mostly focuses on the demand side, while neglecting to address the actual supply of appropriate affordable units in a geographic area and also failing to incorporate the spatial implications of where that housing is located (Fisher et al., 2009).

This is especially problematic in urban areas characterized by high socio-spatial inequalities. In the Italian context, Rome is a prime example. Indeed, it has a monocentric urban structure, with population density, building density, public services, access to public transport, and cultural amenities steadily decreasing as distance from the centre increases (Cellamare, 2016; Lelo, 2015; Lelo et al., 2017; Lelo et al., 2018). In this context it becomes crucial to examine the distribution of affordable dwellings by location, as this has very high implicit costs, in terms of accessibility and opportunities.

For these reasons, this paper aims to explore affordability and adequacy of housing for lower-middle income households by analysing housing supply in Rome. It examines the distribution of housing prices and rents in Rome by urban districts, thereby addressing differences in the housing stock's location that are expected to affect the quality of life and opportunities of households. The purpose of this work is twofold. On one hand it wants to provide an accurate and up-to-date picture of what share of housing stock lower-middle income households can afford, of what quality, and where in relation to jobs, transport, facilities and services. On the other hand, it aims to raise awareness on the housing problems that are silently affecting increasing portions of the urban population, by highlighting spatial inequalities in Rome, and how they reflect on the housing opportunities of lower-middle income households.

To this end, the research consists of several parts, of which the first is data acquisition. Through the web-scraping of real estate websites I have obtained a database of the online listings in Rome, both for sale and for rent. As a second step, the spatial analysis of the data allowed me to create a series of price and rent analysis maps, which are meant to give an idea of the proportion of potentially affordable dwellings for different price ranges and their location. In order to add a further layer of analysis, I have constructed and mapped an index of urban quality, which, in conjunction with the price and rent maps, aims to suggest the trade-offs and choices that lower-middle income households have to face, thus addressing the adequacy of housing from the point of view of the accessibility of services and the quality of location. Finally, since the dataset is so rich that a thorough spatial analysis of all its detail was not possible for this paper, I chose instead to explore its depth with a more qualitative approach – profiling lower middle-income reference households and following them in their navigation of the housing market. This approach proved more effective than simple mapping in giving a meaningful insight into supply in relation to the difficult market position of this specific portion of demand. Indeed, developing the narratives of these hypothetical households allowed me to more accurately assess affordability and to address the adequacy of housing not only in terms of location and services, but also in relation to dwelling characteristics.

The paper effectively spatializes the affordability issue: households are often forced to choose among inappropriate options, paying too much for housing that does not meet their needs, having to agree to multiple trade-offs – between price, housing quality and location quality – in a city that does not have a uniform level of services, amenities and urbanity. This problem is not only relevant for Rome, but for many Western cities that are facing similar affordability issues, and a spatialized discussion can help placing affordability within a larger urban framework.

Beyond this introduction, the paper consists of seven further sections. The first section discusses different conceptualizations of housing affordability and housing choices, addressing their spatial implications. The second section presents the housing problems faced by the lower middle class in Italy and Rome. The third section addresses the methodological approach of the study, and the fourth section sets the geographical focus by illustrating the socio-economic context of the city of Rome. The fifth section is dedicated to the analysis of the results, while the sixth presents the reference households' narratives. The final section draws conclusions and raises questions for further research.

2. The spatial dimension of housing affordability

2.1 Measuring affordability

Traditionally, housing affordability has been linked with poverty, its measurement and the policies towards its mitigation (Hulchanski, 1995; Malpass, 2012). However, understanding affordability goes beyond tackling poverty issues. Indeed, according to Stone (2006), “affordability expresses the challenge each household faces in balancing the cost of its actual or potential housing, on the one hand, and its non-housing expenditures, on the other, within the constraints of its income” (p. 151). In addition to the obvious rent and mortgage repayments, housing costs may also include taxation, maintenance and energy bills – any expense having to do with renting or owning a dwelling. Stone's definition highlights the relational nature of affordability as a concept, since it captures the negotiation processes that occur for every household when making decisions about and allocating resources for housing. These negotiations are especially consequential for lower and lower-middle income households.

Still, defining housing affordability is not quite the same as measuring it or identifying a broadly valid standard for it. Theoretical understandings and approaches to housing affordability have never really been separable from ideas of housing standards, dwelling quality and accessibility of services (Lerman & Reeder, 1987; Bramley, 1990; Whitehead, 1991; Hancock, 1993). In their advocacy work for human rights, even UN Habitat defines standards of housing adequacy¹ and mentions seven factors as essential for housing to be truly adequate: legal security of tenure; affordability; habitability; availability of services, materials, facilities and infrastructure; accessibility; location and cultural adequacy.

¹ https://www.ohchr.org/documents/publications/fs21_rev_1_housing_en.pdf

However, this interplay between economic affordability, quality standards and accessibility of opportunities and other amenities is very difficult to translate into the concrete and measurable terms of a single indicator. For this reason, most housing literature – and, worryingly, policy – has traditionally measured affordability with an easily applicable and replicable model, that of the expenditure to income ratio (Hulchanski, 1995). This approach asserts that housing is affordable if its costs do not take up more than a certain percentage of a household's disposable income – traditionally 30%² – so that enough is left for other necessities.

Despite being widely used, the ratio approach is controversial, and many scholars have critically examined its flaws (Stone, 2006; Burke et al., 2011; Mulliner & Maliene, 2015). First of all, there is a logical fallacy in using the same ratio as a standard regardless of the type of household and the level of income. Doing this implies that either there is no minimum standard for non-housing needs, or that the expenditure-to-income ratio must diminish with decreasing incomes and increasing household sizes – potentially all the way to zero (Stone, 2006). Secondly, trade-offs are the norm in housing decisions and this approach does not take into account the opportunity costs of housing or non-housing consumption, essentially disregarding all the 'quality attributes' that housing should have according to theories of affordability (Haffner & Heylen, 2011).

Using residual income as a measure of housing affordability is a more conceptually sound approach (Burke et al., 2011). Since housing costs are normally the largest and less negotiable expense for a household, they are taken as the starting point. If after paying for them the remaining income is not sufficient to meet all other non-housing needs (e.g. food, clothing, utilities, childcare, etc.) at least at some basic level of adequacy, then the household is living in an unaffordable dwelling. In this way it becomes clear that not only housing difficulties are a consequence of low income, but that they can also become a cause of poverty (Stone, 1993).

The broad theoretical validity of the residual income logic has been widely recognized, but the approach has been criticized as difficult to operationalize. Indeed, in order to evaluate whether the residual income is sufficient to meet non-housing needs, budgets standards for non-housing consumption need to be drawn up. The difficulty lies in the fact that these standards are not universal, but rather depend on context, type of household and socially-defined standards of adequacy. However, the increasing development of robust budget standards – or reference budgets – for non-housing consumption has allowed to overcome these practical objections (Stone et al., 2011; Heylen & Haffner, 2013; Goedemè et al., 2015).

Reference budgets for non-housing necessities are basically priced baskets of goods and services that reflect a certain living standard for specific household types in specific locations (Bradshaw, 1993; Saunders, 1998; Storms et al., 2013). Other than to measure the adequacy of the residual income after housing expenses, they can be used to measure poverty, to assess the adequacy of income support measures and to monitor social policy (Bernstein et al., 2000; Penne et al., 2016; Goedemè et al., 2017). Reference budgets can vary to reflect different levels of consumption and

² In earlier formulations the ratio was 25% and was then changed to 30%, further reinforcing the idea that this approach is completely arbitrary and not based on any solid theorization.

social participation, ranging from the basic minimum to a modest but adequate one (Burke et al., 2011). Although debatable from an ideological and philosophical point of view, as well as socially and historically determined, there are shared notions of what constitutes a minimum adequate or decent standard of living, at least from a material point of view. In the mostly commodified western societies, it is possible, in principle, to determine the monetary cost of achieving a basic level of adequacy in terms of material needs as well as of social participation. Indeed, in the last few years, a number of European countries have developed reference budgets that measure the cost of items and services required for a socially acceptable standard of living (Kemmetmüller & Leitner, 2009; Konsument Verket, 2009; Vassileva, 2009; Hoff et al., 2010; Lehtinen et al., 2011; Statens Institutt for Forbruksforskning, 2011; Collins et al., 2012; Davis et al., 2012; Preusse, 2012; Piscopo et al., 2016;). However, because of their intrinsic context dependent nature, budget standards are difficult to compare. A very interesting attempt at that is the ImPRovE project (2012-2016), which tried to construct cross-nationally comparable reference budgets for six European cities (Storms et al., 2013; Goedemè et al., 2015; Van den Bosch et al., 2015). Additionally, ImPRovE has also tried to develop a reference budget for housing costs (Van den Bosch et al., 2016). While in theory this could be possible, in practice it is problematic from both a conceptual and operational point of view, due to the inherently complex nature of housing costs. Indeed, housing is a heterogeneous good in terms of quality, location and preferences (all related to each other and tied to land), and as such it shows high price variance and low supply elasticity. Thus, while it is possible to determine a material standard for adequate housing, it is close to impossible to determine a monetary one (Stone, 2006).

Regardless of the approach used to assess it, lack of economic affordability is only one side of the picture, as housing deprivation can take multiple forms. Overcrowding is the most obvious and easily measurable, but problems can range from poorly maintained and physically sub-standard dwellings (e.g. damp, not well heated, lacking sanitation) to unsafe and inaccessible locations (e.g. high crime and pollution, low public transport and services, no amenities and socio-cultural facilities), all the way to insecurity of tenure (e.g. black market, squatting). As Stone (2006) eloquently put it, “while each of these other forms of deprivation is logically distinct from lack of affordability, most households that experience one or more of these other forms of deprivation in reality do so because they cannot afford satisfactory housing and residential environments” (p.154). Which is why it is important to recognize the constraints within which housing choices are made and the consequences that households’ preferences, needs and obligations have on their housing conditions.

2.2 Housing affordability, adequacy and choice: spatial implications

Housing consumption is very personal, and it depends not only on material resources, demographic characteristics and objective necessities, but also on desires, cultural expectations and personal meanings attached to housing. With regard to this, research on housing choice behaviour and residential mobility tells us that housing preferences are a complex function of a wide range of dwelling and location attributes and they differ according to the demographic characteristics of the household. The relative importance of the attributes varies, but the housing choice process is almost invariably

framed in terms of trade-offs between housing price, dwelling quality and features, accessibility and transport related attributes, and neighbourhood amenities (Kim et al., 2005) – a very spatially situated choice indeed.

Research on residential mobility has been enriched by embedding residential moves within the context of the life course (Clark & Davies Withers, 2007), showing that housing choices depend also on events occurring in the life course, such as education and employment changes, partnerships formation and dissolution, childbirth and growth of the family, the death of a spouse or of parents and relatives (Coulter & van Ham, 2013). Thus, household decisions about renting or buying, staying or relocating, and where to, are highly context dependent.

In this respect, it is important to note that multiple approaches exist to model housing choice behaviour, generating countless models and studies that take different factors and perspectives into account. Neoclassical economics models of housing choice assume that households can achieve, or at least approximate, utility maximization in decision making; behavioural economics approaches instead argue that this is rarely the case, as the nature of housing decisions is extremely complex and depends on a great number of variables in conditions of uncertainty (Boelhouwer, 2011; Marsh & Gibb, 2011; Watkins & McMaster, 2011; Dunning, 2017).

Uncertainty can depend on contextual macro factors such as inflation, availability of mortgage credit, general institutional environment and access to information. In this regard, the asymmetry of information between searching households and housing suppliers is particularly effective in shaping the conditions for housing decisions (Crook et al., 2012; Dunning & Grayson, 2014). Indeed, households only search for homes that fall within their budgets and housing preferences (Clark & Drever, 2000), thus their search process is constrained not so much by what is available in the housing market but primarily by what they know is available (Chen & Lin, 2012). The asymmetry of information debate has recently been enriched by a discussion of how the internet has changed processes of housing search as well as housing markets themselves – their size and scale and society's perception of them (Dunning & Grayson, 2014; Rae, 2015; Rae & Sener, 2016)

On the other hand, uncertainty can also stem from factors dependent on the household itself. Some studies highlight how housing choices depend on psychological and emotional factors (Andrew & Larceneux, 2018), are a result of negotiations among the different members of a household (Levy et al., 2008; Chen & Lin, 2012) and are influenced by larger kin and social ties. Indeed, Coulter and van Ham (2013) highlight how, despite a desire or even a need for residential mobility, some households end up never relocating. Immobility actually seems to be the norm for many individuals after the age of 30, due to a number of factors. When undesired, this immobility may be linked to low incomes and a lack of sufficient financial resources inhibiting households from exercising effective housing choices. When voluntary, residential immobility can depend on place attachment as well as kin and social ties, often in combination with high costs of relocation, both financial, psychological and social (e.g. moving too far away from familial or other support networks). With regard to this, some studies have highlighted the importance of geographical proximity to parents in the housing choices of young adults (Leopold, 2012; Leopold et al., 2012), a factor that is expected to have an increased prominence in the Italian context, as Italian young adults are late nest-leavers and tend to practice

mutual care across generations, something that can be best achieved in close proximity (Poggio, 2012a).

At times preferences and desires turn into needs and necessities, with different degrees of urgency. It can happen for instance that for certain categories of people (such as low income or migrant households) in certain places with specific spatial features (such as monocentric cities or extremely large metropolises) location acquires primacy to the point that households resort to living in much less than adequate dwellings and conditions, or without security of tenure in order to be in a specific area (for instance, see Kim, 2016 on underground dwellings in Beijing and Ferreri et al., 2017 on anti-squatting living in London).

Although not always so extreme, trade-offs happen for searching households of all socio-economic backgrounds, as housing choice is primarily constrained by available income. For low-income households, restrictions due to unaffordability can be so severe – especially in large cities – that they result in the so called “suburbanization of poverty” (Hunter, 2014; Kneebone, 2014; Randolph & Tice, 2014), where poor households are concentrated in peripheral fringes, far from jobs and services, with great commuting disadvantages. However, in recent decades and in particular in large metropolitan areas after the Global Financial Crisis (GFC), problems resulting from high housing costs have also started to affect middle-income households, whose incomes have stagnated, when not decreased (Ioannou & Wójcik, 2018). Even they now find it difficult to afford suitable dwellings in areas with access to jobs, transport, amenities and services – that is, to consume housing adequate to their needs and preferences (Haffner & Hulse, 2019). Or they might face a “spatial lock-in”; that is, not being able to move when their housing needs change because prices in their area and in the neighbouring ones have become unaffordable to them (Chan, 2001). This forces them to either disregard their new needs in order to keep the locational advantage – including the proximity to family or social networks of support – or to relocate further away, thus effectively being priced out of their city (Hulse et al., 2010).

This is not an issue of poverty, but rather one of unequal access to housing and other urban resources. As Haffner and Hulse (2019) excellently argue, housing affordability in our post-crisis times has become primarily about inequalities that play out along wealth, intergenerational and spatial lines. Thus, the debate has been shifting from housing affordability as a social policy issue related to poverty, to housing affordability as a very urban issue embedded in socio-spatial dynamics such as gentrification, financialization and general urban restructuring (Haffner & Hulse, 2019).

In this context, the idea that housing has to be adequate and not simply cheap in order to be truly affordable – since anything can become affordable if one is willing to sacrifice enough – has vehemently come back in the housing discourse (see Libal & Harding, 2015). Several studies have recognized the need to spatialize affordability and to address its many facets. Commuting and fuel costs have received particular attention, as they are framed as part of living expenses in addition to housing costs and are connected to the affordability of a particular location (Woodcock et al., 2007; Mattingly & Morrissey, 2014; Lucas et al., 2016). Moreover, a broader and spatially nuanced perspective has been achieved by a number of studies that develop different multidimensional indicators to assess the affordability of the housing supply for

different income levels (Bogdon & Can, 1997; Aureli & Baldazzi, 1998; Gan & Hill, 2009; Fisher et al., 2009; Bramley, 2012; Tang, 2012; Li, 2014; Napoli, 2017; Chung et al., 2018). Many of these studies have furthered the indexes and measures initially developed by the US Department of Housing and Urban Development (Vandenbroucke, 2007; Eggers & Moumen, 2013; Walter & Wang, 2016). It is important to note that, despite sharing many similarities in terms of aims and objectives with these studies, my work is not meant to be an affordability study in the ‘traditional’ sense of the term, as it does not develop a multidimensional affordability index nor does it measure the incidence of lack of affordability. Instead, it continues the conversation started by Haffner and Hulse (2019) about affordability as an urban issue signalling that, no matter what affordability approach is used, low and moderate income households are being pushed out to the periphery or forced to make large trade-offs. Specifically, the paper shows to what extent this happens in Rome and what spatial patterns it follows.

3. Access to housing for the lower-middle incomes: a grey area

Since the 1990s, Italy has not experienced any economic growth, and the real incomes of wage and salary earners have been stagnating (Toniolo, 2013; Baldini & Poggio, 2014;), considerably widening the gap between house prices and incomes (Figure 1). Scholars agree that what is challenging access to housing is not a lack of supply, but rather the erosive effects of impoverishment, unemployment, a precarious job market and indebtedness as a result of poor growth, the GFC and the ensuing austerity policies. Despite the fact that house prices and rents have been decreasing in the decade after the crisis, transactions in the homeownership sector have plummeted in 2010 and never truly recovered, and a large segment of the population is experiencing affordability problems.

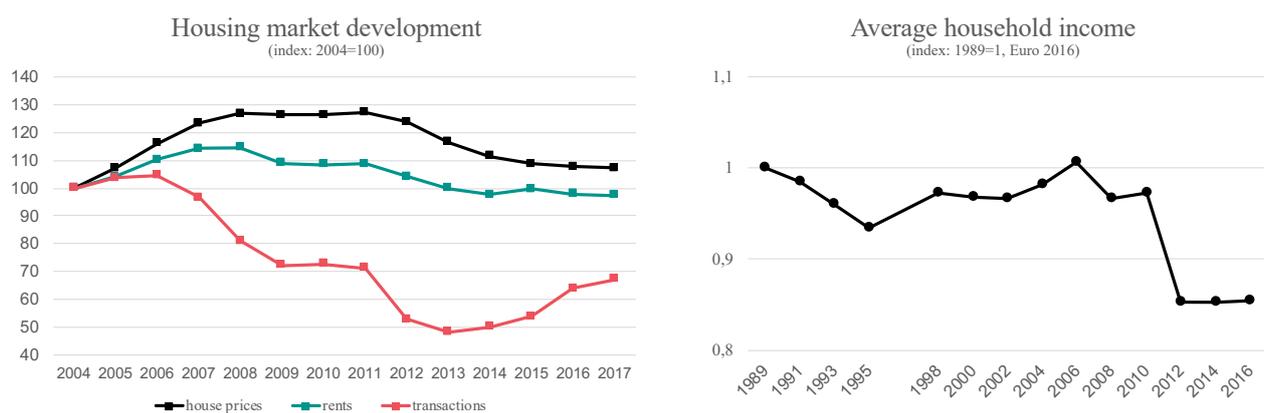


Figure 1 – Development of house prices, rents and transactions against development of household incomes – Source: Author’s elaboration on data from OMI Agenzia delle Entrate and Tecnocasa; Bank of Italy.

In this context, lower-middle income households are a grey area of housing demand. On one hand, they find it difficult to face current housing costs (Filandri, 2015); on the other hand, they struggle to find an affordable dwelling on the market that suits their needs in terms of tenure, dimension, location and other characteristics, often having to settle for less than suitable arrangements (Filandri, 2016). Indeed, housing issues for this particular social group often manifest themselves as forms of housing deprivation such as overcrowding, substandard housing quality, or poor neighbourhood quality (Table 1³). According to an estimation by the Bank of Italy, the number of households in these inadequate housing conditions amounts to 3.3 million. Moreover, many young people remain longer in the parental home due to the difficulty in finding an affordable dwelling (Baldini & Poggio, 2012; Bertolini & Filandri, 2015).

	Upper class	Middle class	Lower middle class	Working class
Housing deprivation indicators				
Overcrowding	9,1	10	12,2	17,4
Inadequate heating	2,3	2,7	8,4	10,6
Dampness	5,9	6,2	11,2	12,7
Neighbourhood pollution	18,1	19,2	13,2	17,4
Neighbourhood criminality	21,1	18,2	16,8	19,8
Housing deprivation				
No problems	85	82,4	76,9	70,7
One problem	12,7	16,4	16	20,6
Two problems	2,4	1,2	5,7	6,3
Three problems	0	0	1,3	2,4
Neighbourhood issues				
No problems	70,3	71,3	76,6	71,7
One problem	20,5	20,1	16,9	19,5
Two problems	9,2	8,7	6,5	8,9
Floor surface and real estate value				
Average floor surface per person (m2)	60,3	50,3	53,6	46,9
Average real estate value (€/m2)	3014,8	2360,3	2095,1	1845

Table 1 – Housing deprivation factors by class – Source: Filandri, 2015

³ This table refers to subjective evaluations, which is why the figures regarding neighbourhood pollution and criminality are higher for upper- and middle-class households. Indeed, as Filandri (2015) explains, these households tend to be more acutely aware of nuisance and any issue not matching their ideal living environment.

The Bank of Italy also estimates that approximately 15% of tenant households and 5% of owners with a mortgage are affected by ‘housing induced poverty’, that is, they fall below the poverty line after paying for housing costs. General poverty can be a cause of housing problems, as a low income severely limits spending possibilities, even with regard to housing. But housing expenses can also be a cause of poverty, as an excessive weight of housing on a family’s budget can considerably reduce their disposable income and their capacity for saving, pushing them below the poverty line (Stone, 1993; Palvarini, 2006).

Young adults, workers with little job security, elderly people, large households and migrants (Filandri, 2015; Puccini, 2016) are the most represented categories in the grey area, as they are the most affected by dynamics of precarization of employment – they often have lower, unstable or stagnating incomes. For example, many retired workers have to make do with very low pensions; also, incomes have been particularly stagnating for public employees, whereas young people entering the job market are more likely to have uncertainty of income due to temporary employment and lower salaries. Therefore, these households are usually the most vulnerable in both the rental and owner-occupied sectors (Caruso, 2017).

With regard to the owner-occupied sector, the Bank of Italy estimates that 10% of households with a mortgage pay over 30% of their income in mortgage repayments. Moreover, after the crisis banks restricted access to credit, making it difficult for families in the lower-middle income segment to access homeownership. Although the trend has started to change in more recent years, young households and those with lower and unstable incomes still tend to be particularly discriminated against by the criteria for access to credit (especially the requirement for a permanent work contract), despite being the ones most in need of it (Poggio, 2012a). According to MutuiOnline.it, the main housing finance online portal in Italy, the share of mortgages granted to applicants under 35 has halved in the last 15 years, going from 44,8% in 2006 to 22,6% in 2019. Mortgage requests in this age group have decreased as well (from 49,2% to 27,2%), highlighting a situation of increased economic instability.

Indeed, there is an intergenerational divide between rent and owner-occupation. According to the Italian National Institute of Statistics (ISTAT), older households are mostly homeowners (only 16% of people over 50 years old are renters), whereas younger people are overrepresented in the rental sector: 35% of households where the household head is between 30 and 40 years old live in rental accommodation – a percentage that increases to 40% for people under 30.

In order to support homeowners, Italy has formulated a number of policies, including tax relief and benefits for homeowners and mortgage holders. In particular, in order to improve access to homeownership for young households, after the crisis in 2013 a National Mortgage Guarantee Fund (*Fondo di garanzia per i mutui a favore dei giovani*) has been created, with the aim of helping young couples under 35 to purchase their first home. However, a number of factors have limited the effectiveness of this measure. Among them, income requirements, poor uptake on the part of banks, little awareness on the part of potential recipients and most of all insufficient funding.

Within this context, rental households are in an even worse situation when it comes to housing problems, as in most cases they are on the lower end of the income spectrum (Benassi & Cavalca, 2010). Indeed, in Italy there is a cultural preference for homeownership fuelled by decades of policies and public discourse supporting and

promoting owner-occupation. Thus, if given the possibility, households prefer to buy rather than rent (Baldini & Poggio, 2012; Poggio, 2012b). However, for some groups homeownership has become out of reach, and the demand for alternatives on the rental market has been increasing. Unfortunately, the market is rigidly oriented towards owner-occupation and the rental stock is structurally very small, therefore insufficient to respond to these changes in demand (Cucca & Gaeta, 2016). The Italian rental market is poorly regulated, offering little security to both tenants and landlords (Baldini & Poggio, 2012; Bianchi, 2017). On one hand, a vast black market of dwellings and student rooms means that tenant rights are scarcely protected, and security of tenure is low. A dwelling is part of the black market when there is no registered rental contract between landlord and tenant. This implies undeclared income for the landlord and no legal protections for the tenant, generating a power relation that is strongly unbalanced in favour of the landlord, who can raise the rent indiscriminately and even evict the tenant, without any of the formal procedures. Black market landlords rely on the disadvantaged position of tenants in the housing market – especially students, due to their compelling housing need, a small budget and little bargaining power. Renting rooms to students on the black market can be a very lucrative business in a university city like Rome (CGIL & SUNIA, 2013). On the other hand, rent arrears are on the rise – a burden for small landlords that are left alone in dealing with it. Indeed, public authorities provide virtually no support to evicted households and judicial procedures are long and slow, thus making it more difficult for small owners to take back their dwelling (Cucca & Gaeta, 2016).

In terms of allowances and support for rental households, Italy has two main national policies in place, managed according to regional and municipal tools that vary considerably across regions. The National Fund for Rent (*Fondo Nazionale per il sostegno all'accesso alle abitazioni in locazione*) is aimed at households that need help in paying the rent, while the National Fund for blameless rent arrears (*Fondo Nazionale Morosità Incolpevole*) is designed for households that are in arrears with their rent or their mortgage repayments due to job loss, illness or other circumstances. However, the funding of these measures decreases every year, and it is structurally insufficient to face the problem. Moreover, while fundamental, these policies are only aimed at very low incomes, disregarding grey area households. When renting on the private market the only available financial help for these households is tax deductions⁴.

After 2009, a new program for social housing (*Housing Sociale*) was established to target the grey area of housing need. A system of real estate investment funds with both public and private capital (*Sistema Integrato di Fondi*) has been established with the aim of building and acquiring residential stock. Only a few local funds have been created to date, and most projects have been realized in the metropolitan areas of the Northern regions. While this represents a welcome step towards addressing intermediate housing demand, it does not seem enough, mostly because the dwellings

⁴ Rental households with an income lower than 30.000€ can claim tax deductions for up to 150€ on their yearly income tax, provided that they have a registered contract and that the rental dwelling is their primary home. If the income is lower than 15.000€ the deduction goes up to 300€. Further deductions are applied for specific situations.

currently available are being sold for owner-occupation rather than being kept as social rental. Moreover, this measure has further exacerbated regional disparities. To this day – despite announcements and plans – still no social housing project has been built in Rome or in the Lazio region.

3.1 Housing the grey area in Rome

The housing issue is especially pressing in Rome (Puccini, 2016; Siatitsa & Annunziata, 2017; Grazioli & Caciagli, 2018). The city has the highest public housing demand in the country, with around 13.000 households in the municipal waiting list for public housing (Roma Capitale), as well as the highest number of eviction orders: 10.263 only in 2015, a figure that increased +6.11 % in 2017 (Ministry of Internal Affairs). The Roman housing market is stiff and rigidly oriented towards homeownership, unable to accommodate the changing demand from lower and lower-middle income households. The rental sector is small, tainted by black market rentals (over 27% of the national black rental market happens in central Italy) and overpriced for the weaker households (Siatitsa & Annunziata, 2017).

Moreover, the large discounted sale of publicly owned housing stock⁵ in central and semi-central areas – often as part of austerity measures aimed at increasing the municipality's cash flow – has contributed to the worsening of urban affordability (Lucciarini, 2018). Dwellings have mostly been sold to large private companies and funds, which have raised the rents and priced out the existing residents. This has not only decreased the number of affordable dwellings, but it has also triggered or exacerbated processes of gentrification in many areas of the city (Annunziata, 2014)⁶.

In Rome more than elsewhere, the housing issue seems to be due to stagnating incomes and general impoverishment rather than rising prices. Indeed, according to data from the OMI, transactions in Rome have plummeted since the GFC and they have yet to recover. This despite the fact that both house prices and rents have been decreasing steadily since 2008: -19% for house prices and -27% for rents (see Puccini, 2020 for an analysis of price developments). Apparently, the decrease has not been sufficient or appealing enough for households to go back on the market.

Unfortunately, data on housing demand in Rome is very scarce, and what little there is it is rather old. We have insufficient insight into housing conditions, household preferences and characteristics of demand. It is thus difficult to have a clear idea of how many households are currently in the grey area of housing need. Nonetheless, a 2012 research report from CRESME highlights how housing demand in Rome is changing and identifies some of the categories in housing distress. A thorough analysis of this report was carried out by Puccini in 2016, who estimated that the number of households suffering from affordability issues is 63.376, that is more than

⁵ Dwellings owned by the State, the Region, the Municipality and other public institutions, like provident societies and social security institutions of specific professional registers.

⁶ As Annunziata (2018) clearly illustrates, these processes of ownership change and gentrification are closely linked to evictions. See also Annunziata & Lees, 2016 for an analysis of how austerity contributed to this relation.

5% of the total number of families⁷. Of those, 46% are rental households that have been late in their rent payments, while 12% are households that have been in arrears with mortgage repayments. If we add up these two categories, we find that 62% of the total of households in distress already have a dwelling but find it difficult to keep it. In addition, 24% of households in housing distress are university students from other towns coming to study in Rome and paying more than they can afford for an accommodation. The remaining 18% is young households and temporary workers paying more than 30% of their income. In addition to this, CRESME estimates that 76% of households accessing the housing market in Rome (either newly formed households or families moving) are not going to be able to purchase a home and will have to rent. Of these, at least 61.000 would be needing social housing.

Two factors seem to indicate that the number of Roman households experiencing some form of housing deprivation is higher than estimated by CRESME. Indeed, the report does not consider all the young people who would want to live on their own but are still co-residing with their parents due to economic constraints, nor those households living in inadequate housing because they cannot find a dwelling on the market that matches both their economic possibilities and their family needs. Moreover, the fact that in the last decade the Municipality of Rome and the Lazio Region failed to implement successful policies to address housing issues, points towards an increase rather than a decrease in the number of households in distress since 2012.

4. Methodological approach

The research consists of three parts, each with its own purpose and methodological approach, which will be explained in detail in this section. The first part is the spatial exploration of the availability and affordability of the residential offer for lower-middle income households in Rome, based on the analysis of a unique database of primary data on real estate listings. The second part is the spatial exploration of the accessibility of services and neighbourhood quality in different areas of the city. In order to do this an Index of Urban Quality has been developed and subsequently mapped. The third part of the research is an exploration of the adequacy of the affordable housing available for lower-middle incomes. This is done by connecting maps and data with the pathways of four hypothetical reference households navigating the Roman housing market.

4.1 Establishing general working definitions and thresholds

Adequacy is a key concept in this work, and, while largely based on the abovementioned notions from UN Habitat, a few definitions need to be specified in

⁷ This figure does not take into account all the people already in a clear state of ‘housing emergency’, that is the homeless, those living in temporary municipal shelters, in mobile homes, in camps or in squatted buildings (see Grazioli & Caciagli, 2018 for an analysis of the housing emergency for the most vulnerable categories in Rome and the institutional and grassroots response to it).

the light of the context that I am examining. In particular in this paper I define as adequate a dwelling that, in addition to being affordable, guarantees security of tenure, provides enough space and physical safety, allows reasonable access to jobs, transportation, public and private services and amenities (sanitation, healthcare, schools, shops, green areas), sociocultural opportunities, and – when needed – allows proximity to personal networks. Of these characteristics, some are based on general – and, in principle, stable – criteria (like security, affordability, accessibility of transportation and services) and some need to be situated in context (like sociocultural opportunities and proximity to personal networks). The latter refer to relations and needs that may change during the life course: the sociocultural needs of a family with small children are different from those of a household with teenage kids or elderly parents; similarly, the need for proximity to personal networks is bound to change at different stages of life. As a consequence, the lack of these characteristics cannot exclusively be blamed on a policy failure – although policy needs to address these dynamics. Availability, on the other hand, is defined as the percentage of dwellings on the market that match price and households' requirements.

For the general purpose of the study income thresholds need to be identified in order to define lower-middle income households and carry out an analysis of the availability of affordable housing for them. In this work the lower-middle income group is defined as households with a gross household income between 20.000€ and 50.000€ per year.

This choice of income brackets is based on several factors. For a start, I looked at Municipal data about the distribution of both individual and household incomes. Specifically, I used Municipal data on yearly gross household income – the sum of all taxable incomes of all household members – as the basic starting point to identify relevant income thresholds. This represents a good synthetic measure of economic capital, since in Italy taxable income is calculated taking into account also property value and bank savings⁸. The average gross household income in Rome is 39.532€, and out of 15 districts, the vast majority – 9 of them – are below the city average. Of the remaining 6 districts, only two have an average income above 50.000€. Moreover, Rome is a highly unequal city: its Gini index is 0,46⁹, considerably higher than the Italian value of 0,3¹⁰. Indeed, more than 50% of Roman taxpayers have an individual gross income of less than 15.000€, while around 30% of them have one comprised between 15.000€ and 35.000€. So, while we can assume, especially in the richer central districts, an income much higher than the district average for some households, it is reasonable to use 50.000€ of gross household income as the upper threshold to identify the lower-middle income groups in Rome. The lower limit instead is set to 20.000€ of gross household income, roughly based on the eligibility threshold for

⁸ Taxable income is based on declared incomes and properties: something people can obviously lie about. Since tax evasion is extremely common in Italy, we are aware that real values might be higher than those declared.

⁹ Ufficio di Statistica Roma Capitale (2016), Primo Rapporto statistico sull'area metropolitana romana Anno 2016. Based on 2014 data from the Ministry of Finance and National Revenue Agency.

¹⁰ Eurostat, EU-SILC survey, 2014

public housing¹¹ and for a wide range of subsidies, in order to capture those households that might struggle with housing costs while unable to receive help.

Several different types of household are included within the chosen income bracket; of course, the same disposable income warrants very different housing conditions according to the number of people in the household as well as their age and health conditions. Moreover, as we have seen, housing consumption is the result of many factors and it may well be the case that households are willing to pay a larger share of their income on housing than what ‘affordability wisdom’ suggests, or even that households have access to undeclared incomes or wealth. With regard to house purchase, family help should also be taken into account: intergenerational transfers, the sale of family owned property, or inheritances might play a big role in access to homeownership. Additionally, it could be that banks allow for a higher LTV% than average, or that savings are higher or lower than what income and background might indicate.

All these different factors need to be taken into account, and this is addressed in two different ways in the paper. First, in the price and rent maps several price and rent thresholds are used to illustrate the different levels of availability for different affordability ranges. The purpose of the maps is to give an overview of the spatial patterns of prices and rents, and the different thresholds, although arbitrary, are used to reflect different spending capacities, choices, and different levels of household wealth, savings and potential intergenerational help. The thresholds are based on rough affordability estimates for the chosen income bracket, using the 30% expenditure to income ratio as a general approach, and also on the values most used in the search tools of the selected websites.

Secondly, different household sizes, compositions and needs in relation to income and wealth are addressed in Section 7 when discussing reference households. In order to have a more accurate picture, in this second part the general thresholds are replaced with a specific assessment of affordability for each household, based on the residual income approach.

4.2 The database

For this part of the study, web-scraping of real estate websites was used to obtain a unique and large database of listings of residential property¹². Web-scraping is a technique for the automated capture of online data that uses small bits of code to automate all the normal actions that we do on websites. It allows to extract data from websites in a comprehensive manner, as opposed to manually checking and recording results¹³. Using this technique, specifically coding in Python, I pulled data from four of the major Italian real estate websites: *immobiliare.it*; *casa.it*; *tecnocasa.it*; *kijiji.it*. The websites were selected based on two criteria. First, I tried to mirror the wide range of actors that operate in the Roman market, thus selecting two websites that allow

¹¹ The eligibility threshold for public housing in the Lazio region has varied from 19.524€ to 20.528€ between 2011 and 2018.

¹² Property on sale and for rent at a specific point in time. Data collection took place in May 2018.

¹³ For more information about how web scraping can be used in social research see Marres & Weltevrede (2013).

both private users and real estate agencies to upload property listings (*casa.it* and *immobiliare.it*), one website that only lets private users list property (*kijiji.it*), and finally also one of the websites belonging to the largest real estate operator in Italy (*tecnocasa.it*). Second, I selected websites based on their popularity in web searches, in order to choose among those that are most likely to be used by the target group.

The database I obtained with this technique consists of two datasets: the first is of sales listings and it comprises around 65.000 listings (about 90% of the Roman housing market according to data on transactions in Rome from the Real Estate Observatory of the National Revenue Agency); the second is of rental listings and it comprises around 14.000 entries (about 50% of the Roman rental market). Both datasets include the price, square footage, location, typology and quality characteristics of each dwelling listed. They allow me to explore up-to-date data on what kind of residential property is available for rent and for sale on the Roman housing market, thus realistically depicting the recent situation of the market options for the lower-middle class at a higher level of detail than real estate predictions from the Real Estate Observatory of the National Revenue Agency could do¹⁴. The level of detail is such that it allows to sort out listings by building typology, year of construction, characteristics of the dwelling¹⁵, exact location and price range. This allows to assess not only the quantity of dwellings available for the chosen income group, but also their quality from a number of different points of view.

Given the nature of the websites, the same listing is bound to appear in more than one website. In order to deal with the duplicates, I used a rather simple criterion: if two or more listings have the same price, same square footage and same address only one of them is kept in the database while the others are deleted. In this way I make sure that no listing appears more than once, thus improving the reliability of the datasets. I have also excluded all listings that require private negotiations instead of indicating an explicit house price or rent, since it was not possible to include them in any specific price range.

It should be noted that the picture we can gather from official statistics about the rental sector is somewhat distorted, since, by definition, official figures rarely capture the extent of the black rental market. My rental listings dataset instead provides a more realistic picture because it includes potentially black rentals among those uploaded by private users, although it is not possible to distinguish which listings belong to the black market and which will have a registered contract. In particular, rooms for rent represent a great part of the black rental market in Rome, as they are mostly aimed at university students, although also other categories – such as young workers, temporary residents, and immigrants – are increasingly choosing cohabitation and rent

¹⁴ The Real Estate Observatory provides estimates of house prices based on previously occurred transactions. This is precious information, because it accurately depicts actual transaction prices: indeed, many listed dwellings may go unsold/unrented, and the final price is usually lower than that listed. However, by examining asking prices, my database provides a different kind of information: it accurately depicts the supply side of the housing market, and in particular the situation that searching households are faced with, which is highly influential in determining their housing choices.

¹⁵ Some of the characteristics are the floor number, the presence of an elevator, of a garden or of a balcony, the type of heating system, the energy performance of the dwelling, and the yearly maintenance expenses.

sharing solutions in order to minimize housing costs. While this represents a very interesting section of Rome's rental market, it is also a much too vast and complex issue to be discussed here with the attention it deserves and will be left to future explorations. Therefore, in this work I have decided to exclude from the dataset all records that listed rooms for rent instead of whole dwellings. It might be possible that by excluding them, I am reducing the number of black-market listings in the dataset, which however, still captures the black-market listings for whole dwellings.

Finally, the listings are organized according to price and rent ranges, mapped by Zona Urbanistica (Z.U.) – the smallest administrative unit of Rome's municipality – and analysed according to tenure and size using GIS software. In all maps, some of the Z.U. are excluded from the analysis because they are not classified as residential areas by the municipal plan. This is due to two reasons: either the Z.U. has a different land use – such as public park, archaeological area or industrial area – or its population density is not sufficiently high.

4.3 Index of Urban Quality

The quality of the neighbourhoods in which the listings are located is assessed by means of a composite Index of Urban Quality. It is a measure that synthesizes different dimensions of a concept that cannot be fully captured by any individual indicator alone. The methodological approach for the construction of the Index of Urban Quality was kept as simple and transparent as possible. The first step was the identification of relevant variables to represent such a multifaceted concept as urban quality. Norms about spatial quality, liveability and quality of life cannot be fully objective, however, the choice of variables and indicators is rooted in previous literature (Lelo et al., 2017) as well as being influenced by the availability of consistent quality data at the sub-municipal level. The second step was transforming raw data values into comparable scales utilizing percentages, per capita and density functions. Moreover, these indicators were weighted against the city's average in order to transform each of them into an individual index of deviation from the mean of the city of Rome. As a third step, the individual indices were then aggregated to form six composite sub-indices, or sub-components of the total Index of Urban Quality (Table 2).

<i>Category</i>	<i>Variable</i>	<i>Data source</i>
Accessibility of public transport		
Public transport	number of bus stops per Z.U.	Roman agency for mobility www.romamobilita.it Data from 2016
	number of tram stops per Z.U.	
	number of train stops per Z.U.	
	number of metro stops	
Public services		
Education	number of schools per 1000 population <19y	Municipality of Rome www.comune.roma.it Data from 2016
Social services	number of nurseries and daycare facilities per 1000 population <3y	
Health	number of hospitals and clinics per 1000 population	Province of Rome www.cittametropolitanaroma.gov.it Data from 2010
Security	number of law enforcement stations per 1000 population	
Private services		
Culture	number of theatres, cinemas and libraries per 1000 population	Province of Rome www.cittametropolitanaroma.gov.it Data from 2010
Commerce	number of local businesses and commercial services per 1000 population	
Sports	number of sports facilities per 1000 population	
Socio-economic wellbeing		
Employment	% of employed >15y over employable population	Municipality of Rome www.comune.roma.it Data from 2016
Unemployment	% of unemployed >15 over employable population	
Youth	% of younger citizens (<25y) over total population	
Education	% of citizens with high school diploma over population >25y	
Housing stock maintenance		
Housing quality	% of housing stock in disrepair and in mediocre condition over total housing stock	Municipality of Rome www.comune.roma.it Data from 2016
Public green areas		
Green areas	Square metres of public green areas per inhabitant	Municipality of Rome www.comune.roma.it Data from 2016

Table 2 – Subcomponents of the Urban Quality Index – Source: author’s elaboration

The first sub-component, public transport access, measures the level of accessibility of different types of transport services using the number of stops as a proxy for accessibility. Each different public transport service (bus, tram, urban train and metro) was given a weight based on its reliability and frequency – i.e. a metro stop weighs more than a bus stop. The second sub-component, public services, measures the presence of State institutions on the territory and their engagement with citizens’ lives. Variables within this component include density of social services, education and health facilities and law enforcement. The third sub-index, private services, captures the cultural and business vitality of the territory. Variables within this component include density of cultural centres (theatres, cinemas and libraries), local businesses and sports facilities. The fourth sub-index, socioeconomic wellbeing,

assesses how young the population is, as well as employment and education levels. It has been included because it influences the social relations that can be enjoyed in different areas, as well as being a proxy for the concentration of poverty and disadvantage. The fifth subcomponent, housing stock maintenance, is an appraisal of the maintenance and quality of the housing stock. The sixth subcomponent, public green areas, measures the availability of accessible green spaces for citizens.

The sub-components were then normalized using a Min-Max rescaling scheme to create a set of indices on a similar measurement scale. Min-Max rescaling is a method in which each variable is decomposed into an identical range between zero and one (a score of 0 being the worst rank for a specific indicator and a score of 1 being the best). All other values were scaled in between the minimum and maximum values. This scaling procedure subtracted the minimum value and divided by the range of the indicator values (see Cutter et al., 2010 for a similar methodology). After normalizing the sub-components, we employed a method of aggregation in which our final urban quality score represents the summation of differently weighted sub-index scores¹⁶, as shown below:

$$UQI = 0.2 \cdot (Ti) + 0.1 \cdot (HMi) + 0.15 \cdot (SWi) + 0.25 \cdot (PUi) + 0.25 \cdot (PRi) + 0.05 \cdot (Gi)$$

Where:

UQI= Urban Quality Index;

Ti= public transport accessibility sub-index;

HMi=housing stock maintenance sub-index;

SWi= socioeconomic wellbeing sub-index;

PUi= public services sub-index;

PRi= private services sub-index;

Gi= green space sub-index.

4.4 Reference households

In order to explore the dataset more in detail, four hypothetical lower-middle income households have been profiled, and their stories have been used as reference cases to illustrate the situation of the Roman housing market in a compelling and relatable way. A map has been created for each household that shows the percentage of available dwellings that match their preferences in terms of dwelling characteristics within their price range, in the whole city and in particular in their preferred search area.

The four reference households are one young childless couple, one couple with two children, a single mother with a child, and a large immigrant family (6 members). Although fictitious, these household profiles have been constructed based on information from several sources in order to be as plausible as possible. In particular,

¹⁶ The weight has been assigned based on how strongly the sub-index is able to influence the characteristics of an urban area in relation to adequacy criteria, thus keeping mobility and access to services as the most important. The weight is also based on the quality of the data available. This is evident in the green space sub-index, whose weight is lower because the data was at the district level instead of at the Zona Urbanistica level.

household typologies were selected in accordance with ISTAT data on the most common household compositions within the chosen income bracket, (i.e. some of the households that fall into the “grey area”, like young couples, large households, single person households). Households’ income levels have been based on ISTAT data on average and median incomes by household characteristics, as well as data on average salaries by occupational category. Similarly, levels of savings rest on ISTAT data on household wealth. Moreover, the details of reference households’ profiles have been informed by qualitative research previously carried out on the housing pathways of Roman households (Gentili & Hoekstra, forthcoming).

To identify the housing affordability thresholds for the different households, I adopted the residual income approach. As mentioned, in order to operationalize this approach, reference budgets for non-housing consumption need to be developed, which means specifying a minimum standard of adequacy for non-housing consumption, and then translate it into a monetary estimation.

The Italian Institute of Statistics (ISTAT) measures the poverty line using a budget standard approach and provides an online tool that allows to calculate the poverty line for any household type and for any geographic location within the country by specifying a number of parameters. This has been used as the starting point for the budget standards of the reference households developed in this paper, with a number of adjustments.

First of all, the poverty line from ISTAT also includes housing costs for renters, so it was necessary to eliminate those in order to have a budget exclusively for non-housing consumption. Fortunately, in its methodological publications, ISTAT details the weight of every single item making up the basket, which allowed me to determine the weight of rent and to eliminate it from the budget. Indeed, the budget standard used in this paper leaves out all strict housing costs (i.e. rent and mortgage repayments); however, it includes utilities and energy bills, since ISTAT estimates them separately from the rent and includes them in the basket as distinct items, although they could in principle be considered as housing related expenses.

Secondly, in this research, the budget standard for non-housing expenses is defined as the minimum level of consumption necessary to achieve adequate social participation, explained as “the ability of people to play the various social roles one should be able to play as a member of a particular society” (Storms, 2012). For this reason, the ISTAT poverty line needed to be adjusted to include social participation. Therefore, for this paper the minimum budget is calculated as the ISTAT poverty line increased by 20%¹⁷. Moreover, in order to address different levels of material consumption and a varying extent of social participation, I considered more than just the minimum budget standard, and added also a low and a modest level of consumption. These reference budgets are respectively 40% and 60% higher than the poverty line.

The final issue in the operationalization of the residual income and budget standards approach is that of taxation (Stone, 2006). Before- and after-tax incomes

¹⁷ Literature on reference budgets and residual budget uses a range of arbitrary percentage shares of poverty lines and average incomes (Goedeme et al., 2015; Penne et al., 2016; Storms et al., 2013). 20, 40 and 60 are some of the thresholds that are more commonly used.

differ substantially and failure to take taxes (and benefits of exemptions) into account can generate distortions as to what is truly affordable. However, it is too complex to calculate taxation and benefits in detail, as they depend on the many individual and household characteristics specific to each situation, and some level of simplification and assumption is needed in order to develop a generalizable method. The existing budget standard projects deal with this issue in different ways, but they all consider some basic level of taxation and benefits that depend on the household basic characteristics (see Stone et al., 2011 and Goedemè et al., 2015 and 2017 for a detailed explanation). I have used a method similar to that of Stone et al. (2011), although simplified, as this is just an exercise to provide plausible examples and not a study on reference budgets. Assuming that all household members are in good health, I have taken into account basic income tax and tax deductions for dependent relatives (i.e. children, in most cases), without considering any other benefit or deductions the household may be receiving. This means that in order to obtain the net household income I have subtracted basic income tax from their gross income and then added the tax deductions for dependent relatives¹⁸.

Once the household net income is calculated and the different levels of consumption are determined, the potential housing expenditure for each household can be obtained by subtracting the reference budget from the household's disposable income. Table 3 illustrates the detail of the different budget standards and the resulting affordable monthly housing expenditure for each reference household.

With this method it becomes possible to evaluate what level of housing costs is affordable for each household on a monthly basis. While for rental households it is sufficient to know the monthly housing expenses, for owner-occupiers the estimation of the maximum affordable house price is not as straightforward. Indeed, multiple factors need to be taken into account, such as the affordable monthly instalment, the average length of the mortgage, the average interest rate, and the average loan to value ratio. For the Lazio region, where Rome is located, the latter values for 2018 are respectively 25 years, 2.17%, and 67%. Knowing this, I applied a simple mathematical formula to calculate the maximum value of the mortgage that a household can obtain:

$$M = \frac{I}{\mu} \left(1 - \frac{1}{(1 + \mu)^{P_t \cdot t}} \right)$$

Where:

M = mortgage value;

I = maximum affordable instalment;

t = length of the mortgage in years;

P_t = number of instalments paid per year;

μ = ratio between interest rate and P_t .

The potential mortgages for the reference households were further checked using the available online tools for mortgage finding and mortgage simulation of

¹⁸ In Italy the yearly salary also includes the 13th month of salary paid in December as a year bonus. Thus, the monthly net income here is calculated as the yearly net income divided by 13 months.

MutuiOnline.it and MutuiSupermarket.it, the two major housing finance online portals in Italy. Taking into account that the average loan to value ratio in the Lazio region is rather cautious, considerable sums must be available to the households as a down payment. These sums can come from different sources, like inheritance, savings, family transfers, or sale of previously owned property. Clearly, the available wealth varies according to the characteristics of the household, an issue that will be further explored when discussing each reference household.

Reference household	HOUSEHOLD NET MONTHLY INCOME	Budget Standard for non-housing consumption			
		Euros per month			
		POVERTY LINE (excluding rent)	MIN BUDGET (poverty + 20%)	LOW BUDGET (poverty + 40%)	MODEST BUDGET (poverty + 60%)
Young couple, no children	2.523,21	1.055,72	1.266,86	1.478,01	1.754,05
Couple, two children	3.015,71	1.556,23	1.867,48	2.178,72	2.585,63
Single mother, one child	1.630,08	926,50	1.111,80	1.297,10	1.539,36
Large immigrant family	2.244,22	1.794,67	2.153,60	2.512,53	2.981,79
Reference household	HOUSEHOLD NET MONTHLY INCOME	Affordable housing expenditure, based on Budget Standards			
		Euros per month			
		HOUSING EXPENDITURE with poverty line consumption level	HOUSING EXPENDITURE with min consumption level	HOUSING EXPENDITURE with low consumption level	HOUSING EXPENDITURE with modest consumption level
Young couple, no children	2.523,21	1.467,49	1.256,35	1.045,20	769,16
Couple, two children	3.015,71	1.459,48	1.148,23	836,99	430,08
Single mother, one child	1.630,08	703,58	518,28	332,98	90,72
Large immigrant family	2.244,22	449,56	90,62	-268,31	-737,57

Table 3 – Reference households. Budget standards and housing expenditure – Source: author’s elaboration

5. Rome: spatializing the socio-economic context and neighbourhood quality

Rome has a monocentric urban structure, which has never changed despite many attempts. Its urban development has historically been incoherent, disjointed and chaotic (Salvati, 2015), as planning provisions have mostly been disregarded and development has followed dynamics of land rent rather than population growth (Cellamare, 2014; Lelo, 2015). As a result, the spatial pattern of socio-economic inequalities in Rome is one of distance decay from the city centre, with a geographical concentration of socio-economic disadvantage in specific sectors, such as the eastern quadrant of the city (see Lelo et al., 2019a and 2019b for a thorough analysis of socio-spatial inequalities in Rome).

Figure 2 illustrates how Rome's municipality can be divided in different urban belts, identified based on common features. The first belt is the historical centre; the second belt includes both the well-off districts in the northern area around the centre and the

E.U.R.¹⁹ neighbourhood in the south, due to the fact that they share similar socio-demographic composition and were built within the same time period. The third belt – here referred to as historical periphery – comprises the mid-central districts built after WWII and the so called *borgate*, suburbs – both planned and informal – built between the 1930s and the 1970s. The fourth and the fifth belt are the ones gravitating around the ring road (*Grande Raccordo Anulare – GRA*) and dependent on it for most of their mobility. The fourth belt includes areas built between the 1970s and the 1990s within the boundaries of the GRA, thus here referred to as inside GRA periphery. The fifth one includes the remaining territory, from the GRA to the outermost boundaries of the Municipality – thus here referred to as outside GRA periphery. This area has been sparsely and scarcely built since the 1990s. The coastal area of Ostia, although included in the fifth belt, can be considered as a self-sufficient unit, with a centre and a periphery of its own, despite being formally part of Rome’s Municipality.

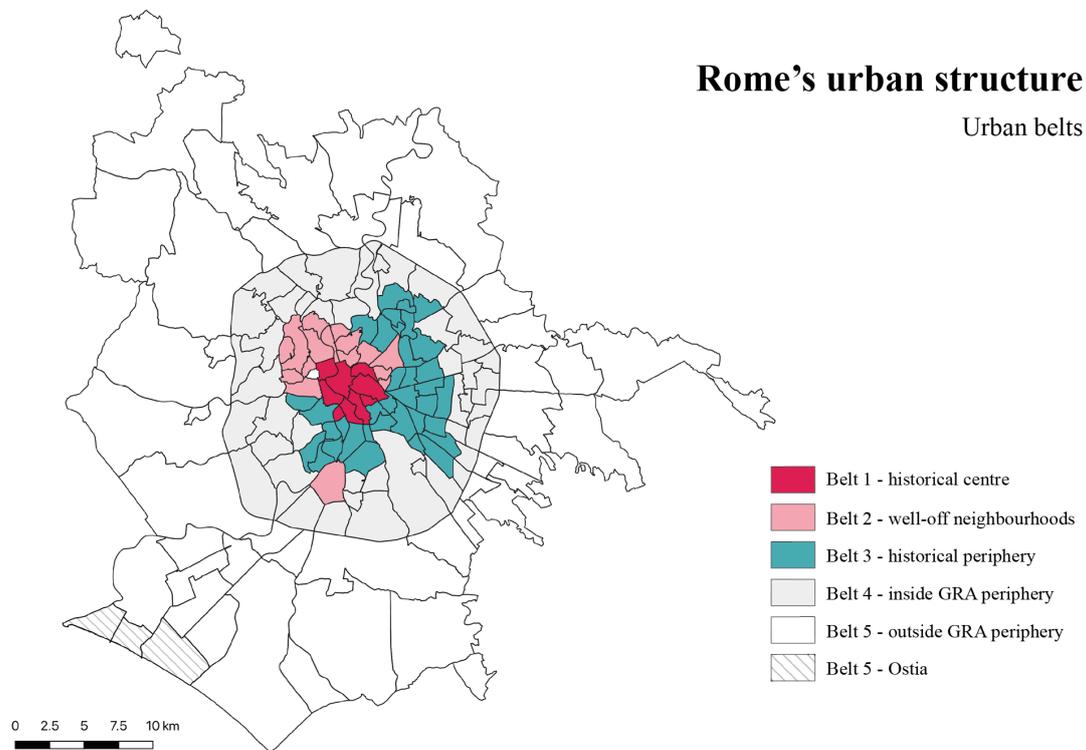


Figure 2 – Rome’s urban belts – Source: Author’s elaboration

¹⁹ The neighbourhood is called EUR because it was built by Mussolini to host the “Esposizione Universale di Roma”, the international expo organized in 1933.

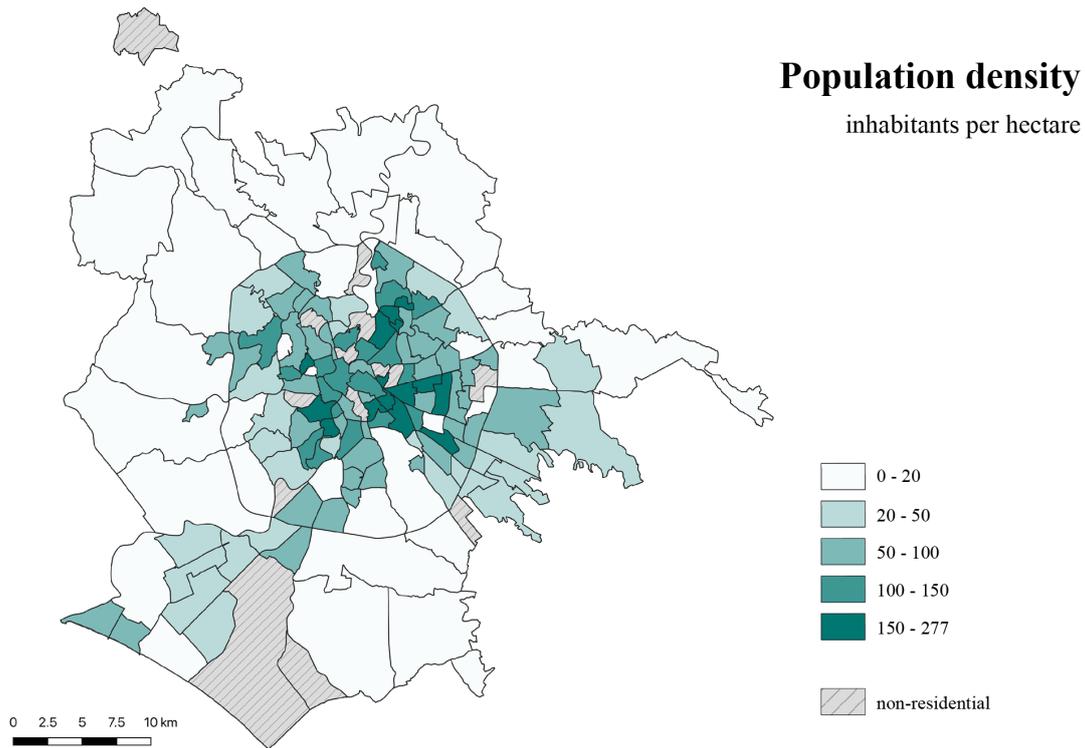


Figure 3 – Population density – Source: *Ufficio Statistica Roma Capitale*

Many indicators follow the concentric structure of this belt division. Indeed, as we can observe from Figure 3, population density decreases as distance from the city centre increases. However, it should be noted that population in both the inside and outside GRA peripheries is growing, while it keeps shrinking in the city centre (Lelo et al., 2019b).

In an almost opposite fashion, but still following the centre-periphery pattern, large households tend to be predominantly located in Belts 4 and 5 (Figure 4), which is not surprising, considering that prices in the city centre tend to be higher, and dwellings tend to be smaller. Similarly, Figure 5 indicates that the share of young residents is disproportionately higher in Belts 4 and 5. What seems clear from the literature and from the maps is that grey area households (i.e. young households, people with little job security, large families, etc.) mostly live in the peripheral areas around and beyond the ring road. This distribution is not determined by chance, but it is deeply rooted in the unequal dynamics of house prices and rents, and features of the housing supply and of the urban space.

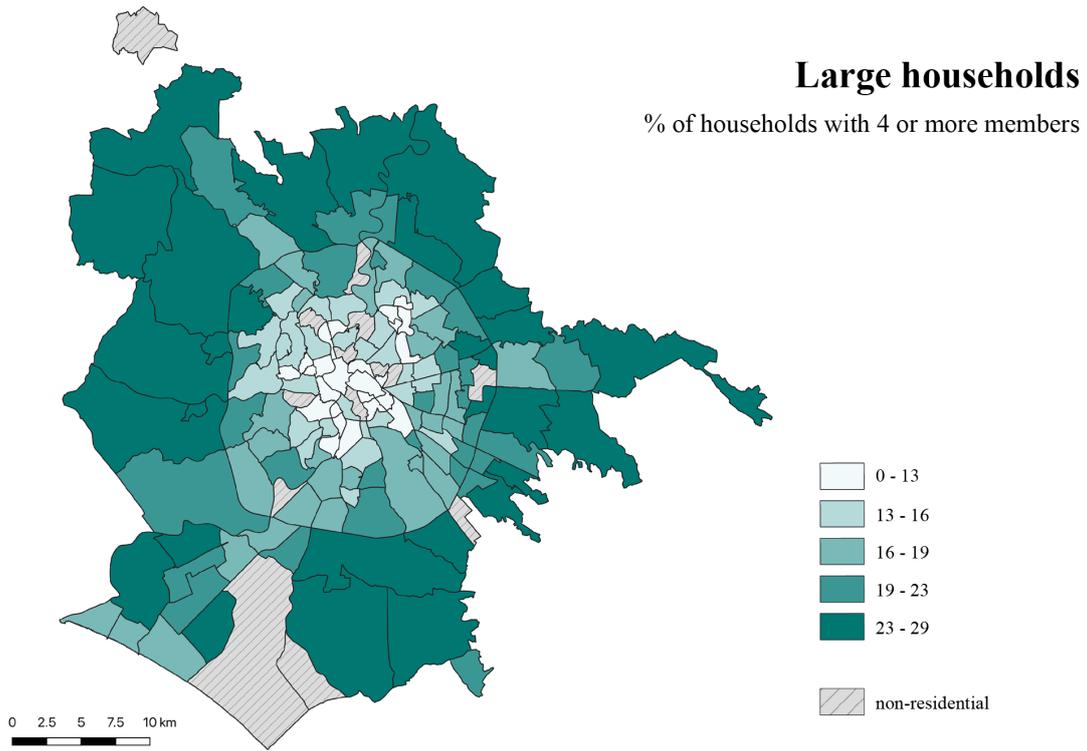


Figure 4 – Distribution of households with 4 or more components – Source: Ufficio Statistica Roma Capitale

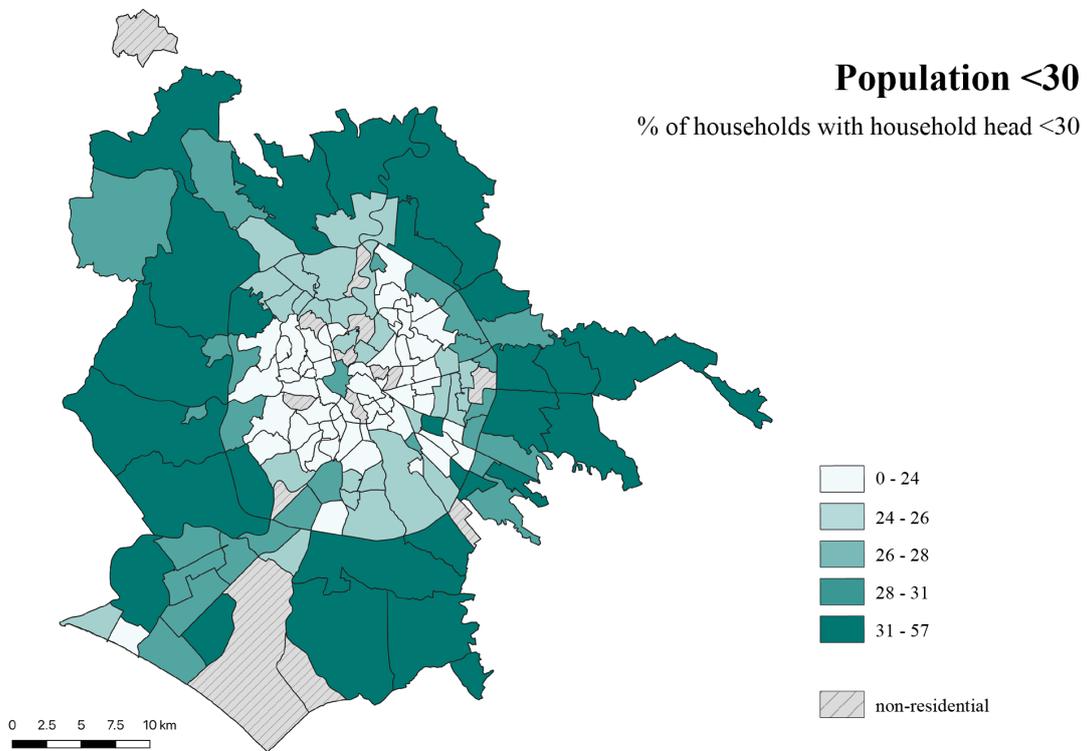


Figure 5 – Distribution of residents under 30 years of age – Source: Ufficio Statistica Roma Capitale

Indeed, the different socio-economic features of the various belts underlie the spatial inequalities of the city. The central areas and the historical periphery (Belt 1, 2 and 3 in Fig. 2) are characterized by a high density of buildings, population, public and private services and cultural facilities, while neighbourhoods in more peripheral areas (Belt 4 and 5 in Fig. 2) are physically isolated, often surrounded by agricultural land or nondescript areas with sporadic buildings for various uses (De Muro et al., 2011; Violante & Annunziata, 2011; Lelo, 2015). The accessibility of workplaces and public services is very low – especially when it comes to public transport – and connection is possible only via private vehicles, often with long commuting times. These neighbourhoods also lack private services and socio-cultural amenities, with the exception of large shopping malls, especially along the ring road (Cellamare, 2014). However, the outermost periphery of Belt 4 and 5 is not all the same: some areas, although far away from the city and only accessible via private mobility, are upper and upper-middle class enclaves (see for example Figure 12 and related comments). Their remoteness and their proximity to large green areas and parks is what entices richer buyers to trade off proximity in exchange for quiet, green and lots of space, with the possibility for private amenities such as gardens, pools and large villas.

The Urban Quality Index, mapped in Figure 6, is a synthetic measure of all these socio-spatial characteristics. It includes indicators of material quality of the dwellings, indicators of socio-economic conditions of the inhabitants, as well as indicators of accessibility – such as public transport and public and private services. The Index highlights multiple aspects of what it means to live in a specific area, and it clearly visualizes the described socio-spatial differences among the different areas of Rome. As expected, the more central areas (Belt 1 and 2) are more consistently characterized by a higher urban quality, whereas Belt 5, with the exception of Ostia and its surroundings, scores very low. It is worth noticing that Belts 3 and 4 show more varied results. Indeed, only certain neighbourhoods score a high value, depending either on the presence of rail and metro lines (a clear example is the eastern quadrant, where the new C metro line has recently been opened), or on that of large urban parks (for example the Appia Antica archaeological park in the south eastern quadrant – again see Figure 12 and related comments). These higher values are also a signal of ongoing processes of urban transformation and gentrification in areas of the historical periphery (see Annunziata, 2018 on recent gentrifying neighbourhoods – Centocelle in primis), that have recently been added to those already happening in other areas (see Ranaldi, 2015 on Testaccio; Scarpelli & Cingolani, 2013 on Trastevere; Scandurra, 2008 on Pigneto).

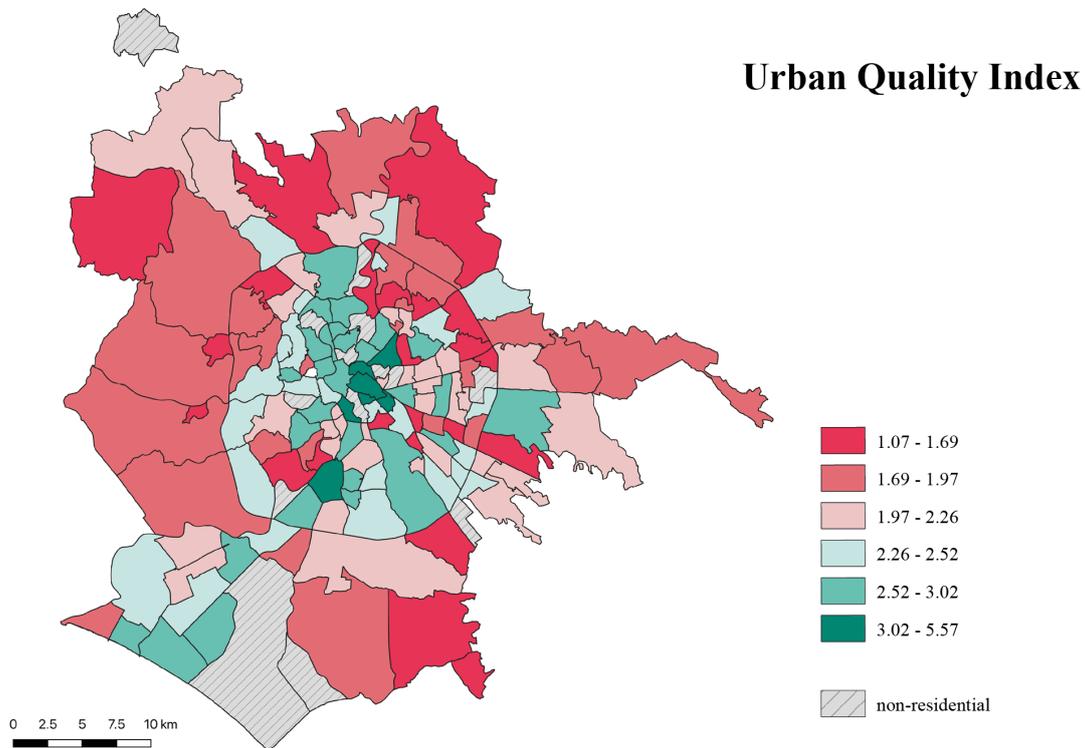


Figure 6 – Urban Quality Index– Source: author’s elaboration of data from various sources

Socio-spatial inequalities are also rooted in the political choices in terms of urban and economic development made by local governments over recent decades (Coppola & Punziano, 2018). Between the 1990s and the late 2000s the economic development model pursued by Rome’s left-wing administrations was one of privatizations and promotion of tourism, cultural economy and the service sector – the so-called “Modello Roma” (Violante & Annunziata, 2011; D’Albergo & Moini, 2015). This development model was undoubtedly successful, at least apparently: GDP, per capita income, and the flow of tourism sharply increased, creating an image of success for the city. However, this economic growth proved to be uneven, feeding into the already existing socioeconomic inequality without effectively tackling it (De Muro et al., 2012; Lelo et al., 2019b). Indeed, most benefits were reaped by the upper-middle classes in the rich central and semi-central neighbourhoods, where the socio-cultural offer increased exponentially in numbers and quality, while the peripheral areas did not gain much. In the long run, the lower and lower-middle income groups did not benefit from “Modello Roma” mostly because the local administrations paid little attention to issues like housing shortage, poverty, social marginalization, and immigration (De Muro et al., 2011).

Processes of gentrification and touristification have long been happening in the central areas of Rome (Herzfeld, 2009). In the last decade some of the urban transformations and policies promoted by the “Modello Roma” have sustained and

furthered these processes also in semi-central and peripheral areas, even actively marketing them as successful urban regeneration strategies (Ranaldi, 2015; Annunziata, 2014). This, together with the sale of publicly owned residential stock, has generated a change in the urban and social fabric of the historical periphery, displacing low and lower-middle income households from their neighbourhoods and expanding the territorial reach of growing inequalities (Annunziata, 2014; Lucciarini, 2018). Policies of austerity implemented after the 2008 economic crisis have only worsened the situation (Annunziata & Lees, 2016; Siatitsa & Annunziata, 2017).

The failure of the 2008 master plan (*Piano Regolatore Generale – PRG*) represents one of the key aspects of this worsening of socio-spatial inequalities (Baioni, 2018). Ostensibly, the aim of the PRG was to promote polycentricity in order to reduce the centre-periphery divide. This was to be achieved with both an extensive urban regeneration of existing neglected peripheral neighbourhoods, and the creation of a series of new “metropolitan hubs” (*centralità metropolitane*). These hubs were supposed to be well connected with rail networks (metro lines and urban trains), to concentrate residential, commercial and tertiary functions, as well as having each a specific point of interest – like a university, a public office or a tourist attraction – thus becoming new ‘peripheral centres’ with a higher density of population and buildings. However, not only the plan did not overcome Rome’s monocentric structure, but it possibly made the situation worse (Salvati, 2013; Busti, 2018). Indeed, due to political and financial problems, the necessary infrastructural developments for public transport networks were never realized and no public investment was made in these peripheral areas. None of the public and private services in the metropolitan hubs saw the light, except for very large shopping malls, and most of the functions were converted into residential development. It has to be noted that dwellings in these neighbourhoods are generally larger and that there are many green spaces, although most of them are not equipped or maintained. Thus, the metropolitan hubs – and many other peripheral developments – became dormitory suburbs, with little to no services and many vacant buildings and plots, only connected to the rest of the city via private transport²⁰.

The failure of the PRG exacerbated the existing spatial inequalities by furthering the existing urban expansion and generating a constellation of dispersed, disconnected, low-density settlements in areas further and further away from the city core – around and beyond the ring road (D’albergo & De Leo, 2018; Lelo et al., 2018). This is very clearly visible in the Urban Quality Index map, where all these areas – located in Belts 4 and 5 – score really low, and it also raises questions in terms of future sustainability of such a chaotic sprawl-like development model (Salvati, 2013).

²⁰ A stunning photographic project by Luca Dammicco documents these remote and neglected dormitory suburbs: <http://www.lucadammicco.it/NCDF.html>.

6. Availability of affordable dwellings

6.1 Owner-occupied sector

In Rome over 70% of households are owner occupiers – across all social classes – and the vast majority of property transactions happens between private citizens. Thus, it stands to reason that dwellings for sale are evenly distributed across all areas of the city, without any distinctive spatial pattern, except for the fact that they are obviously more concentrated in more densely built up areas, where the overall availability of dwellings is higher (Figure 7). In terms of the spatialization of available dwellings for the lower-middle income groups, the following maps show the distribution of sale listings for several price ranges.

Figure 8 and 9 show a disheartening picture: there are virtually no dwellings available for purchase for 100.000€ or less (2.86% of total sale listings) and for 120.000€ or less (5% of total sale listings), except in the extreme outskirts of the eastern quadrant, near the neighbouring municipality of Tivoli.

If we raise the price to 150.000€, the situation slightly improves (Fig. 10), with dwellings within this price range representing 11.4% of total sale listings. As we can see, the eastern quadrant is again the one with the highest availability, and areas with a percentage of available dwellings for or under 150.000€ higher than 15% exist also in the north western part of Belt 5. Very little is available within the boundaries of the GRA, again mostly concentrated in the east.

The picture starts to change when raising the limit to 180.000€ (Fig. 11). Although dwellings within this price range are almost 20% of total sale listings, the vast majority of the city within the ring road is still off limits. However, a triangle between the Prenestina and Casilina roads in the eastern inside GRA periphery has percentages of availability up to 77%; there are also some areas in the north west gravitating around GRA where the percentage of available dwellings ranges between 20 and 36%. In any case, the vast majority of available dwellings is still found very well outside the ring road.

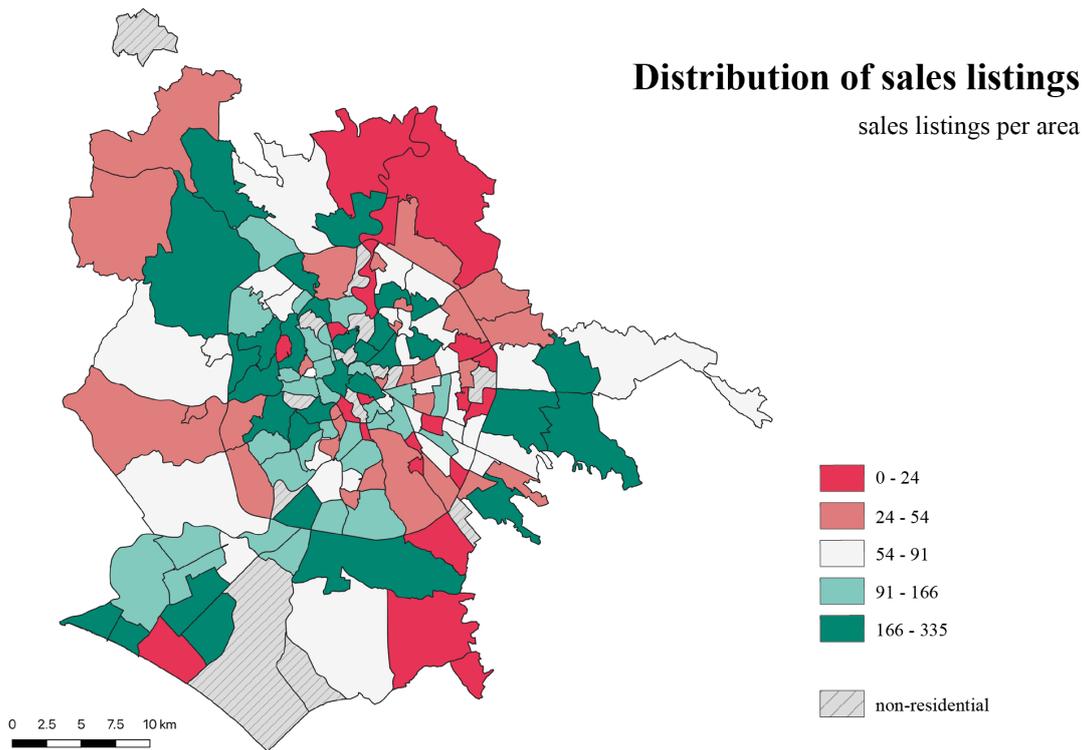


Figure 7 – Distribution of dwellings for sale – Source: author's elaboration

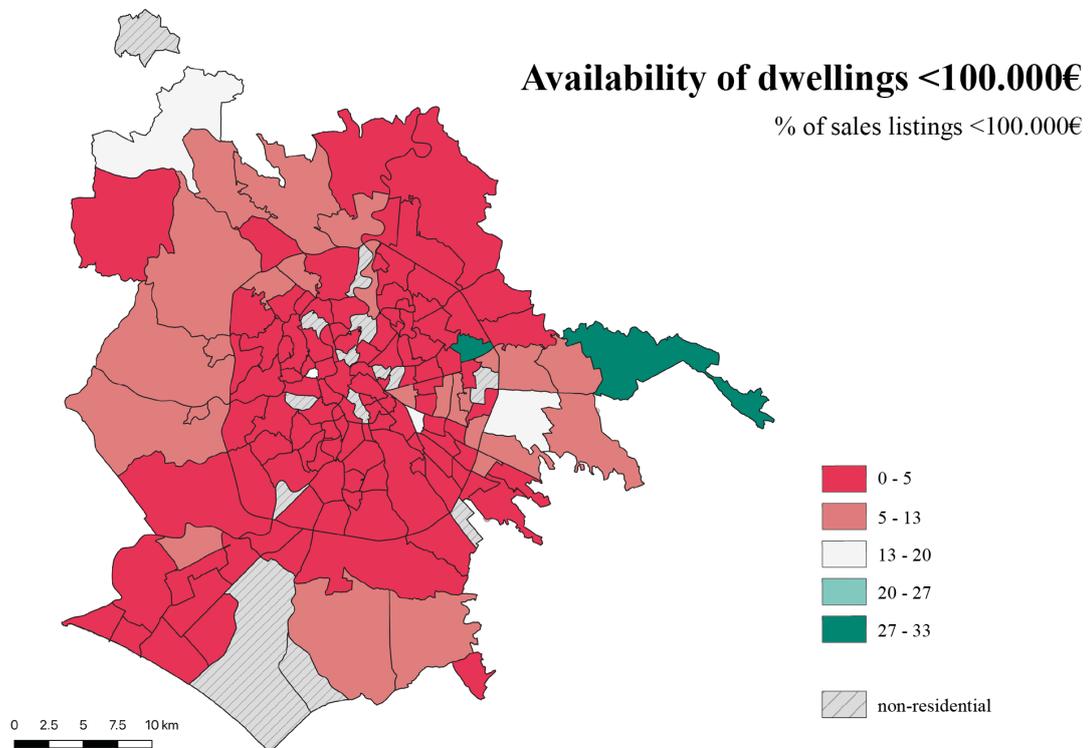


Figure 8 – Availability of dwellings for sale for a price of 100.000€ or less – Source: author's elaboration

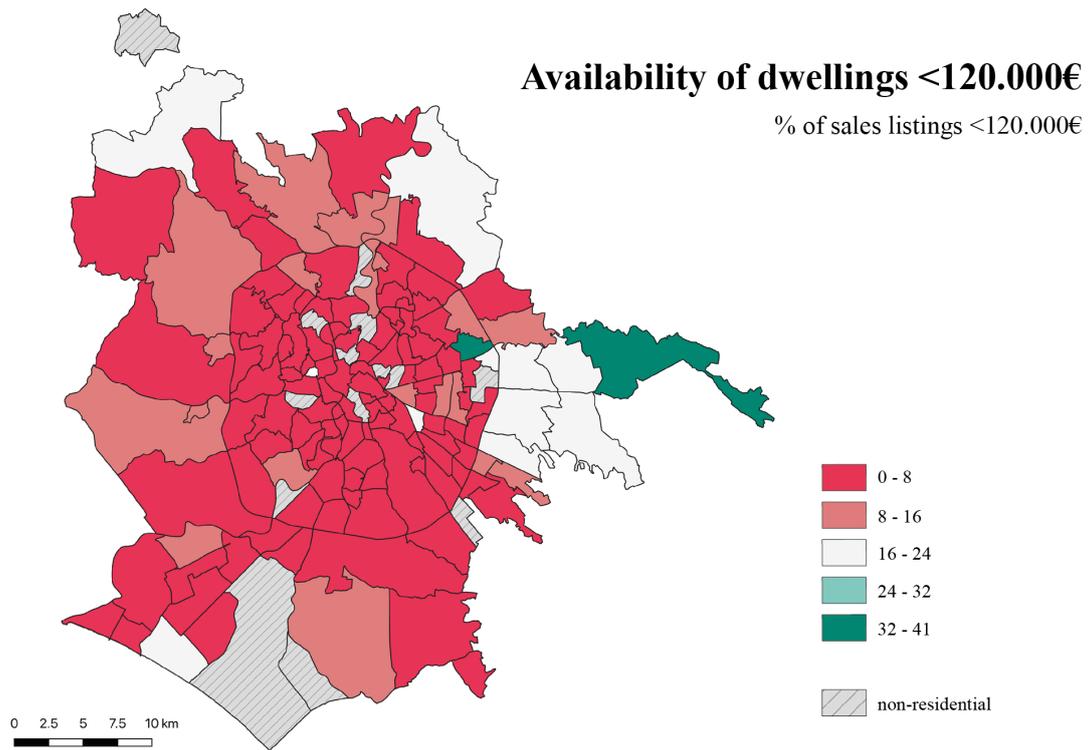


Figure 9 – Availability of dwellings for sale for a price of 120.000€ or less – Source: author's elaboration

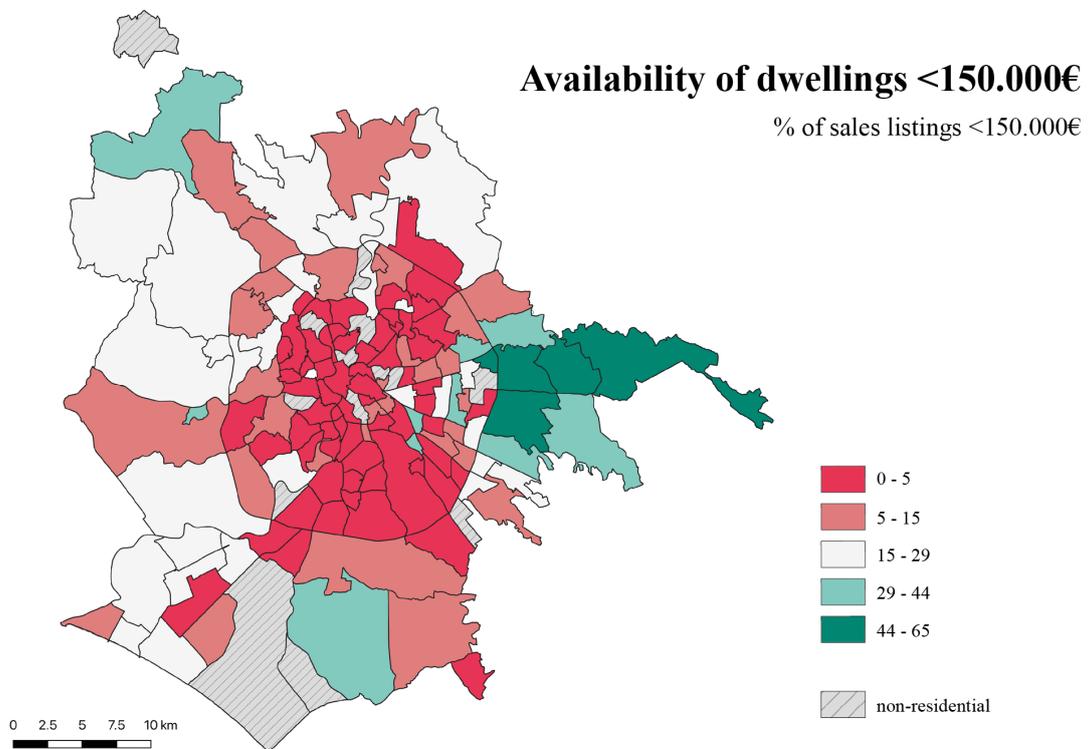


Figure 10 – Availability of dwellings for sale for a price of 150.000€ or less – Source: author's elaboration

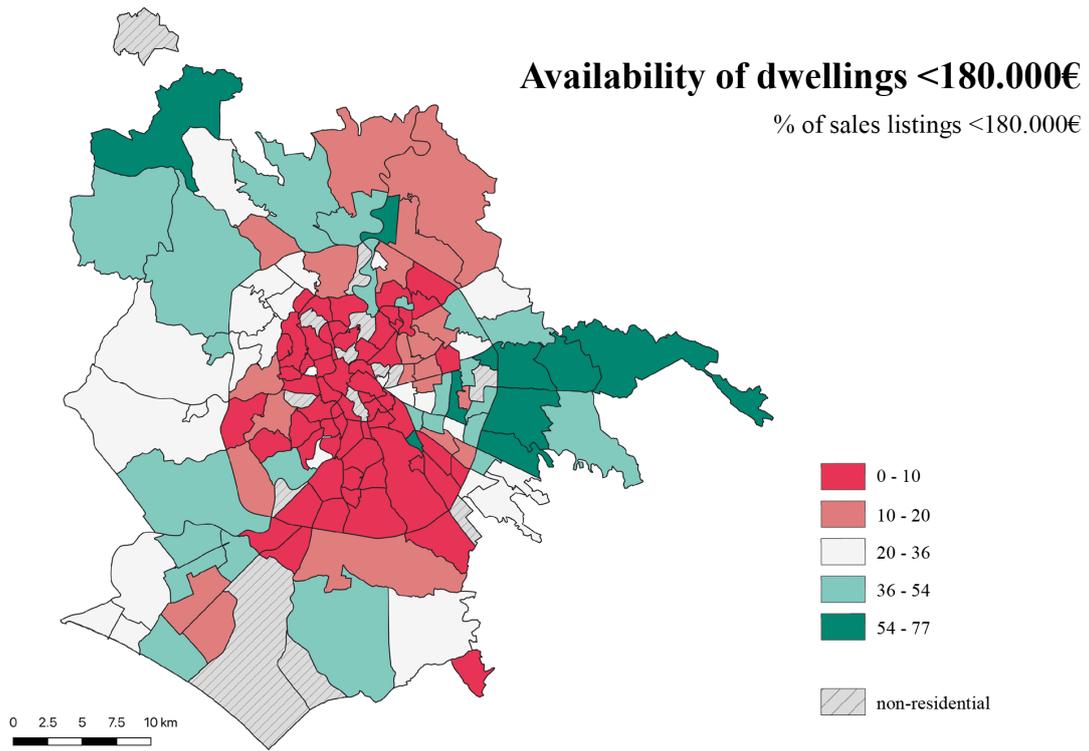


Figure 11 – Availability of dwellings for sale for a price of 180.000€ or less – Source: author's elaboration

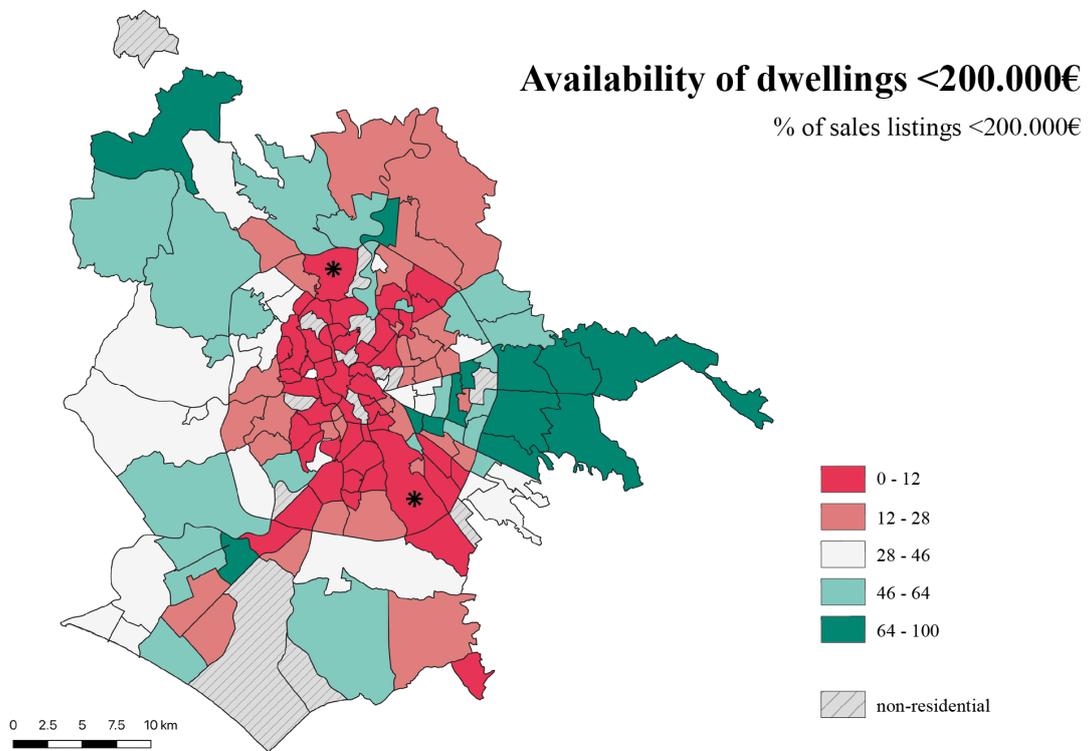


Figure 12 – Availability of dwellings for sale for a price of 200.000€ or less – Source: author's elaboration

If we raise the price to 200.000€ (26.6% of total sales listings – Fig. 12) we can see that again, the higher percentage of dwellings available for sale is found either in the eastern quadrant, both inside and outside GRA, or in the north-western parts of Belt 5. Except for the eastern side, Belt 4 shows a low percentage of available dwellings below or for 200.000€, despite being peripheral. This is particularly noticeable in the south eastern areas where many villas and large houses are located around the archaeological park of via Appia, and the northern areas around via Cassia, an upper-middle class enclave (both highlighted in the map). Even some south-eastern areas of Belt 5 show percentages below 50% despite being outside the ring road, mostly because they are located between the two ends of a busy commuting route: the terminal of the A metro line (Anagnina) and the neighbouring Municipality of Ciampino. Similar patterns can be observed in Figure 13, showing available listings for 250.000€ or less (40% of total sales listings), although to a lesser extent.

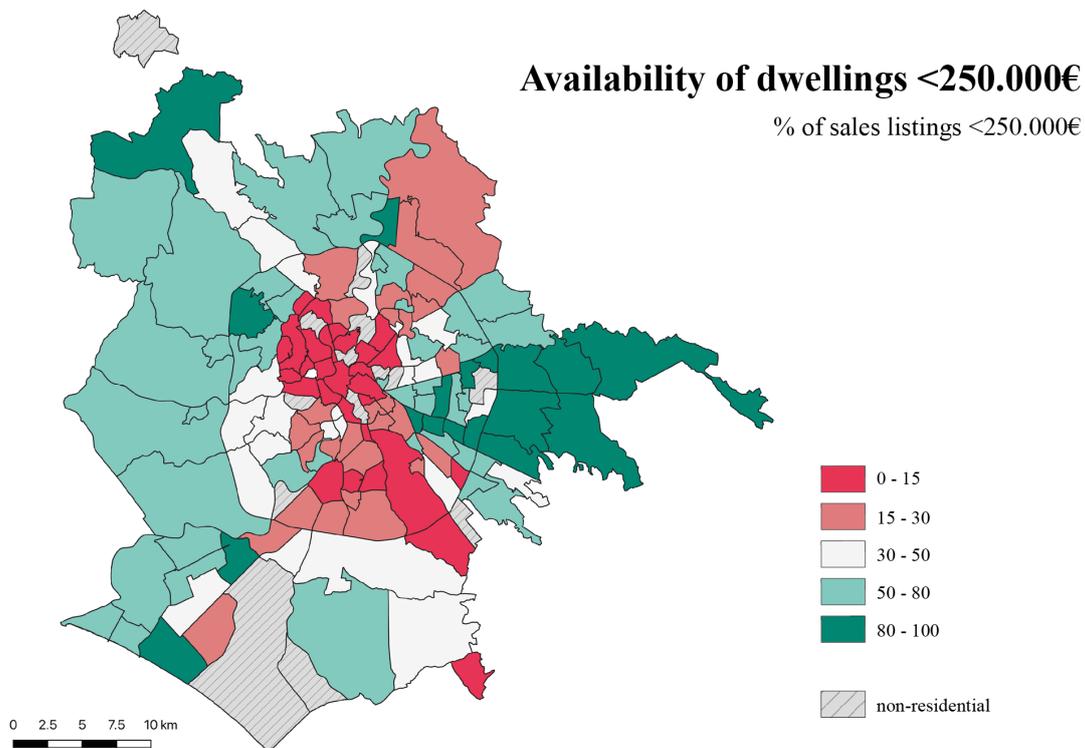


Figure 13 – Availability of dwellings for sale for a price of 250.000€ or less – Source: author's elaboration

Overall, we see that availability of dwellings for sale up to 250.000€ is reasonable in terms of quantity, as they represent approximately 40% of total sales listings; however, their spatial distribution highlights Rome’s inherent centre-periphery divide.

Typology and dimensions of the listed dwellings also offer some interesting insight. In terms of typology, over 92% of dwellings for sale for 250.000€ or less are apartments, while detached houses are only approximately 5%, reflecting the nature of urban living in the city of Rome. With regard to dimensions a mismatch emerges between dwelling size and household size. Generally speaking, lower income households tend to be bigger and cheaper dwellings tend to be smaller, as can be seen in Figure 14, comparing the size of dwellings below 120.000€ and that of households in the second income quintile. However, it is interesting to note that the mismatch persists even when analysing more expensive dwellings and higher income households, with Figure 15 showing that 57% of households in the third income quintile have three or more members, while only 35% of dwellings above 250.000€ are bigger than 70m².

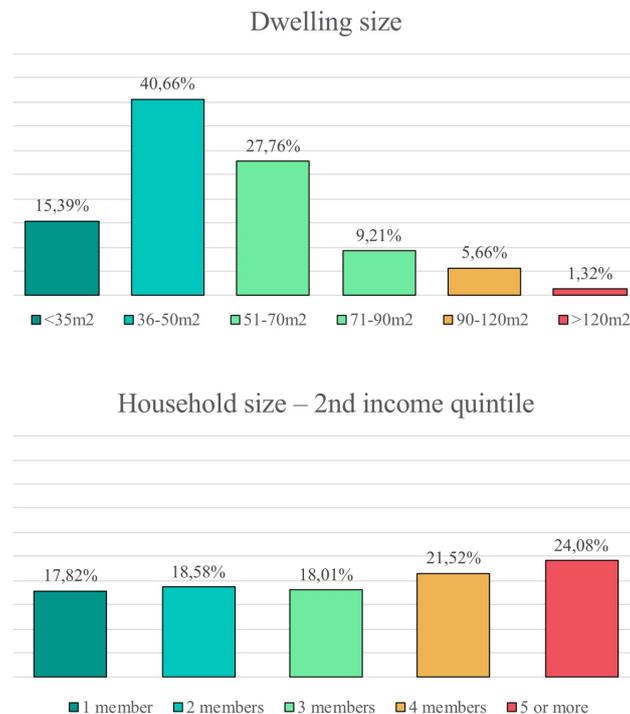


Figure 14 – Size mismatch between dwellings below 120.000€ and households in the second income quintile – Source: author’s elaboration of own data and ISTAT data on income quintiles

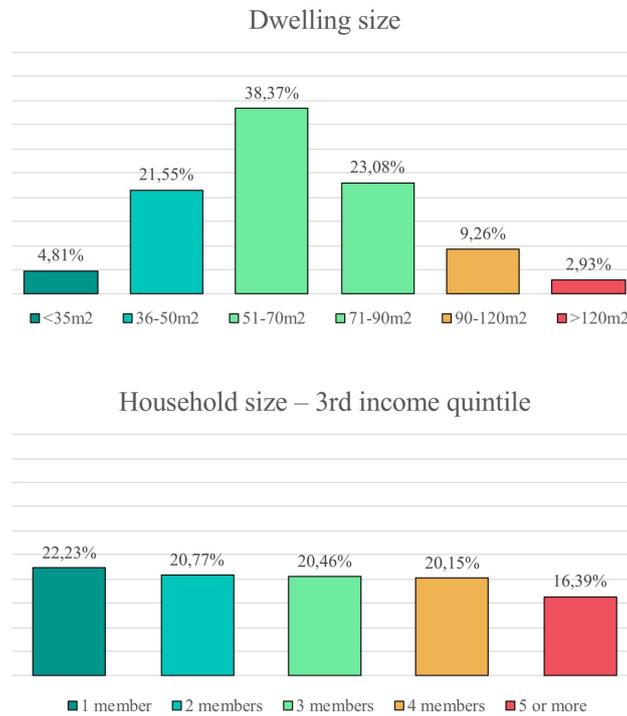


Figure 15 – Size mismatch between dwellings below 250.000€ and households in the third income quintile – Source: author’s elaboration of own data and ISTAT data on income quintiles

6.2 Rental sector

Compared to sales listings, the overall distribution of all dwellings for rent does show a distinctive spatial pattern, with most dwellings located in the more central areas (Fig. 16). Here, dwellings tend to be smaller, as they were built in past centuries; this is reflected in the typology and size of dwellings for rent, as most of them are below 70m² (approximately 28% below 50m², and 27% between 50 and 70m²). At this point it should be noted that, despite the fact that my dataset does not officially include touristic rental dwellings, it cannot be excluded that some of these central rental apartments could still be devoted to short term stays and be listed also on touristic rental websites such as Airbnb (for an analysis of short term rentals in Rome see Celata, 2017).

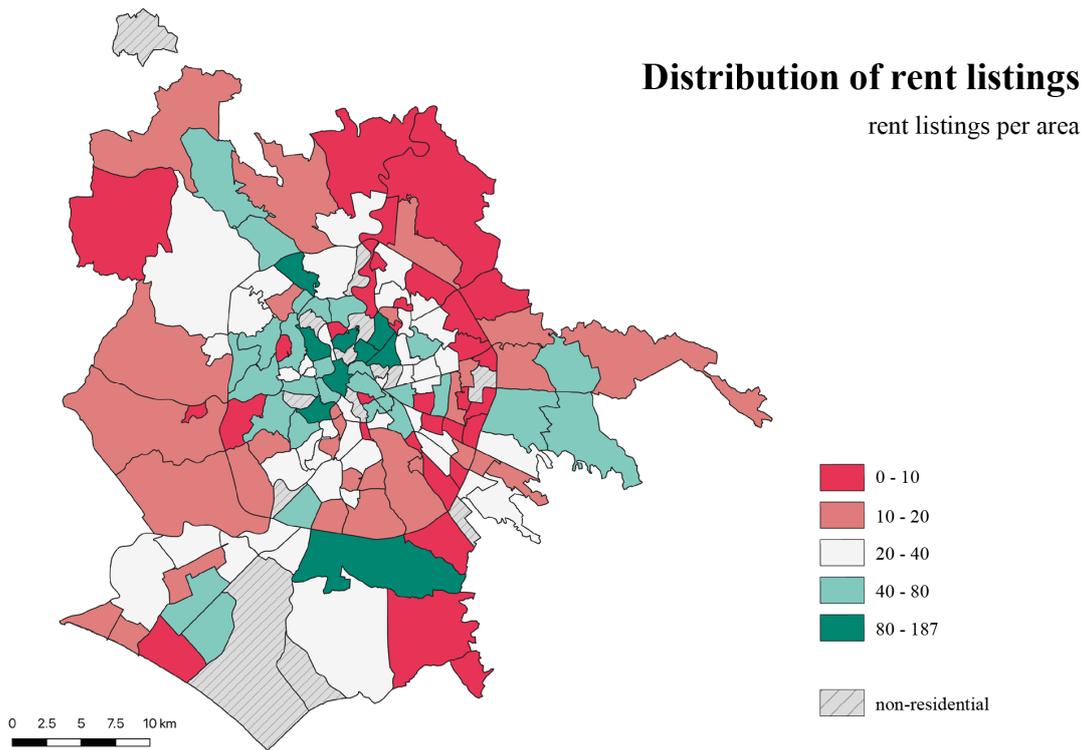


Figure 16 – Distribution of rental listings – Source: author's elaboration

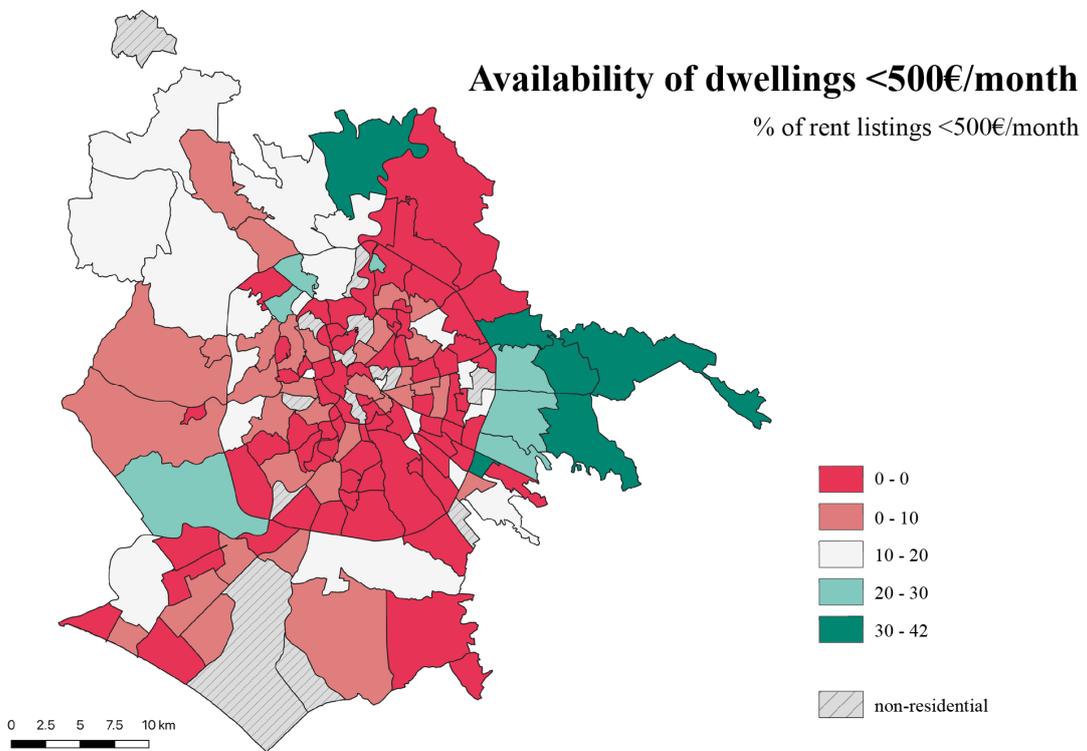


Figure 17 – Availability of dwellings for rent for 500€/month or less – Source: author's elaboration

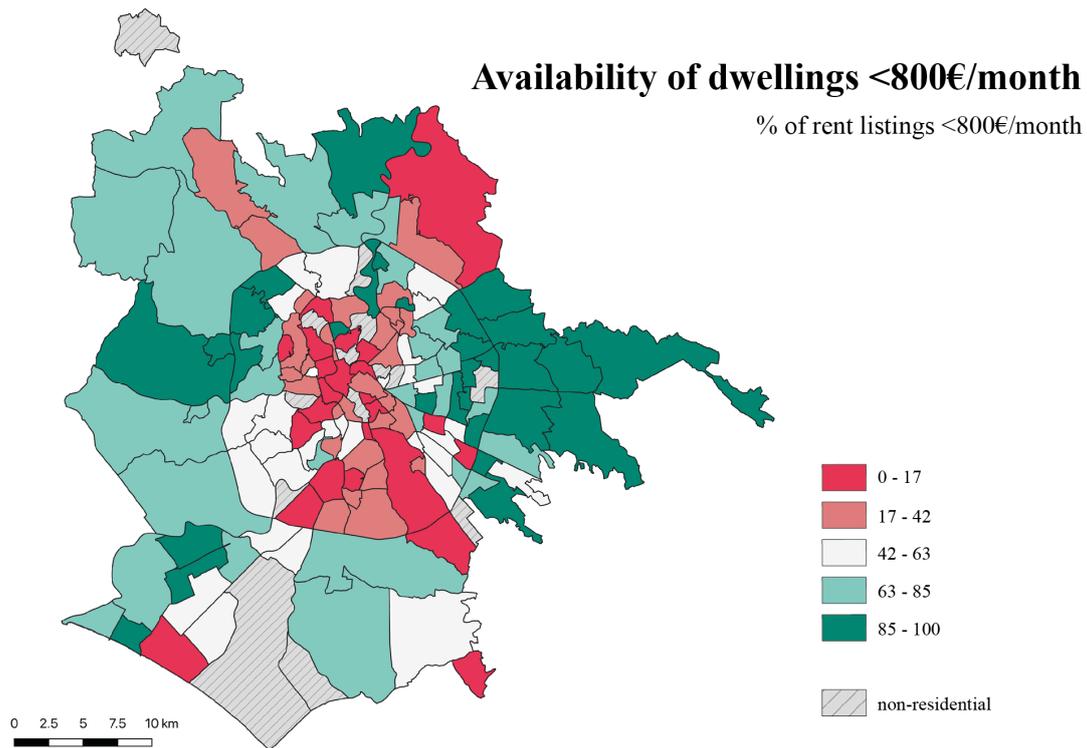


Figure 18 – Availability of dwellings for rent for 800€/month or less – Source: author's elaboration

With regard to availability for lower-middle income households, Figure 17 shows that rental dwellings available for 500 €/month or less are predominantly located in the eastern and north-western outside GRA periphery. The rest of Rome is completely off limits, both within and outside the ring road. However, if we raise the rent to 800 €/month (Fig. 18) the situation drastically improves: the majority of Belt 5 has very high percentages of availability, but also large swathes of Belt 4 – and even little areas in Belt 3 – show values above 40%. Going further up, Figure 19 and 20 illustrate how the availability of rental dwellings is much higher both within and beyond the GRA if one can pay 1000 or 1200 €/month. Still, the very centre of the city is beyond reach.

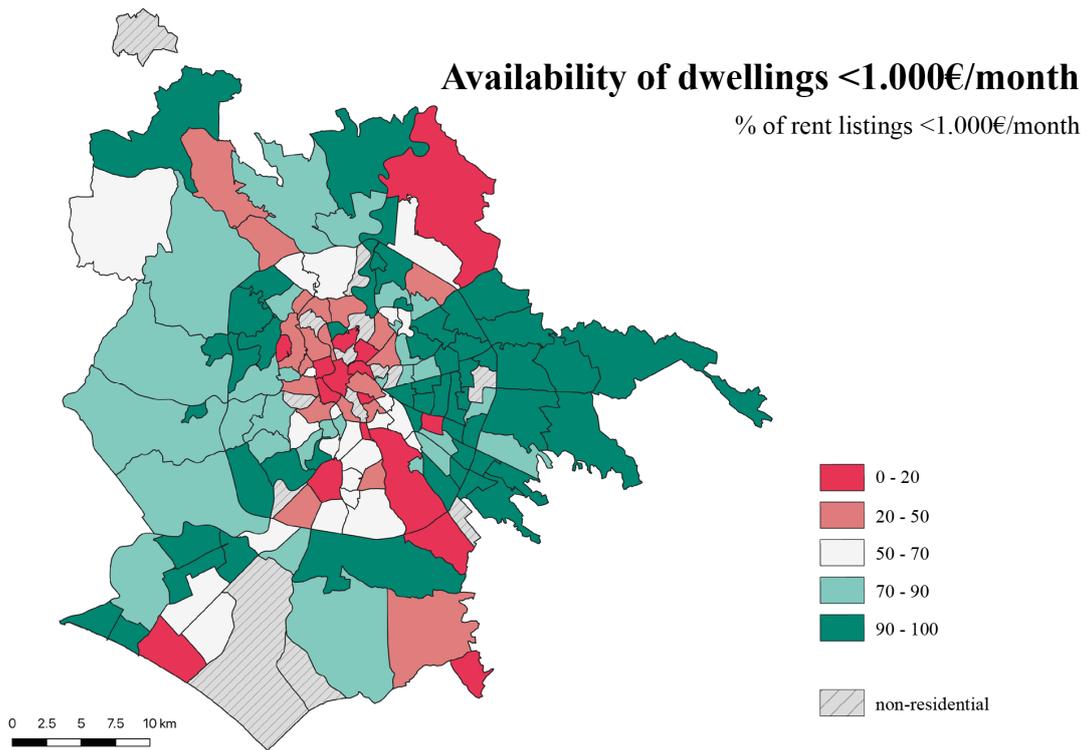


Figure 19 – Availability of dwellings for rent for 1000€/month or less – Source: author's elaboration

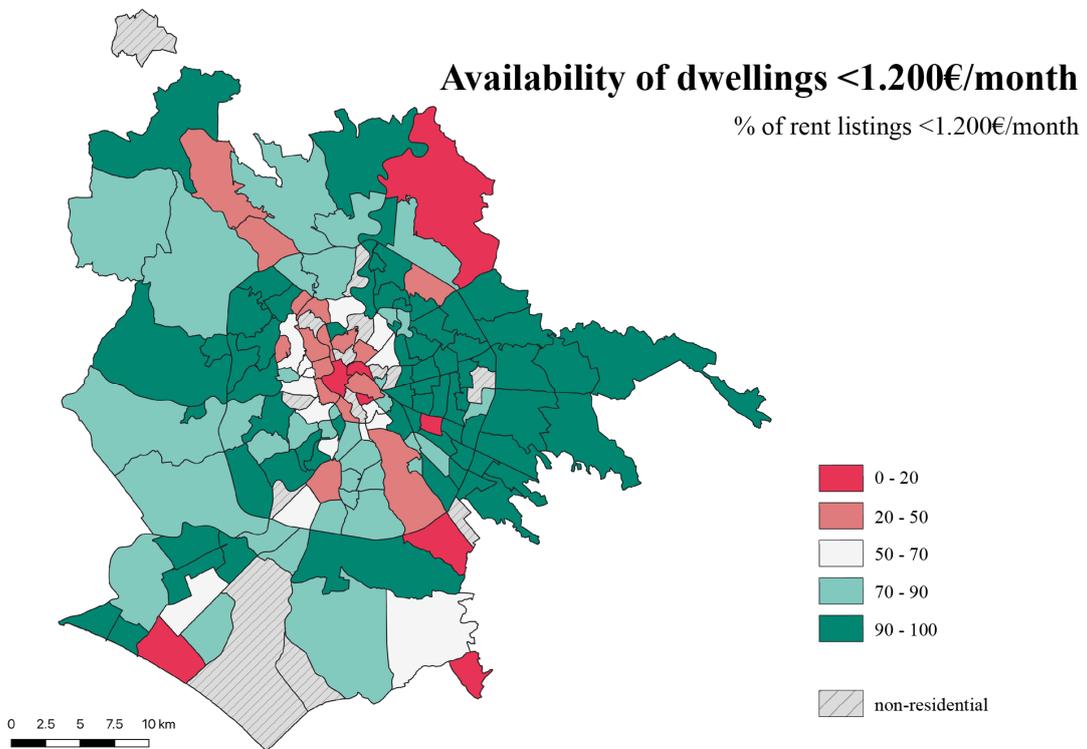


Figure 20 – Availability of dwellings for rent for 1200€/month or less – Source: author's elaboration

Judging by these maps, the rental sector seems to be better in terms of availability of dwellings for lower-middle incomes. Spatially speaking, rental listings are concentrated in central areas, whereas the more affordable rents are found in peripheral ones (Fig. 16). However, it is fundamental to note that the overall number of rental listings is very low – significantly lower than sale listings (14.000 against 65.000) – and there are more dwellings for sale than for rent in almost any given area of Rome (Fig. 21). Thus, the actual number of affordable rents is rather low, probably too low to accommodate all demand.

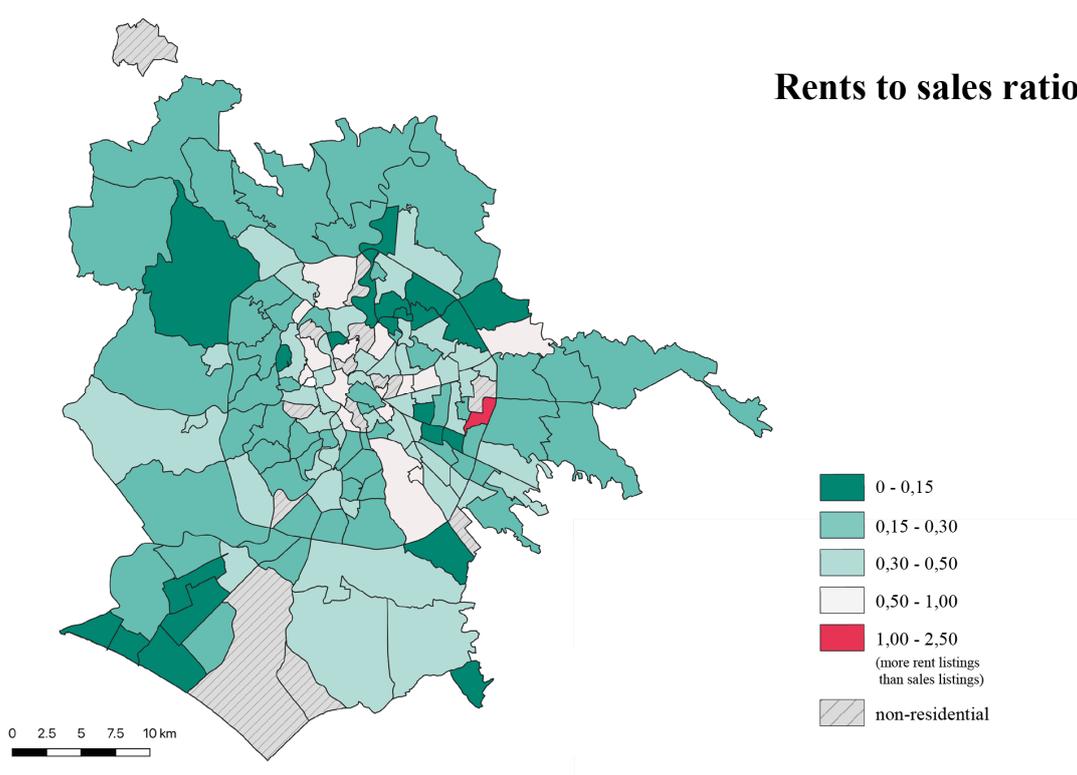


Figure 21 – Ratio of rental listings to sale listings – Source: author's elaboration

Additionally, what is affordable in terms of price is very often not adequate in terms of size. Indeed, the mismatch between household and dwelling size in the rental sector is much greater than in owner-occupation. In the second income quintile almost 64% of families have 3 or more members, but only 0,35% of rental dwellings under 500 €/month are above 70m² (Fig. 22). The situation improves only slightly when looking at the 800€ threshold, where around 16% of the dwellings are bigger than 70m² (Fig. 23).

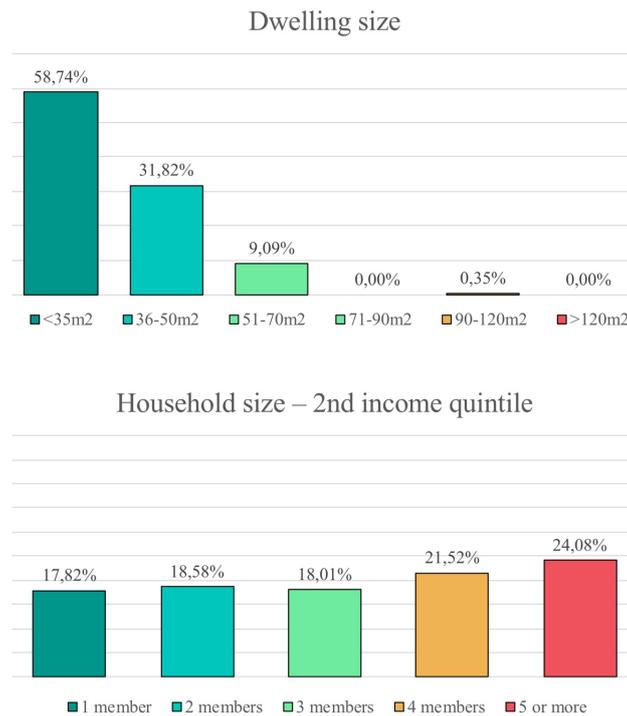


Figure 22 – Size mismatch between dwellings below 500€/month and households in the second income quintile – Source: author’s elaboration of own data and ISTAT data on income quintiles

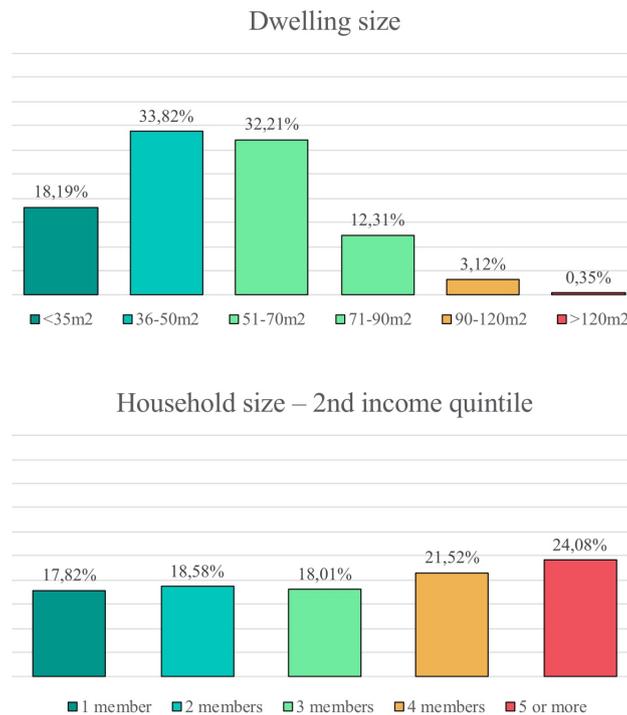


Figure 23 – Size mismatch between dwellings below 800€/month and households in the second income quintile²¹
 – Source: author’s elaboration of own data and ISTAT data on income quintiles

7. Reference households navigating the Roman housing market

After having mapped general price thresholds and identified a size mismatch, this section explores the listings database to a finer level of detail, providing insight into the features of the Roman housing stock. This is done by telling realistic stories of four hypothetical households looking for housing in Rome, two in the rental sector and two in the owner-occupied sector. The characteristics of the reference households are summarized in Table 4, and the situation of each household is illustrated and commented in detail through maps. By building exemplary narratives this experiment allows to visually analyse the linkage between incomes, house prices and location quality in a relatable way.

Table 4 – Reference households – Source: author’s elaboration [next page]

²¹ Generally rental households have lower incomes than owner-occupiers. 800 €/month here is still considered a low threshold, thus the second income quintile is used for the comparison. The third income quintile would be matching with rents above 1000 €/month.

	Reference Household 1		Reference Household 2		Reference Household 3		Reference Household 4	
age	Claudia 28	Marco 29	Tiziana 44	Filippo 48	Flavia 26	Razia 30	Rashid 43	
children	no	no	Paolo, 10y; Sara, 13y	no	Giacomo, 2y	Nasir, 2y; Selima, 3y; Deepak, 5y	Taslima, Razia's mother, 54y	
other family members	no	no	no	no	no	no	no	
job	consultant	freelance architect	daycare manager	traffic warden	store clerk	dry cleaner	store clerk	
net monthly salary	1.323,65	1.199,55	1.561,96	1.453,75	1.230,08	770,00	1.474,22	
net household monthly income*	2.523,21	2.523,21	3.015,71	3.015,71	1.630,08**	2.244,22	2.244,22	
net household yearly income	32.801,70	32.801,70	39.204,25	39.204,25	15.991,04	29.174,90	29.174,90	
level of non/housing consumption	MODEST to MODERATE budget	MODEST to MODERATE budget	MODEST budget	MODEST budget	MINIMUM to LOW budget	MINIMUM budget	MINIMUM budget	
maximum housing expenditure	1.045,20	1.045,20	836,99	836,99	703,58	449,56	449,56	
available capital	37.000,00	37.000,00	120.000,00	120.000,00	-	-	-	
affordable rent range	-	-	-	-	400 to 650	<450	<450	
affordable house price range	120.000 to 180.000	120.000 to 180.000	220.000 to 270.000	220.000 to 270.000	-	-	-	
housing preferences - dwelling	2 bedrooms, living room with open kitchen, 1 bathroom, balcony, high floor, no major renovations	2 bedrooms, living room with open kitchen, 1 bathroom, balcony, high floor, no major renovations	3 bedrooms, living room, separate kitchen, 2 bathrooms, balcony or terrace, yes major renovations	3 bedrooms, living room, separate kitchen, 2 bathrooms, balcony or terrace, yes major renovations	2 bedrooms, living room with open kitchen, 1 bathroom	2 bedrooms, living room with kitchen, 1 bathroom	2 bedrooms, living room with kitchen, 1 bathroom	
housing preferences - location	semi-central neighbourhoods (Montesacro, Trieste, Piazza Bologna, Appio Latino, Appio Tuscolano), close to his parents	semi-central neighbourhoods (Montesacro, Trieste, Piazza Bologna, Appio Latino, Appio Tuscolano), close to his parents	Appio Latino, Appio Tuscolano	Appio Latino, Appio Tuscolano	Centocelle, Prenestino, Alessandrino, Pigneto, Quarticciolo, close to parents	Tor Sapienza, walking distance to grocery store	Tor Sapienza, walking distance to grocery store	
housing preferences - services	metro line (A or B), urban feeling, high density of shops and activities	metro line (A or B), urban feeling, high density of shops and activities	public transport, good schools, large green areas	public transport, good schools, large green areas	tram line or C metro line	no preferences	no preferences	

*calculated as net yearly income/13 months, see methodology section

**per ex partner pays €400 for child support

Although in no way claiming to be representative, the reference households have been chosen as exemplary of common situations, and their narratives powerfully illustrate basic patterns of exclusion from the housing market, for both tenures. It is important to note that the households used as a reference in this study are not the ‘worst case scenarios’; all of them can rely on double incomes and all individuals have a full-time job. This was an intentional choice, in order to highlight how even average incomes are no longer sufficient to successfully find or retain an adequate dwelling on the private housing market in Rome. The situation is likely much worse for families with only one wage earner, for those with unemployed members or facing health related issues²².

7.1 Owner-occupied sector

7.1.1 Claudia and Marco, young couple without children

The first reference household is a young childless couple, Claudia and Marco, currently renting and looking to make their first move into the homeownership market. They are in their late twenties, approaching thirty, and have an unstable working situation, as she has a renewable temporary contract as a consultant in the insurance sector, while he works as a freelance architect. However, their combined net monthly income is 2500€, relatively high for their age, and if they decide to live on a modest to moderate budget, they can spend between 700€ and 1.000€ on housing. This is one of the reasons why they have decided that they are tired of “wasting money” on rent and want to buy a property to make it their own home for the future.

They would like to buy a two-bedroom apartment, with a living room with an open kitchen, a bathroom and a balcony. It should preferably be on an upper floor and not in need of any major renovations. Location wise, they would like to stay in one of the semi-central areas where they have been renting over the years, because they enjoy the higher density of activities, services, people and buildings, as well as being close to public transport, preferably a metro line, as they do not own a car. They would also like to live close to Marco’s parents, who are in the Trieste neighbourhood, in order to be able to provide future mutual help with childcare and care in old age. Their ideal neighbourhoods would be Montesacro, Trieste, Piazza Bologna, Appio Tuscolano and Appio Latino.

With regard to financing their house purchase, they are planning to take out a mortgage, although the sum that they can afford to put down as a deposit is not very large because they have limited personal savings (10.000€), since they are young and have only started working a few years ago. Moreover, the family help they can rely on is also modest. Only Marco’s parents and grandparents can offer financial transfers to help with the house purchase (20.000€ from his parents, 5.000€ from his grandparents). Claudia comes from a region in the South, and her family has already spent a considerable amount of money financing tuition and housing expenses for two daughters going to university in Rome, far away from their hometown. Thus, her

²² This is testified, in Rome, by the presence of many such households in squats, camps, municipal shelters and emergency accommodation (Grazioli & Caciagli, 2018).

parents are unable to provide any financial help towards the mortgage down payment, although her grandmother has offered to pitch in with 2.000€.

Thanks to subsidies and other policy measures for first time homebuyers, the conditions for mortgage repayment tend to be well within their monthly housing budget, and they can even get a higher LTV ratio than usual, up to 80% of the property value. And their parents are acting as guarantors, so even the obstacle posed by their unstable working conditions could be overcome. However, not having enough savings and family help for a large down payment is what sets them back on the housing market. Indeed, with their salary and their monthly availability of money for housing expenses they could get a 25-year mortgage between 165.000€ and 180.000€. With this option, using 80% as an LTV ratio, they could aim for a property between 200.000€ and 225.000€. However, as also notary fees and other legal expenses need to be taken into account, this would mean an initial cash sum for the down payment between 45.000€ and 55.000€. The problem is that, as already outlined, they do not have this kind of money. With the combined effort between them and their families they only reach the total capital of 37.000€. Therefore, even with an LTV% of 80% the maximum value of the house they could actually afford based on the capital they already have would be between 170.000€ and 180.000€ (taking into account 10.000€ of notary and other real estate and legal fees). They have thus decided to settle for a middle ground and look for houses between 120.000€ and 180.000€ in order to have more choice.

However, when mapping their price range and housing preferences (Fig. 24) it becomes clear that their desire to become homeowners will be somehow frustrated. Indeed, their preferred search area – mostly located in the third belt, the historical periphery – is largely off-limits, with only less than 5% of listings there matching their preferences. But even areas further away within the ring road are not affordable, except for the far eastern periphery.

Observing the map, two intertwined trade-offs emerge: one between dwelling quality and location quality, and one between tenure and location quality. On one hand, if Claudia and Marco's objective was to purchase property as soon as possible, then they could only buy a two-bedroom apartment in the eastern periphery of the fourth belt, close to the ring road, where the quality of urban services and sociocultural amenities is not so high (see Urban Quality Index map in Figure 6) and the structure of the built environment is not so "urban", due to the low building and population density and to the presence of large areas dedicated to logistics and manufacturing. This would mean compromising on their preference for a more "urban feeling", on the proximity to shops, amenities and services, and on the proximity to Marco's parents, although the presence of the C Metro line would allow them to still live without a car. Should they choose to look even further and buy property in the fifth belt, outside the ring road, the compromises would only worsen, as also the public transport connection would disappear. Or they could compromise on their preferences in terms of dwelling characteristics: with one less bedroom and without balcony or upper floor restrictions they would have considerably more options, although still not in their preferred areas.

On the other hand, if they were willing to postpone their entry into homeownership and rent for a few more years they could, with their current budget, afford to live in more central areas of the historical periphery, including their preferred ones (see rental

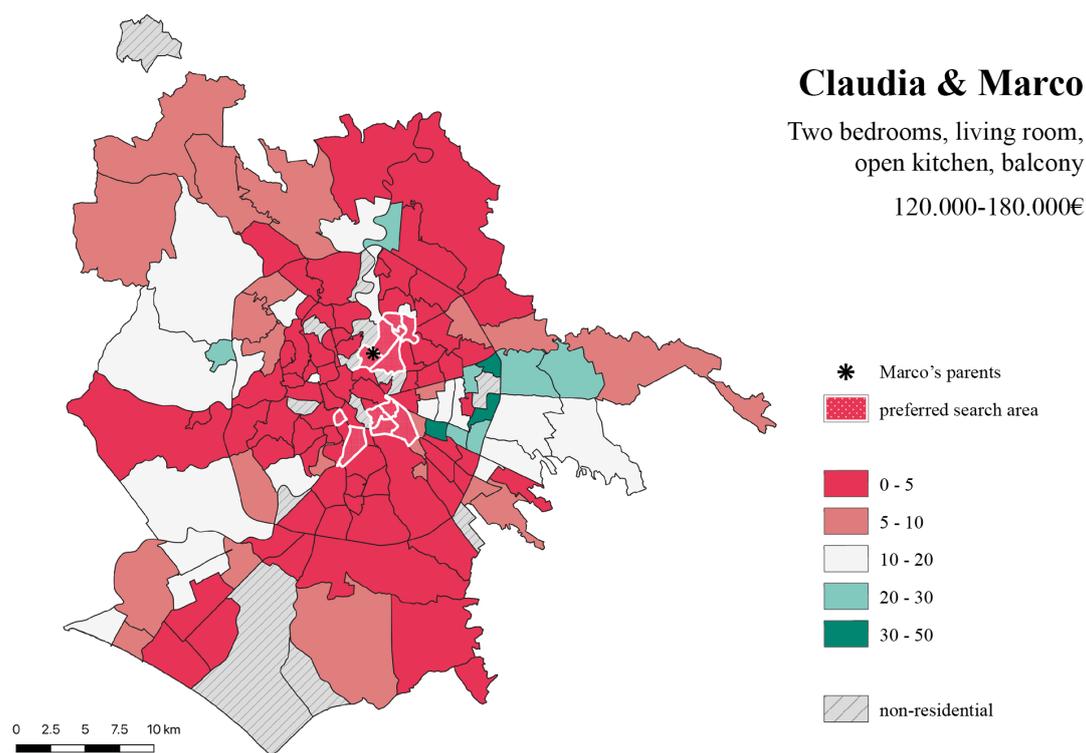


Figure 24 – Available dwellings matching Claudia & Marco's preferences – Source: author's elaboration

availability maps in Figure 19 and 20). This would also allow them to accumulate more savings for a future down payment, although it might mean missing out on the currently very low mortgage interest rates and the age-related policy measures for first time home buyers. It then becomes a question of whether location quality trumps the culturally induced desire for homeownership, or whether this desire is so great that they decide to settle for a smaller dwelling or a much worse location.

7.1.2 Tiziana and Filippo, couple with two children

The second reference household is a homeownership couple, Tiziana and Filippo, with two children, who are looking to move to a larger house. They are in their late forties and have a stable working situation, as she works as a manager in a child day-care and he is a traffic warden. However, despite being secure, their jobs do not provide a very high salary. Indeed, their combined net monthly income is 3.000€ and if they decide to live on a modest budget, they can spend a maximum of 800€ on housing.

They bought the apartment they currently live in about 15 years ago with a thirty-year mortgage, and it served them well until today, but it is getting too small. Indeed, the children – Paolo, a 10-year-old boy, and Sara, a 13-year-old girl – are currently sharing a room, but as they are getting older their parents would like them to have each their own room in order to have more privacy. Thus, the household is looking for a three-bedroom apartment with a living room and a separate kitchen, two bathrooms and at least a balcony, preferably a small terrace. Tiziana and Filippo would like to stay in the same area as they are now (Appio Latino neighbourhood,

between the A metro line and the Caffarella park), as it is close to her place of work and to the children's schools. However, they are willing to move a bit further if it means paying less to have the space they need, since the children are transitioning to a new school cycle (from primary to intermediate and from intermediate to secondary school) and would be changing school anyway. But if they do move to a different area, then they want it to be close to a big park, as they have lived for 15 years close to one of Rome's largest urban parks with their dog and they could not do without a large green area close by.

In terms of financing this move, the couple is planning to sell their current apartment and pay off the remaining mortgage. They would then use the leftover money, together with some of their savings, as a down payment for the new house and ask the bank for a small 15-year mortgage. This choice indirectly depends on some cultural and structural factors related to the Italian welfare and housing systems. Tiziana and Filippo have been paying a mortgage for 15 years already, and they wish to avoid paying high housing expenses well into their retirement age, as their pensions will not be very high. They also wish to pass on their home to their children, without any outstanding debt, which means that they cannot tap into their housing wealth to sustain their post retirement expenses. Thus, for this strategy to work, their mortgage needs to be paid off as early as possible.

The issue at this point is to see how much they will make by selling their current house and whether that is enough to warrant a successful upgrade in terms of house size. The Appio Latino area, where they live now, has a high level of urban quality (see Urban Quality Index map in Figure 6) and is also quite popular, but their apartment is in an old building with no elevator and has been only partially renovated when they bought it 15 years ago. It has been valued at 220.000€, which would allow them to pay off their current mortgage and still have around 90.000€ to spend to buy and potentially renovate the new place. To this sum, they are able to add 30.000€ from their savings, thus resulting in a 120.000€ potential down payment. However, due to the relatively short length of the mortgage, Tiziana and Filippo's age, and their monthly available housing budget, the amount of money they can borrow is not so high. Moreover, as banks in Rome are rather cautious with LTV ratios, they can only borrow 70% of the new house price, so they can only look for apartments in the range of 220.000€ and 270.000€ euros. With these conditions though, they can pay the monthly mortgage instalments and still afford a modest budget consumption on non-housing expenses. The issue then is not so much one of economic affordability, but rather one of trade-offs between size, location and quality of the new dwelling.

An important issue emerges when comparing Tiziana and Filippo's specific affordability map (Figure 25) with the general availability map for the highest price threshold (Fig. 13). When only price is mapped, 250.000€ seems like a threshold that would allow for a rather strong position on the Roman housing market, with enough freedom of choice. However, the moment other desired features are mapped as well, even a 220.000€-270.000€ price range becomes limiting. Indeed, Figure 25 shows how Tiziana and Filippo's preferred search area is completely out of their reach, with only less than 3% of the listings matching their preferences. They are experiencing a spatial lock-in, as they are unable to take the next step of their housing career in the same area where they were able to buy an apartment 15 years ago.

Additionally, it needs to be noted that there is very little offer matching their budget and dwelling requirements throughout the whole city, as the percentage of available dwellings does not go above 22% in any area. Even with a high degree of luck (indeed, availability is still only between 10% and 15%), there are very few areas where their housing needs could potentially be met. These are all in the outskirts, in the fourth and fifth belts, where UQI levels are extremely low (Figure 6). Moreover, the only one of these areas that also meets their desire to live close to a park is Bufalotta-Porta di Roma (highlighted with a star on the map), which is one of the failed metropolitan hubs turned neglected periphery²³. Thus, the dilemma is whether to live in a too small dwelling in a very convenient location or move to a more spacious dwelling and give up all proximity to amenities, schools and other public services, as well as factoring in long driving times for daily work commute. A potential way out would be to invest their savings in a renovation of their current apartment that could improve the privacy level for their children.

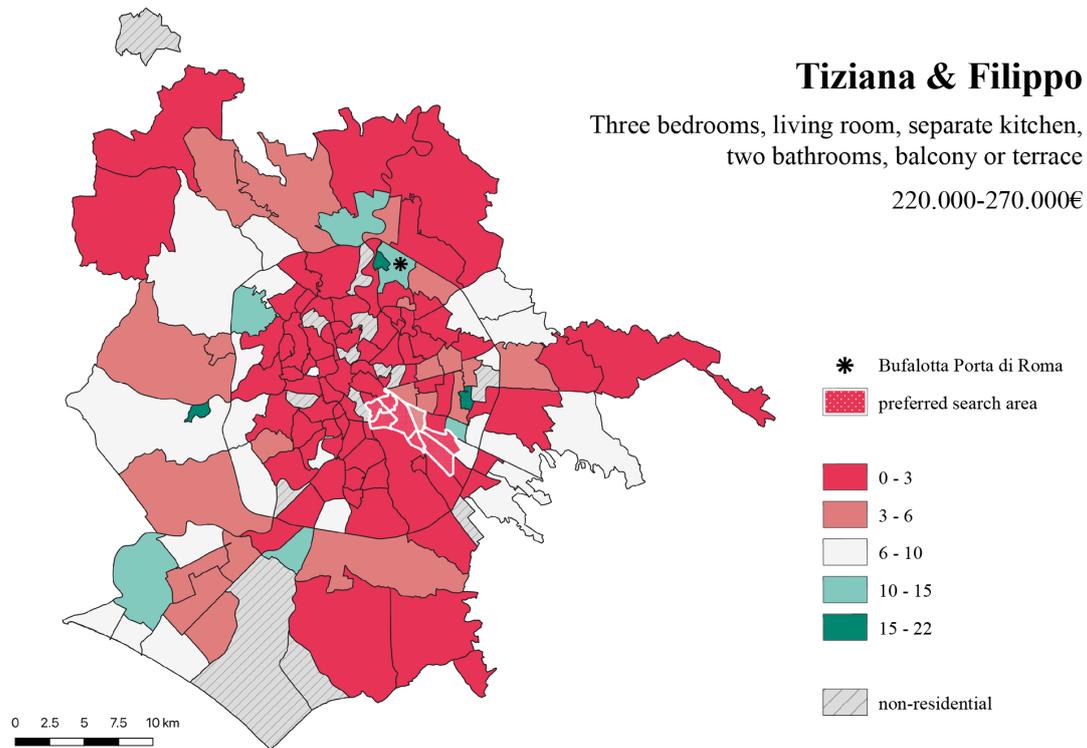


Figure 25 – Available dwellings matching Tiziana & Filippo's preferences – Source: author's elaboration

²³ Porta di Roma is very well captured by the already cited photographic project of Luca Dammicco (see footnote 19).

7.2 Rental sector

7.2.1 Flavia, single mother with a child

The third reference household is a single mother, Flavia, with a two-year old child, Giacomo. She has recently left her partner, temporarily moved back to her parent's place and is now looking for a flat to rent. She used to live in her partner's house in one of Rome's neighbouring municipalities but, since they were not married and he is the owner of the house, when they separated, she and little Giacomo had to move out. She works as a store clerk for a shipping agency and her net monthly income is slightly above 1.200€. Her partner pays a child support of about 400€ per month, however, she has to rely only on her own salary to cover housing costs and everything else. If she keeps her non-housing expenses between the low and minimum budget standards, she can afford to spend between 500€ and 700€ on housing, although she would like to keep the rent as low as possible, as she does not want to ask her parents for even more help.

Ideally, Flavia would like to rent an apartment in the eastern neighbourhood of Centocelle, where her parents live, in order for them to be able to help her with childcare without too much effort. However, she knows that the housing market is now very active in the area, so she is aware that it might be difficult. She does not own a car and, while she can borrow her parents' one for extraordinary cases, she needs to live close to public transportation for her everyday commute to work. She works in Belt 3, thus her best option to keep both work and family within easy reach is to find a place along the tramline or the C Metro line. The optimal apartment would have two small bedrooms, a living room with an open kitchen and a bathroom. She does not have preferences with regard to balconies or other amenities, because she knows that it is difficult enough to have two separate rooms for her and her child within her affordable price range.

Indeed, when limiting the search to the size and number of bedrooms, without specifying any further requirement, Flavia's possibilities to find a suitable dwelling in her preferred area are relatively good (Figure 26). Although in the area where her parents live there is only between 10% and 20% of matching dwellings, the more peripheral neighbouring areas show much higher rates, while still allowing decent access to public transport.

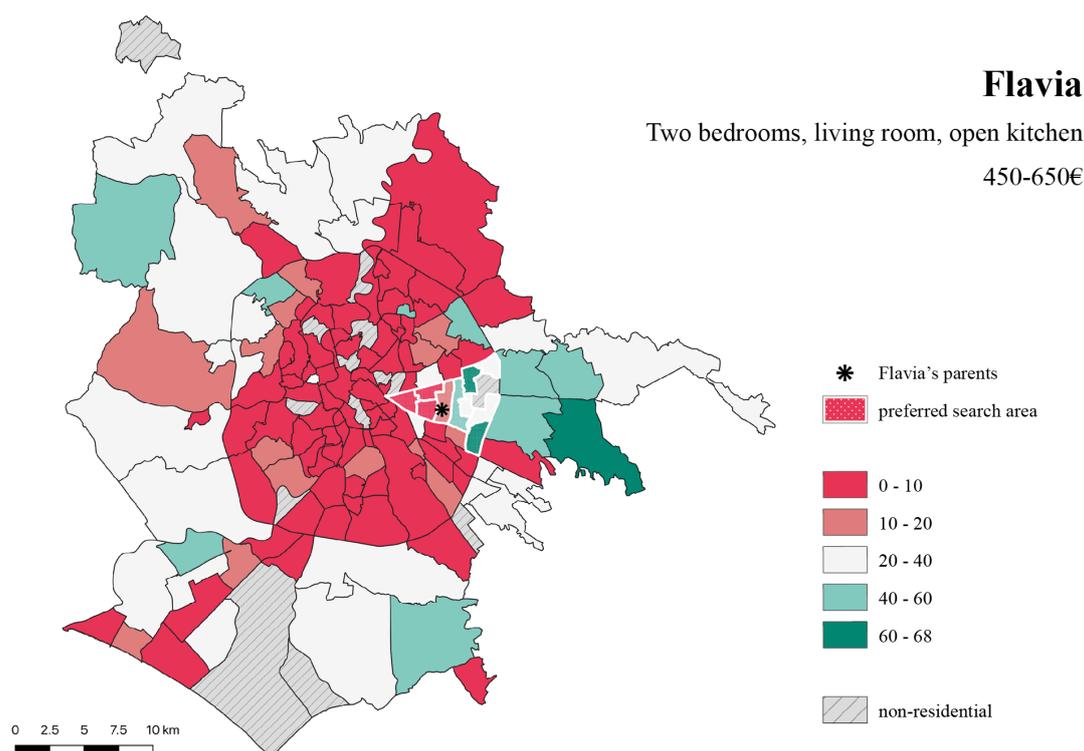


Figure 26 – Available dwellings matching Flavia's preferences – Source: author's elaboration

7.2.2 Razia and Rashid, large immigrant family

The final reference household is a large immigrant family from Bangladesh. Razia and Rashid live in the eastern periphery of Rome with their three small children (2, 3 and 5 years old) and Razia's mother. Rashid is in his early forties and has been working in his cousin's grocery store for more than two years. The store is doing very well and Rashid's cousin has made him a partner in the business, so his salary has increased, along with his responsibilities. After her second child Razia has also started working, and she now has a temporary full-time contract at a dry cleaner close to her husband's grocery store. Her mother, Taslima, takes care of the home and the children.

They are currently living in a very small basement apartment, where Razia and Rashid share a bedroom with their two younger children and Taslima sleeps in the living room together with the older boy. Now that he has become a partner in the business, Rashid feels like it is time for his family to move to a better place. They are looking for a two-bedroom apartment, so that the children will share one room. While Taslima will still sleep in the living room, this solution would allow everyone to have more privacy. They would like to stay in the same neighbourhood where they live now, Tor Sapienza, as they have made valuable social connections. Moreover, they cannot afford to pay for public transport passes and, as Rashid works very long hours, they want to remain within walking or cycling distance of the grocery store.

Despite doing very well after only a few years of being in Italy, their income is still low, especially compared to the number of people in their household. Indeed, their combined net income is 2.240€, mostly thanks to tax deductions for dependent

children and other relatives, and, living already on the cusp of poverty they cannot afford to pay more than 450€ for rent.

Their preferred search area is already in one of the most neglected peripheral areas within the ring road. Nonetheless, as the map shows (Figure 27), their chances of finding a better, more suitable dwelling (although still overcrowded in terms of adequacy standards) in the same area where they live now are very low. Razia and Rashid's affordability map paints a very clear picture of the issue of mismatch between household size and dwelling size that affects large households in the lower income brackets. Interestingly, the fact that they are doing comparatively well on the labour market might actually be setting them back with regard to housing. Indeed, their income is too high to qualify for public housing, but in these conditions their vital need for space and privacy might never be met on the private rental market.

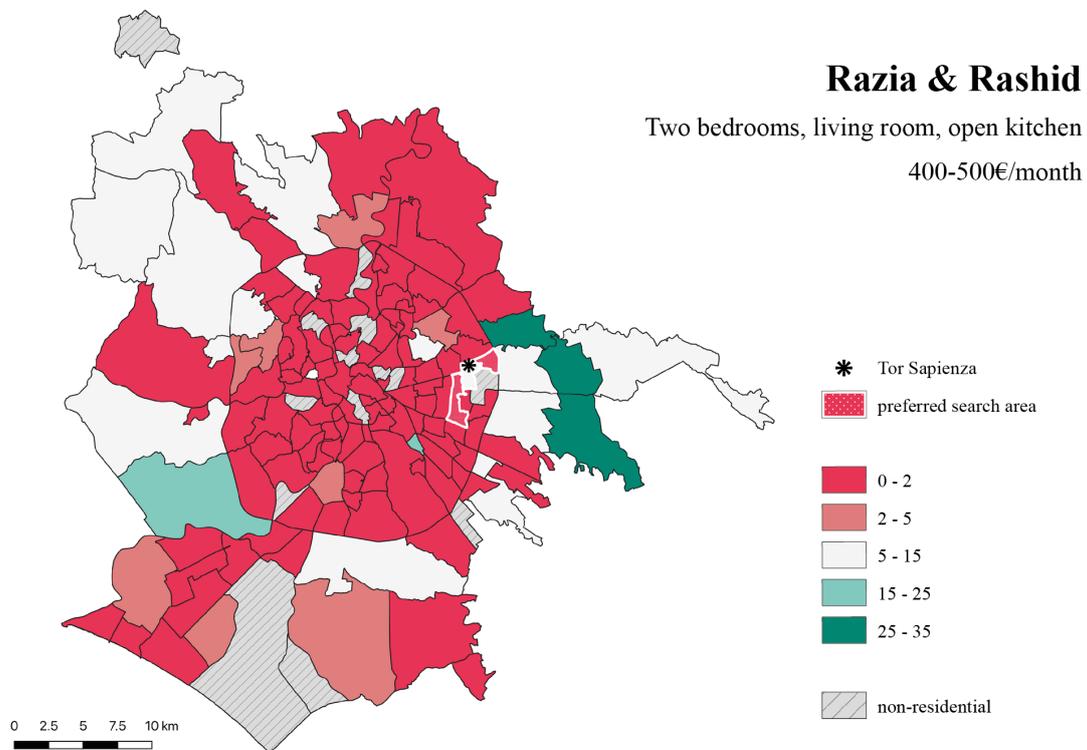


Figure 27 – Available dwellings matching Razia & Rashid's preferences – Source: author's elaboration

8. Understanding affordability for the grey area

This study set out with the aim of gaining a deeper understanding of the opportunities afforded to lower-middle income households in the private housing market of Rome. The picture that emerges from the analysis of the data is one of housing choices being severely limited for a large portion of Roman households. As price per se already is an appreciation of the quality of the location and the dwelling characteristics, it is not surprising that the results of the spatial analysis mirror the centre-periphery divide in terms of urban quality. What is striking however, is that even the peripheral areas are becoming out of reach for households with incomes close to or higher than the national average.

The housing exclusion patterns that emerge differ according to tenure. The offer of dwellings for sale is considerable, but it is largely out of reach for the lower-middle income group. Indeed, despite it being the most desirable tenure – as well as a life milestone – homeownership is becoming more and more elusive for many groups, especially young adults. Even when monthly affordability is not a problem, young adults aiming at owner-occupation still have to overcome the obstacle of access to credit. Without a permanent contract and considerable capital, their credentials are not good enough to obtain a mortgage, despite average incomes. Moreover, if they are not backed-up by family resources, their savings are often not sufficient to cover the large down payments necessary to purchase property, especially in the restrictive lending conditions of the Lazio region.

Although more evident for younger generations, the affordability of owner-occupation is not a generational issue, but a structural one. What this analysis decisively shows is that buying a house is actually problematic for many other households, even ones with good economic resources and that already own property. Generally speaking, being an “insider” in the housing market no longer seems to provide enough advantage to progress on the housing ladder. In this respect, the issue in Rome is mostly one of adequacy and it clearly points to spatial aspects. If moving to a larger, or in any way more suitable, dwelling is impossible within one’s budget, spatial lock-ins and large trade-offs in crucial aspects limit households’ choices and curb residential mobility.

If we overlap the price maps with the UQI map, we can see that only low density, underserved and remote peripheries (east and south east within the ring road, anywhere beyond the ring road) fall within the budget of lower-middle income households wanting to buy a dwelling. This severely impacts on their quality of life in terms of commuting time and neighbourhood safety, and on their access to all sorts of city resources.

Although at a first glance it may appear the rental market is faring better in terms of affordability, this tenure presents different problems and risks. The supply is scarce and spatially concentrated in central areas, where rents are more expensive, often reflecting buying-for-investment and rent extraction practices. Thus, rental supply is not nearly sufficient to cater for the growing demand from the lower and lower-middle income segments, and the mismatch between the size of available dwellings and that of households is of particular relevance for this tenure. Additionally, two issues need to be addressed that are not visible from the maps. On one hand, the actual physical

conditions of the affordable dwellings need to be considered. Physical quality in terms of maintenance and adequacy of installations and fixtures is often much lower in rental dwellings than in owner-occupation, especially for units that have a low price. On the other hand, we cannot know whether the advertised listings will be followed by a regular registered contract or not, thus the issue of security of tenure cannot be overlooked. Indeed, it is often the case that black-market rentals are lower in price because they offer no rights or legal protections for tenants, while warranting tax-free income for landlords. Being so low, black market rents are very attractive for economically vulnerable households, who then find themselves in the difficult position of having no security or protections and, even in the case of rent raises, inadequate physical conditions, or abuse, are less likely to report this to the authorities, because of lack of alternative viable options (Chisholm et al., 2018).

Issues of physical quality of dwellings and security of tenure are extremely consequential for large households – especially immigrant ones, which are more economically vulnerable and more likely to be exploited by landlords. Similarly, affordability is especially problematic for large families, as even compromising on dwelling adequacy and living on a minimum budget does not guarantee being able to find an affordable accommodation. Finally, it needs to be said that in the case of households with extremely limited budgets house search often happens via informal channels, as this route might lead to more successful outcomes than official agencies or online portals. Finding accommodation through word of mouth and social connections can potentially allow to overcome strict income requirements or other issues, but it can also mean black rentals and less rights and protections.

Clearly, the most vulnerable households are still largely at a disadvantage in the rental sector, as they are overly represented and bear the brunt of insecure tenure and poor dwelling conditions. However, the lower-middle income households trying to find alternatives to homeownership on the rental market also see their options extremely limited. The existing lack of supply is further enhanced by the emergence of short-term rentals, which are more profitable, so the window of well-located and well-maintained dwellings for long term rent is narrowing down.

With regard to more general housing market dynamics a number of processes could be at play to explain low transactions in a context of decreasing prices, ranging from stagnating incomes and low capacity for saving and investment, to mistrust of banks and fear of worsening economic conditions. The results of this analysis show that the mismatch between supply and demand could also be playing a role in keeping transactions low: at least for the lower-middle income segment what is on the market often does not match the needs of households.

The decrease and the prolonged stagnation of incomes is certainly among the factors pushing the housing exclusion of lower-middle income households in a context of decreasing prices and transactions. Still, it is not the only one. Indeed, the decrease in house prices and rents of the last decade should have lowered the access threshold to the housing market in Rome, and affordability should not have worsened. However, this analysis confirms with empirical data that this is clearly not the case. Further reasons are undoubtedly to be found in urban rather than housing market features. Indeed, real estate and house price dynamics are deeply linked to processes of rent extraction and gentrification, which have weakened the opportunities of these households in previously affordable areas. Especially when it comes to the rental

sector, the touristification of the city and the profitability of short-term rentals should be taken into account as important factors shaping availability and affordability. These dynamics – often pushed by local and national governments – are part of a larger financialization process that is changing landscapes of housing access and exclusion across urban areas. In different Roman neighbourhoods the house price and rent dynamics affecting lower-middle income households can be both a cause or a consequence of gentrification and displacement, depending on whether the processes are at their initial or final stage.

These interesting dynamics need further exploration. A possible avenue for future research in this respect would be to extend the type of analysis carried out in this study and make it longitudinal, by spatializing both future and past price and rent developments (at least over the last decade). Additionally, it would be necessary to move past the qualitative profiling of lower-middle income households and have a more accurate quantification and characterization of the grey area of demand. These two steps would allow to spatially link housing market dynamics with demographic and income dynamics, and potentially reflect on some of the reasons behind the Roman affordability crisis. Moreover, it would be interesting to further broaden the analysis to other large cities, both Italian and non-Italian, and to explore the links with the increasing financialization of global (housing) markets, as more structural explanations for the Roman situation could partly be found there.

In conclusion, the present work calls for a broader discussion of how we judge the adequacy of affordable housing, especially with respect to location and access to services and amenities. The study illustrates that, regardless of tenure, lower-middle income households are being priced out of Rome, further and further away from even semi-central areas. Many of these grey area households are young – theoretically the most active and productive segment of population in the socio-economic life of the city. When evaluating urban affordability, it needs to be considered how the expulsion of these groups from the consolidated city not only has a considerable impact on their private lives and choices, but – perhaps more worryingly – it also has significant implications for the city's socio-economic wellbeing.

References

- Andrew, M., Larceneux, F. (2019). The role of emotion in a housing purchase: An empirical analysis of the anatomy of satisfaction from off-plan apartment purchases in France. *Environment and Planning A: Economy and Space*, 51(6), 1370–1388. <https://doi.org/10.1177/0308518X18817539>
- Annunziata, S. (2014). Gentrification and public policies in Italy. In Calafati, A. G. (Ed.), *The changing Italian cities: Emerging imbalances and conflicts*. L'Aquila: Gran Sasso Science Institute.
- Annunziata, S. (2018). Pratiche e discorsi anti-sfratto a Roma in clima di austerità. In Coppola, A., Punziano, G. (Eds.), *Roma in Transizione. Governo, strategie, metabolismi e quadri di vita di una metropoli*. Roma: Planum Publisher.
- Annunziata, S., Lees, L. (2016). Resisting 'Austerity Gentrification' and Displacement in Southern Europe. *Sociological Research Online*, 21(3), 148–155. <https://doi.org/10.5153/sro.4033>
- Aureli, E., Baldazzi, B. (1998). Households and Territory. The Location of the Population of Rome in Relation to Housing Supply Characteristics. *Social Indicators Research*, 44(22).
- Baioni, M. (2018) Le compensazioni a Roma: da espediente a ipoteca sul futuro. In Coppola, A., Punziano, G. (Eds.), *Roma in Transizione. Governo, strategie, metabolismi e quadri di vita di una metropoli*. Roma: Planum Publisher.
- Baldini, M., Poggio, T. (2012). Housing Policy Towards the Rental Sector in Italy: A Distributive Assessment. *Housing Studies*, 27(5), 563–581. <https://doi.org/10.1080/02673037.2012.697549>
- Baldini, M., Poggio, T. (2014). The Italian housing system and the global financial crisis. *Journal of Housing and the Built Environment*, 29(2), 317–334. <https://doi.org/10.1007/s10901-013-9389-7>
- Benassi D., Cavalca G. (2010). L'accesso alla casa: comparazione tra aree urbane e mutamento Intergenerazionale, *Terza conferenza annuale Espanet Italia*, "Senza Welfare? Federalismo e diritti di cittadinanza nel modello mediterraneo", Napoli, 30 Settembre/2 Ottobre.
- Bernstein, J., Brocht, C., Spade-Aguilar, M. (2000). *How much is enough? Basic family budgets for working families*. Economic Policy Institute.
- Bertolini, S., Filandri, M. (2015). Lavoro, casa e famiglia: Le strategie formali e informali dei giovani adulti nel Sud Europa. *Sociologia del Lavoro*, 139, 13–28. <https://doi.org/10.3280/SL2015-139002>
- Bianchi, R. (2017). *Residential tenancies and housing policy in Italy*. Pisa: Pisa University Press.
- Boelhouwer, P. (2011). Neo-classical Economic Theory on Housing Markets and Behavioural Sciences: Ally or Opponent? *Housing, Theory and Society*, 28(3), 276–280. <https://doi.org/10.1080/14036096.2011.599173>

- Bogdon, A., Can, A. (1997). Indicators of local housing affordability: Comparative and spatial approaches. *Real Estate Economics*, 25(1), 43–80.
- Bradshaw, J. (1993). *Budget standards for the United Kingdom*. Avebury.
- Bramley, G. (1990). Access, affordability and housing need. Paper presented at ESRC Housing Studies Conference, University of Surrey, Sept 1990. Mimeo, SAUS: University of Bristol.
- Bramley, G. (2012). Affordability, poverty and housing need: Triangulating measures and standards. *Journal of Housing and the Built Environment*, 27(2), 133–151. <https://doi.org/10.1007/s10901-011-9255-4>
- Bronzini, M. (2014). *Nuove forme dell'abitare: L'housing sociale in Italia*. Roma: Carocci editore.
- Burke, T., Stone, M., Ralston, L. (2011). *The residual income method: A new lens on housing affordability and market behaviour*. Australian Housing and Urban Research Institute. <http://www.ahuri.edu.au>
- Busti, M. (2018). L'urbanistica delle centralità a Roma tra retorica, strategia e prassi. In Coppola, A., Punziano, G. (Eds.), *Roma in Transizione. Governo, strategie, metabolismi e quadri di vita di una metropoli*. Roma: Planum Publisher.
- Caruso, N. (2017). *Policies and Practices in Italian Welfare Housing*. Springer International Publishing. <https://doi.org/10.1007/978-3-319-41890-2>
- Celata, F. (2017). La “Airbnbificazione” delle città: Gli effetti a Roma tra centro e periferia. *La Sapienza Working Papers*, 18.
- Cellamare, C. (2014). Ways of Living in the Market City: Bufalotta and the Porta di Roma Shopping Center. In I. Clough-Marinaro & B. Thomassen (Eds.), *Global Rome: Changing Faces of the Eternal City*. Bloomington: Indiana University Press.
- Cellamare, C. (2016). Cos'è successo a Roma? Metamorfosi dell'abitare nel territorio post-metropolitano romano. *TERRITORIO*, (76), 59–67. <https://doi.org/10.3280/TR2016-076008>
- CGIL, & Sunia. (2013). *Affitti studenti: Cari, senza regole, tutele e benefici fiscali*.
- Chan, S. (2001). Spatial Lock-in: Do Falling House Prices Constrain Residential Mobility? *Journal of Urban Economics*, 49(3), 567–586. <https://doi.org/10.1006/juec.2000.2205>
- Chen, C., Lin, H. (2012). How Far Do People Search for Housing? Analyzing the Roles of Housing Supply, Intra-household Dynamics, and the Use of Information Channels. *Housing Studies*, 27(7), 898–914. <https://doi.org/10.1080/02673037.2012.725827>
- Chisholm, E., Howden-Chapman, P., Fougere, G. (2018). Tenants' Responses to Substandard Housing: Hidden and Invisible Power and the Failure of Rental Housing Regulation. *Housing, Theory and Society*, 37(2), 139–161. <https://doi.org/10.1080/14036096.2018.1538019>

- Chung, C. C., Leventis, A. V., Doerner, W. M., Roderer, D., Barba, M. (2018). *A New Home Affordability Estimate: What Share of Housing Stock Can Families Afford?* Federal Housing Finance Agency.
- Clark, W. A. V., Davies Withers, S. (2007). Family migration and mobility sequences in the United States: Spatial mobility in the context of the life course. *Demographic Research*, 17, 591–622. <https://doi.org/10.4054/DemRes.2007.17.20>
- Clark, W. A. V., Drever, A. I. (2000). Residential Mobility in a Constrained Housing Market: Implications for Ethnic Populations in Germany. *Environment and Planning A: Economy and Space*, 32(5), 833–846. <https://doi.org/10.1068/a3222>
- Collins, M., Mac Mahon, B., Weld, G., Thornton, R. (2011). *A minimum income standard for Ireland. Consensual budget standards study examining household types across the lifecycle*. Dublin: The Policy Institute Studies in Public Policy.
- Coppola, A., Punziano, G. (Eds.). (2018). *Roma in Transizione. Governo, strategie, metabolismi e quadri di vita di una metropoli*. Roma: Planum Publisher.
- Coulter, R., van Ham, M. (2013). Following People Through Time: An Analysis of Individual Residential Mobility Biographies. *Housing Studies*, 28(7), 1037–1055. <https://doi.org/10.1080/02673037.2013.783903>
- CRESME (2012). Mercato immobiliare residenziale e dinamiche insediative nell'area metropolitana romana. Ricerca in collaborazione con ANCE e Camera di Commercio di Roma.
- Cucca, R., Gaeta, L. (2016). *Ritornare all'affitto: Evidenze analitiche e politiche pubbliche*. Position paper discusso nell'ambito del Progetto Farb-ForRent, DASTU, Politecnico di Milano.
- Cutter, S. L., Burton, C. G., Emrich, C. T. (2010). Disaster Resilience Indicators for Benchmarking Baseline Conditions. *Journal of Homeland Security and Emergency Management*, 7(1). <https://doi.org/10.2202/1547-7355.1732>
- D'Albergo, E., De Leo, D. (2018). *Politiche urbane per Roma. Le sfide di una Capitale debole*. Roma: Sapienza Università Editrice.
- D'Albergo, E., Moini, G. (Eds.). (2015). *Il regime dell'Urbe: Politica, economia e potere a Roma*. Roma: Carocci editore.
- Davis, A., Hirsch, D., Smith, N., Beckhelling, J., Padley, M. (2012). *A minimum income standard for the UK. Keeping up in hard times*.
- De Muro, P., Monni, S., Tridico, P. (2011). Knowledge-Based Economy and Social Exclusion: Shadow and Light in the Roman Socio-Economic Model: Knowledge-based economy and social exclusion in Rome. *International Journal of Urban and Regional Research*, 35(6), 1212–1238. <https://doi.org/10.1111/j.1468-2427.2010.00993.x>
- De Muro, P., Monni, S., Tridico, P. (2012). L'evoluzione del modello socio-economico romano tra retorica e realtà. In F. Pompeo (Ed.), *Paesaggi*

dell'esclusione: Politiche degli spazi, re-indigenizzazione e altre malattie del territorio romano. UTET.

- Dunning, R. J. (2017). Competing Notions of Search for Home: Behavioural Economics and Housing Markets. *Housing, Theory and Society*, 34(1), 21–37. <https://doi.org/10.1080/14036096.2016.1190784>
- Dunning, R. J., Grayson, A. (2014). Homebuyers and the representation of spatial markets by information providers. *International Journal of Housing Markets and Analysis*, 7(3), 292–306. <https://doi.org/10.1108/IJHMA-07-2013-0045>
- Eggers, F., Moumen, F. (2013). American housing survey. A Measure of (Poor) Housing Quality. *US Department of Housing and Urban Development Working Paper*. https://www.huduser.gov/publications/pdf/AHS_hsg.pdf
- Ferreri, M., Dawson, G., Vasudevan, A. (2017). Living precariously: Property guardianship and the flexible city. *Transactions of the Institute of British Geographers*, 42(2), 246–259. <https://doi.org/10.1111/tran.12162>
- Filandri, M. (2015). *Proprietari a tutti i costi: La disuguaglianza abitativa in Italia*. Roma: Carocci editore.
- Filandri, M. (2016). L'accesso al bene casa: Instabilità lavorativa e disagio abitativo in Italia. *Sociologia del lavoro*, 142, 115–129. <https://doi.org/10.3280/SL2016-142007>
- Fisher, L. M., Pollakowski, H. O., Zabel, J. (2009). Amenity-Based Housing Affordability Indexes. *Real Estate Economics*, 37(4), 705–746. <https://doi.org/10.1111/j.1540-6229.2009.00261.x>
- Gan, Q., Hill, R. J. (2009). Measuring housing affordability: Looking beyond the median. *Journal of Housing Economics*, 18(2), 115–125. <https://doi.org/10.1016/j.jhe.2009.04.003>
- Gentili M., Hoekstra, J. (forthcoming). Homeownership out of reach? Intergenerational transfers and homeownership reproduction in middle class families in Rome, Italy. *Cities*
- Goedemé, T., Penne, T., Hufkens, T., Karakitsios, A. (2017). What Does It Mean to Live on the Poverty Threshold? Lessons from Reference Budgets. *CSB Working Papers*, 17(07).
- Goedemé, T., Storms, B., Stockman, S., Penne, T., Van den Bosch, K. (2015). Towards Cross-Country Comparable Reference Budgets in Europe: First Results of a Concerted Effort. *European Journal of Social Security*, 17(1), 3–30. <https://doi.org/10.1177/138826271501700101>
- Grazioli, M., Caciagli, C. (2018). Resisting to the Neoliberal Urban Fabric: Housing Rights Movements and the Re-appropriation of the 'Right to the City' in Rome, Italy. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 29(4), 697–711. <https://doi.org/10.1007/s11266-018-9977-y>

- Haffner, M. E. A., Hulse, K. (2019). A fresh look at contemporary perspectives on urban housing affordability. *International Journal of Urban Sciences*. <https://doi.org/10.1080/12265934.2019.1687320>
- Haffner, M., Heylen, K. (2011). User Costs and Housing Expenses. Towards a more Comprehensive Approach to Affordability. *Housing Studies*, 26(04), 593–614. <https://doi.org/10.1080/02673037.2011.559754>
- Hancock, K. E. (1993). “Can pay? Won’t pay?” or Economic Principles of “Affordability.” *Urban Studies*, 30(1), 127–145.
- Herzfeld, M. (2009). *Evicted from eternity: The restructuring of modern Rome*. Chicago: University of Chicago Press.
- Heylen, K., Haffner, M. (2013). A ratio or budget benchmark for comparing affordability across countries? *Journal of Housing and the Built Environment*, 28(3), 547–565. <https://doi.org/10.1007/s10901-012-9325-2>
- Hoff, S., Van Gaalen, C., Soede, A. (2010). *The minimum agreed upon: Consensual budget standards for the Netherlands*. Netherlands Institute for Social Research.
- Hulchanski, J. D. (1995). The concept of housing affordability: Six contemporary uses of the housing expenditure-to-income ratio. *Housing Studies*, 10(4), 471–491. <https://doi.org/10.1080/02673039508720833>
- Hulse, K., Burke, T., Ralston, L., Stone, W. (2010). The benefits and risks of home ownership for low-moderate income households. *AHURI Final Report*, 154.
- Hunter, P. (2014). *Poverty in suburbia: A Smith Institute study into the growth of poverty in the suburbs of England and Wales*. London: Smith Institute.
- Ioannou, S., Wójcik, D. (2019). On financialization and its future. *Environment and Planning A: Economy and Space*, 51(1), 263–271. <https://doi.org/10.1177/0308518X18820912>
- Kemmetmüller, M., Leitner, K. (2009). The development of Reference Budgets in Austria. Paper presented at the 3rd ecdn General Assembly and Conference Reference Budgets for Social Inclusion, Vienna.
- Kim, A. M. (2016). The extreme primacy of location: Beijing’s underground rental housing market. *Cities*, 52, 148–158. <https://doi.org/10.1016/j.cities.2015.11.027>
- Kim, J. H., Pagliara, F., Preston, J. (2005). The Intention to Move and Residential Location Choice Behaviour. *Urban Studies*, 42(9), 1621–1636. <https://doi.org/10.1080/00420980500185611>
- Kneebone, E. (2014). *The growth and spread of concentrated poverty, 2000 to 2008–2012*. Washington, DC: Brookings Institution Press.
- Konsument Verket. (2009). *Estimated costs of living. The basis of decision making for reference budgets and budget advising in Sweden*. The Swedish Consumer Agency.

- Lehtinen, A.R., Varjonen, J., Rajjas, A., Aalto, K. (2011). *What is the cost of living? Reference budgets for a decent minimum standard of living in Finland* (Working Papers 132). National Consumer Research Centre.
- Lelo, K. (2015). Disuguaglianze socio-economiche e trasformazioni urbane nella Roma contemporanea (fine XX-inizi XXI secolo). *Roma Moderna e Contemporanea*, XXIII(1–2), 291–328.
- Lelo, K., Monni, S., Tomassi, F. (2017). Roma, tra centro e periferie: come incidono le dinamiche urbanistiche sulle disuguaglianze socio-economiche. *Roma Moderna e Contemporanea*, XXV(1–2).
- Lelo, K., Monni, S., Tomassi, F. (2019a). *Le mappe della disuguaglianza: Una geografia sociale metropolitana*. Roma: Donzelli.
- Lelo, K., Monni, S., Tomassi, F. (2019b). Socio-spatial inequalities and urban transformation. The case of Rome districts. *Socio-Economic Planning Sciences*. <https://doi.org/10.1016/j.seps.2019.03.002>
- Leopold, T. (2012). The Legacy of Leaving Home: Long-Term Effects of Coresidence on Parent - Child Relationships. *Journal of Marriage and Family*, 74(3), 399–412. <https://doi.org/10.1111/j.1741-3737.2012.00964.x>
- Leopold, T., Geissler, F., Pink, S. (2012). How far do children move? Spatial distances after leaving the parental home. *Social Science Research*, 41(4), 991–1002. <https://doi.org/10.1016/j.ssresearch.2012.03.004>
- Lerman, D. L., Reeder, W. J. (1987). The affordability of adequate housing. *Real Estate Economics*, 15(4), 389–404.
- Levy, D., Murphy, L., Lee, C. K. C. (2008). Influences and Emotions: Exploring Family Decision-making Processes when Buying a House. *Housing Studies*, 23(2), 271–289. <https://doi.org/10.1080/02673030801893164>
- Li, J. (2014). Recent trends on housing affordability research: Where are we up to? *City University of Hong Kong - City on Cities Working Paper Series*, 5.
- Libal, K. R., Harding, S. (2015). More Than a Commodity: The Right to Adequate Housing. In K. R. Libal & S. Harding, *Human Rights-Based Community Practice in the United States* (pp. 39–59). Springer International Publishing. https://doi.org/10.1007/978-3-319-08210-3_3
- Lucas, K., Mattioli, G., Verlinghieri, E., Guzman, A. (2016). Transport poverty and its adverse social consequences. *Proceedings of the Institution of Civil Engineers - Transport*, 169(6), 353–365. <https://doi.org/10.1680/jtran.15.00073>
- Lucciarini, S. (2017). Politiche della casa a Roma: Premesse per una missione (im)possibile? *Sociologia urbana e rurale*, 112, 52–61. <https://doi.org/10.3280/SUR2017-112006>
- Lucciarini, S. (2018). (In)accettabili disuguaglianze urbane. In Coppola, A., Punziano, G. (Eds.), *Roma in Transizione. Governo, strategie, metabolismi e quadri di vita di una metropoli*. Roma: Planum Publisher.

- Malpass, P. (2012). Poverty: A Study of Town Life. *Housing Studies*, 27(3), 398–404. <https://doi.org/10.1080/02673037.2012.617908>
- Marres, N., Weltevrede, E. (2013). Scraping the social? Issues in live social research. *Journal of Cultural Economy*, 6(3), 313–335.
- Marsh, A., Gibb, K. (2011). Uncertainty, Expectations and Behavioural Aspects of Housing Market Choices. *Housing, Theory and Society*, 28(3), 215–235. <https://doi.org/10.1080/14036096.2011.599182>
- Mattingly, K., Morrissey, J. (2014). Housing and transport expenditure: Socio-spatial indicators of affordability in Auckland. *Cities*, 38, 69–83. <https://doi.org/10.1016/j.cities.2014.01.004>
- Mulliner, E., Maliene, V. (2015). An Analysis of Professional Perceptions of Criteria Contributing to Sustainable Housing Affordability. *Sustainability*, 7(1), 248–270. <https://doi.org/10.3390/su7010248>
- Napoli, G. (2017). Housing Affordability in Metropolitan Areas. The Application of a Combination of the Ratio Income and Residual Income Approaches to Two Case Studies in Sicily, Italy. *Buildings*, 7(4), 95. <https://doi.org/10.3390/buildings7040095>
- Palvarini, P. (2006). *Il concetto di povertà abitativa: Rassegna di tre definizioni*. URBEUR.
- Penne, T., Parcerisas, I. C., Mäkinen, L., Storms, B., Goedemé, T. (2016). Can reference budgets be used as a poverty line? *IMPROVE Working Paper Series*, 16(05), 36.
- Piscopo, S., McKay, L. Bonello, A. (2016), *A Minimum Essential Budget for a Decent Living. A research study focusing on three low-income household categories*. Caritas Malta.
- Poggio, T. (2012a). The first steps into the Italian housing system. In R. Forrest, N.-M. Yip (Eds.), *Housing Young People: Transitions, Trajectories and Generational Fractures*. Taylor and Francis. <http://grail.ebilib.com.au/patron/FullRecord.aspx?p=1075350>
- Poggio, T. (2012b). The housing pillar of the Mediterranean welfare regime: Relations between home ownership and other dimensions of welfare in Italy. In R. Ronald, M. Elsinga (Eds.), *Beyond home ownership. Housing, welfare and society* (pp. 51–67). Routledge. <http://repository.tudelft.nl/view/conferencepapers/uuid:d28a956c-c53d-44b6-b92a-1b24d27c57af/>
- Poggio, T., Boreiko, D. (2017). Social Housing in Italy: Old Problems, Older Vices and Some New Virtues? *Critical Housing Analysis*, 4(1), 112–123. <https://doi.org/10.13060/23362839.2017.4.1.330>
- Preuße, H. (2012). Reference budgets for counselling on how to manage private household finance - requirements and patterns based on international experience:

- Budgets on managing household finance. *International Journal of Consumer Studies*, 36(5), 602–610. <https://doi.org/10.1111/j.1470-6431.2012.01127.x>
- Puccini, E. (2016). *Verso una politica della casa: Dall'emergenza abitativa romana ad un nuovo modello nazionale*. Roma: Ediesse.
- Puccini, E. (2020). Il mercato immobiliare romano: 10 anni di perdite. <https://osservatoriocasaroma.com/2020/03/19/1-2-il-mercato-immobiliare-romano-10-anni-di-perdite/>
- Rae, A. (2015). Online Housing Search and the Geography of Submarkets. *Housing Studies*, 30(3), 453–472. <https://doi.org/10.1080/02673037.2014.974142>
- Rae, A., Sener, E. (2016). How website users segment a city: The geography of housing search in London. *Cities*, 52, 140–147. <https://doi.org/10.1016/j.cities.2015.12.002>
- Ranaldi, I. (2015). *Gentrification in parallelo: Quartieri tra Roma e New York*. Roma: Aracne editrice.
- Randolph, B., Tice, A. (2014). Suburbanizing Disadvantage in Australian Cities: Socio-spatial Change in an Era of Neoliberalism. *Journal of Urban Affairs*, 36(sup1), 384–399. <https://doi.org/10.1111/juaf.12108>
- Sabatinelli, S. (2016). La domanda abitativa oltre il fabbisogno. *TERRITORIO*, (78), 98–103. <https://doi.org/10.3280/TR2016-078012>
- Salvati, L. (2013). “A Chronicle of a Death Foretold”: Urban Expansion and Land Consumption in Rome, Italy. *European Planning Studies*, 21(8), 1176–1188. <https://doi.org/10.1080/09654313.2012.722941>
- Salvati, L. (2015). Lost in complexity, found in dispersion: ‘Peripheral’ development and deregulated urban growth in Rome. *Cities*, 47, 73–80. <https://doi.org/10.1016/j.cities.2015.04.001>
- Saunders, P. (1998). Using Budget Standards to Assess the Well-Being of Families. *Social Policy Reserach Centre Discussion Paper No. 93*, 50.
- Scandurra, G. (2008). Cosa succede al Pigneto. Un’etnografia fuori le mura di Roma. *Studi Culturali*, 3, 459–470. <https://doi.org/10.1405/28271>
- Scarpelli, F., & Cingolani, C. (2013). *Passare ponte: Trastevere e il senso del luogo*. Roma: Carocci editore.
- Siatitsa, D., Annunziata, S. (2017). Attempts to prevent displacement: Housing policies in time of austerity in Athens and Rome. *Urbanistica Tre*, 5(13).
- Statens Institutt for forbruksforskning (2011) *Standard Budget for Consumer Expenditures*, Oslo: Statens Institutt for forbruksforskning.
- Stone, M. E. (1993). *Shelter Poverty*. Temple University Press.
- Stone, M. E. (2006). What is housing affordability? The case for the residual income approach. *Housing Policy Debate*, 17(1), 151–184. <https://doi.org/10.1080/10511482.2006.9521564>

- Stone, M. E., Burke, T., Ralston, L. (2011). The residual income approach to housing affordability: The theory and the practice. *AHURI Positioning Paper No. 139, 139*. http://works.bepress.com/michael_stone/7
- Storms, B. (2012). *Referentiebudgetten voor maatschappelijke participatie [Reference budgets for social participation]*. PhD Thesis. Antwerp: University of Antwerp
- Storms, Bérénice, Goedemé, T., Van den Bosch, K., Devuyt, K. (2013). Towards a common framework for developing cross-nationally comparable reference budgets in Europe. *IMPROVE Working Paper Series, 13(02)*.
- Tang, C. P. Y. (2012). Measuring the affordability of housing association rents in England: A dual approach. *International Journal of Housing Markets and Analysis, 5(3)*, 218–234. <https://doi.org/10.1108/17538271211243571>
- Toniolo, G. (Ed.). (2013). *L'Italia e l'economia mondiale: Dall'unità a oggi*. Roma: Marsilio.
- Ufficio Statistica Roma Capitale. (2017a). *Il reddito dei Romani. Anno fiscale 2015*.
- Ufficio Statistica Roma Capitale. (2017b). *La crisi del lavoro e gli effetti sulla condizione delle famiglie. Anno 2016*.
- Van den Bosch, K., Goedemé, T., Schuerman, N., Storms, B. (2016). Reference Housing Costs for Adequate Dwellings in Ten European Capitals. *Critical Housing Analysis, 3(1)*, 1. <https://doi.org/10.13060/23362839.2016.2.1.248>
- Van den Bosch, K., Penne, T., Goedemé, T., Storms, B. (2015). *Pilot project, developing a common methodology on reference budgets in Europe proposal for a method for comparable reference budgets in Europe: Final report*.
- Vandenbroucke, D. A. (2007). Is there enough housing to go around? *Cityscape: A Journal of Policy Development and Research, 9(1)*, 175–188.
- Vassileva, B. (2009), 'Bulgaria. Case Study', in Warnaar, M., Luten, A. (Eds.), *Handbook of reference budgets. On the design and application of reference budgets*, Utrecht: Nibud, pp. 69-81.
- Violante, A., Annunziata, S. (2011). Rome-Model: Rising and fall of a hybrid neo-liberal paradigm in Southern Europe. *The Struggle to Belong. Dealing with Diversity in 21st Century Urban Settings*. RC21 Conference, Amsterdam.
- Walter, R. J., Wang, R. (2016). Searching for Affordability and Opportunity: A Framework for the Housing Choice Voucher Program. *Housing Policy Debate, 26(4–5)*, 670–691. <https://doi.org/10.1080/10511482.2016.1163276>
- Watkins, C., McMaster, R. (2011). The Behavioural Turn in Housing Economics: Reflections on the Theoretical and Operational Challenges. *Housing, Theory and Society, 28(3)*, 281–287. <https://doi.org/10.1080/14036096.2011.599177>
- Whitehead, C. M. (1991). From need to affordability: An analysis of UK housing objectives. *Urban Studies, 28(6)*, 871–887.

Woodcock, J., Banister, D., Edwards, P., Prentice, A. M., Roberts, I. (2007). Energy and transport. *The Lancet*, 370(9592), 1078–1088. [https://doi.org/10.1016/S0140-6736\(07\)61254-9](https://doi.org/10.1016/S0140-6736(07)61254-9)

Intermezzo

INTERMEZZO

Rome: public-private relations in construction and real estate

Rome's urban development has historically been incoherent, disjointed and chaotic, as planning provisions have mostly been disregarded and development has followed dynamics of land rent rather than population growth. Indeed, the strategic alliance between political elites and real estate and property development actors has existed since the end of the 19th century, and it keeps shaping public action and influencing political decisions even today, so much so that masterplans and planning regulations in the city have often been interpreted as primarily a sort of formalization of informal agreements between the municipal authority and large landowners and developers. Both in the past and in recent decades, urban development – especially in the more peripheral areas – often resulted in mere property speculation and the creation of dormitory neighbourhoods.

Several recent studies have, in one way or another, documented and built on the particularly close – often collusive – relationship between political and real estate elites in Rome. The work of D'Albergo & Moini (2015), with a specific mention for the chapter by Pizzo & Di Salvo on the role of rentiers, focused on the governance dynamics of Rome. Sina (2013) has thoroughly explored Rome's informal power networks – licit and illicit – asking who really owns and governs the city. Erbani (2013) and Berdini (2018) have explored the 'end of the public city', meaning the increasingly weak position of public administrations and planning regulations in the face of urban development processes. Tocci (2009) has focused on land rent and its impact on urban development and value recapture in Rome. Iacovino (2014 and 2016) has addressed the public-private relationship in public action in Rome by focusing on the privatization of utilities and the valorization of former public real estate properties. Finally, in the newest 2011 edition of his 1962 seminal work "Modern Rome" (*Roma Moderna*), Italo Insolera – in addition to outlining the urban history of the city from the 19th century to present day – provides a strong moral interpretation of Rome's urban growth. According to him, two distinctive features characterize Rome's urban development from its very beginning. On one hand, land rent as the main driver of development, and on the other hand a weakness of local politics towards the power of rentiers. As a result, a 'collusive oligopoly' exists between landowners, developers, builders and local political elites (Natoli, 1953, Cederna, 1956; Della Seta e Della Seta, 1988; Vidotto, 2001; Tocci, 2009; Insolera, 2011). With regard to the last three

decades, Insolera calls them a new ‘sack of Rome’, very similar to the one that took place during the post-war reconstruction years, marked as they are by a muddy tangle between public administration and private interests, sometimes with the involvement of criminal organizations.

The historical roots of the ‘real estate bloc’

By the end of the 19th century, most of the land in and around Rome was owned by a relatively small number of people: about 200 owners for estates between 500ha and 5000ha (Insolera, 2011). This huge accumulation of landownership in very few hands is at the basis of Rome’s future turbulent relationship with urban development and it is also the prelude of what Valentino Parlato in the 1970s will call the ‘real estate – or property – bloc’ (*blocco edilizio*).

While the following articles in this thesis use urban regime theory to analyse Rome’s urban governance in the last three decades, this theoretical approach can also be useful to understand the governance of Rome’s urban development also in earlier phases of the city’s life. In particular, the period after WWII and all the way into the 70s could be framed as a growth regime, highlighting a continuity in the approach towards development and a prevalence of private interest that spans decades and disregards political affiliation, arriving almost unchanged to the present day.

Indeed, Parlato’s ‘real estate bloc’ was actually a heterogeneous governing coalition with a hegemonic core of landowners (including the Catholic Church), developers and financial groups, politically supported (and largely favoured) by right-wing local and national politics. Among the key real estate players was the *Società Generale Immobiliare* (SGI), a land-credit bank largely controlled by the Vatican. The SGI owned 6,750,000 square metres of Rome’s land, and it was a privileged circle for the Italian capitalist elite. This growth coalition, in which public actors represented the weak side, sought to maximize rent extraction by promoting intensive housebuilding, in response to the growth and the unsafe housing conditions of the urban population (Ferrarotti, 1974). Underlying this extensive building strategy was the ‘ideology of homeownership’ (Parlato, 1970; Insolera, 2011), whereby all Italian households were to become owner-occupiers in order to increase both their economic wellbeing and the country’s sociopolitical stability. The direction of the residential expansion was always provided by land ownership – in particular that of the SGI. The planning regulations at the time were undersized to control such a great development, and building happened mostly outside of the city’s planning provisions. This mix of faulty regulation, weak public control and relentless residential growth was later called ‘urban depredation’ (*sacco urbanistico*), indicating the permanent damage inflicted to the city’s urban form and future development (Insolera, 2011).

One of the most common mechanisms with which the influence of the ‘real estate bloc’ shaped Rome’s development after WWII and all the way into the 70s was the so called ‘urban soldering’ (*saldamento*) (Insolera, 2011). Large residential projects, both public and private, had to be built to respond to the compelling housing need of

the increasing urban population¹. In order to maximize profit, landowners picked some of their outermost plots to be developed, forcing the municipality to include these developments in the planning regulations and to build all the necessary infrastructure to reach them – a process called ‘urban soldering’. In this way the value of all the land in between these new remote developments and the existing urban fabric would increase immensely. To add insult to injury, due to insufficient public land ownership, also public housing projects had to be built on privately owned land (again, mostly as an exception to the existing municipal plans), thus following the property ownership patterns and generating rent accumulation for the ‘property bloc’ thanks to the appropriation of the betterment value.

The power of the ‘real estate bloc’ also revealed itself in other ways. A particularly significant case is that of Rome’s 1960 Olympic games. Telesca (2014) successfully argued that the characteristics of Rome’s growth coalition in the 1950s – and in particular the prominent role played by SGI – have greatly influenced the urban outcomes of Rome’s 1960 Olympic games. He shows that the power of SGI – derived mostly by its immense land ownership – has determined the location of the Olympic sporting facilities. The technical committee in charge of designing the city’s masterplan had identified two areas as the most convenient for the games-related urban expansion: the northern area of Foro Italico – due to the existing sporting facilities, and the eastern periphery – badly in need of urban regeneration. However, the advice if the committee was ignored, and the construction was moved to the southern area of E.U.R. and the western periphery – two areas owned by SGI.

Further proof of the consolidated position of the ‘property bloc’ in the economic and urban development of the city is the case of the ‘Sullo law’. In 1962 the Christian Democrat Minister for Public Works Fiorentino Sullo put forward a very progressive bill that required public ownership of land as a preliminary condition for development. According to his proposal, no development was to be allowed on private land and the expropriation costs were to be based on the agricultural value of land. After having acquired the land in this way, municipalities were supposed to service it and then sell it to developers at a price increased by the costs borne to build the necessary infrastructures (Sullo, 1964). This mechanism would have allowed municipalities to capture the betterment value created by planning regulations, instead of increasing private profit and rent extraction. Unsurprisingly, the proposal was vehemently opposed by the ‘property bloc’, and Sullo was subject to a violent smear campaign on local and national newspapers, who accused him of wanting to “rob Italians of their homes”. In light of this, the Christian Democrat Prime Minister Aldo Moro withdrew the party’s support to both the proposal and the Minister. As a result, the bill on value recapture never saw the light, and the political career of Fiorentino Sullo came to an abrupt halt.

¹ In this period, and in the previous decades as well, there has also been in Rome a great deal of illegal and informal urbanization, with poor citizens building slum like settlements in the outskirts of the city after being evicted from more central areas or after having arrived to the city from rural areas in search for work. While these informal processes have had a deep influence on Rome’s development and future urban form, they won’t be analyzed here as they follow other mechanisms and are too vast a topic to be fully taken into account within the scope of this work. For a complete and sharp analysis of the informal urbanization of Rome see Coppola, 2008 and 2017.

The permanence of a collusive oligopoly

Over time the term ‘real estate – or property – bloc’ has evolved to identify landowners, real estate investors and property developers in general, signifying the power that these actors still hold in the city’s governance, despite having changed over time. Indeed, while the strategic alliance between local authorities and developers dates back a long time, the neoliberal turn of the 1990s contributed to institutionalize and legitimize this system of relations – not always licit, sometimes downright illegal – by providing new tools, in planning and in finance, to reward strong economic interests (D’Albergo & Moini, 2015; Iacovino, 2016).

In this regard, the 2008 master plan (*Piano Regolatore Generale* – PRG) represents one of the key aspects of how public-private interactions in the urban development and planning realms can go awry in Rome. Ostensibly, the aim of the 2008 PRG was to promote polycentricity in order to reduce the centre-periphery divide. This was to be achieved with both an extensive urban regeneration of existing neglected peripheral neighbourhoods, and the creation of a series of new ‘metropolitan hubs’ (*centralità metropolitane*). These hubs were supposed to be well connected with rail networks (metro lines and urban trains), to concentrate residential, commercial and tertiary functions, as well as having each a specific point of interest – like a university, a public office or a tourist attraction – thus becoming new ‘peripheral centres’ with a higher density of population and buildings. However, not only the plan did not overcome Rome’s monocentric structure, but it possibly made the situation worse (Salvati, 2013; Busti, 2018).

Two main factors have contributed to the failure of the metropolitan hubs and of the other provisions of the PRG: a contingent one – the economic crisis, and a structural one – the power of private real estate actors combined with inadequate planning tools and procedures.

When the economic crisis hit Rome around 2010, it became clear that the planning provisions for the metropolitan hubs were unsustainable. Indeed, due to political and financial problems, the necessary infrastructural developments for public transport networks were never realized and no public investment was made in these peripheral areas. None of the public and private services in the metropolitan hubs saw the light, except for very large shopping malls, and most of the functions were converted into residential development at the request of developers, who found it difficult to sell offices and retail spaces in such peripheral areas. Nonetheless, they could not escape the crisis. These residential developments were built for and marketed to the middle and upper-middle class. However, given the transformed economic conditions of households, many of the buildings and dwellings in these areas are currently mostly unfinished or unsold. Thus, the metropolitan hubs – and many other peripheral developments – became dormitory suburbs, with little to no services and many vacant buildings and plots, only connected to the rest of the city via private transport.

Speculation on residential development has been made particularly easy by the fact that public land ownership is extremely rare in Rome, thus giving large private landowners huge bargaining power (Erbari, 2013). This is partly due to the specific features of the Italian planning system, where development rights are tied to single land plots and, once attributed, cannot be taken away but only ‘moved’ to other locations, in a compensation system (for a more detailed explanation see Falco, 2011;

Scattoni & Falco, 2011; Baioni, 2018). Moreover, the neoliberal turn of the 90s legitimized the role played by property interests in urban development decision-making by officially introducing ‘negotiated planning’ (*Accordo di programma*), a form of planning based on flexibility of land use and on the negotiation of regulations and development projects between public authorities and private actors (Berdini, 2000; Scattoni & Falco, 2012).

Indeed, the system of compensation of building rights embedded in the PRG meant that when the Municipality planned different uses for specific areas, private developers could simply move their building rights to other plots they owned elsewhere in the municipal territory, very often in the outer periphery. Moreover, the deregulation implied in the new negotiated-planning tool (*Accordo di Programma*) allowed landowners and developers to propose new development projects in contrast with the provisions of the master plan. The negotiation of development projects directly with local politicians, bypassing the official planning structure, allowed private players to push for more favourable conditions for investment, often at the expense of public objectives (Iacovino, 2016). This system effectively frustrated any public planning effort. In this regard, many scholars and planners have highlighted that the number of metropolitan hubs had become over time too large to effectively serve their original purpose of decentralization, and that the choice of their location often followed the land ownership patterns of the most influential Roman real estate actors rather than a logic of urban regeneration of neglected areas (Iacovino, 2014; Berdini, 2018). According to Insolera (2011), the new planning policies implemented in the 1990s have emptied city planning of any function, weakening its regulative character for the benefits of the landowners, property developers and real estate investors, and the 2008 PRG seems to sanction the abandonment of an effective governance of urban development.

In addition to their position in the real estate and construction sector, the power of some families of landowners and property developers, namely the Caltagirone Group, is furthered by their control of local news outlets, insuring a significant influence on public opinion (Iacovino, 2016). Moreover, the construction sector employs a large number of people. This historical rootedness of construction and development firms in the social fabric of the city warrants them a great popularity that when necessary can be translated into electoral support to be leveraged in negotiations with political actors (Pizzo & Di Salvo, 2015).

The following two chapters build on this existing knowledge to address the Roman case from both a theoretical perspective – arguing why Urban Regime Theory is a useful tool to analyse urban governance in Rome – and an empirical one – analysing how the weakness of the public sector, both in the political and in the administrative sphere, has affected urban governance to the point where a criminal organization could infiltrate the city’s administration and “dark governance regime” could emerge. The final aim is to draw attention on how such distorted relations can shape urban development and housing provision.

References

- Baioni, M. (2018) Le compensazioni a Roma: da espediente a ipoteca sul futuro. In Coppola, A., Punziano, G. (Eds.), *Roma in Transizione. Governo, strategie, metabolismi e quadri di vita di una metropoli*. Roma: Planum Publisher.
- Berdini, P. (2000). *Il Giubileo senza città*. Roma: Editori Riuniti.
- Berdini, P. (2018). *Roma, polvere di stelle. La speranza fallita e le idee per uscire dal declino*. Roma: Edizioni Alegre.
- Busti, M. (2018). L'urbanistica delle centralità a Roma tra retorica, strategia e prassi. In Coppola, A., Punziano, G. (Eds.), *Roma in Transizione. Governo, strategie, metabolismi e quadri di vita di una metropoli*. Roma: Planum Publisher.
- Cederna, A. (1956). *I vandali in casa*. Bari: Laterza.
- Coppola, A. (2008). Le borgate romane tra '45 e '89: Esclusione sociale, movimenti urbani e poteri locali. In M. Cremaschi (Ed.), *Tracce di quartieri: Il legame sociale nella città che cambia*. Milano: Franco Angeli.
- Coppola, A. (2017). Roma: La metropolizzazione parassitaria e i suoi modi informali. In C. Cellamare, *Fuori raccordo. Abitare l'altra Roma*. Roma: Donzelli.
- D'Albergo, E., Moini, G. (Eds.) (2015). *Il regime dell'Urbe: Politica, economia e potere a Roma*. Carocci editore.
- Della Seta, P., Della Seta, R. (1988). *I suoli di Roma: uso e abuso del territorio nei cento anni della capitale*. Roma: Editori Riuniti.
- Erbani, F. (2013). *Roma: il tramonto della città pubblica*. Roma: Laterza.
- Falco, E. (2011). Equalization and Compensation in Italy: Empirical Evidence for a New National Planning Act. *Planning Practice & Research*, 26(1), 59–69. <https://doi.org/10.1080/02697459.2011.542058>
- Ferrarotti, F. (1974). *Vite da baraccati. Contributo alla sociologia della marginalità*. Napoli: Liguori.
- Iacovino, R. (2014), *Processi di neoliberalizzazione e strategie neoliberaliste in ambito urbano: le relazioni tra politica e mercato a Roma*. Roma: Pubblicazioni Aperte Digitali della Sapienza
- Iacovino, R. (2016). Restructuring public action in Rome. Neoliberalization and the relationships between public and private actors. In *Partecipazione e Conflitto*, 9(2).
- Insolera, I. (2011). *Roma moderna: da Napoleone I al XXI secolo*. Torino: Einaudi.
- Natoli, A. (1953). La speculazione fondiaria nella Roma dei clericali. *Rinascita*.
- Parlato, V. (1970). Il blocco edilizio. *Il Manifesto*, Vol. 3-4.
- Pizzo B., Di Salvo G. (2015). Il nodo della rendita immobiliare, in d'Albergo E., Moini G. (Eds), *Il regime dell'Urbe. Politica, economia e potere a Roma*, Roma: Carocci editore, pp. 82-97.

- Salvati, L. (2013). "A Chronicle of a Death Foretold": Urban Expansion and Land Consumption in Rome, Italy. *European Planning Studies*, 21(8), 1176–1188.
- Scattoni, P., Falco, E. (2011). Why Italian planning is worth studying. *Italian Journal of Planning Practice*, 1(1), 4–32.
- Scattoni, P., Falco, E. (2012). The hidden factor in planning and local politics in Italy: The case of Tuscany. *Town Planning Review*, 83(1), 47–67.
- Sina, Y. (2013). *Chi comanda Roma. Palazzinari, banche e stampa: un sistema di potere che tiene in pugno la Capitale*. Roma: Castelvecchi RX.
- Sullo, F. (1964). *Lo scandalo urbanistico*. Firenze: Vallecchi.
- Telesca, G. (2014). Dealing with the past and planning the future: The urban renewal of Rome and Barcelona through the Olympic Games. *European Review of History: Revue Européenne d'histoire*, 21(1), 19–36.
- Tocci, W. (2009). L'insostenibile ascesa della rendita urbana. *Democrazia e Diritto*.
- Vidotto V. (2001). *Roma contemporanea*. Bari: Editori Laterza.

Part 2

CHAPTER 3

Regime theory and urban development. The case of Italy

Abstract

Urban regime theory is one of the most popular political economy conceptualizations for the analysis of urban politics. Born in the US, it explores formal and informal networks of cooperation among public and private actors in city governance, and how such coalitions are built and function. The paper aims at exploring urban regime theory as a theoretical framework for the analysis of contemporary urban politics in Italy. It argues that, despite all the criticism it attracted over the years, urban regime theory, especially in combination with other theoretical approaches, such as regulation theory, still is a valid tool to analyse the dynamics between public power and private interest, and to understand why and how urban development took the form it did in a particular place at a particular time.

1. Introduction

Urban regime theory (Fainstein & Fainstein, 1986; Elkin, 1987; Stone, 1989 and 1993) is a political economy conceptualization born in the US context. It is primarily interested in the urban politics of production and in the importance of agency in decision-making, as factors that shape what Logan & Molotch (1987) call the “political economy of place”. It explores public-private cooperation in city governance and defines an urban regime as a system of civic cooperation based on mutual self-interest. It can be considered as an empirically grounded theoretical tool for the analysis of how growth and development coalitions are built and function (Moulaert et al., 2007). Urban regime analysis highlights the importance of formal and informal networks of cooperation among public and private actors who are committed to a shared development agenda. When integrated with regulation theory (see section 4 of this paper) it allows to take into consideration both the local dimension of the role of rentiers in urban political economy, and the international dimension of the structural dynamics of neoliberal globalization.

The paper aims at exploring urban regime theory as a theoretical framework for the analysis of contemporary urban politics in Italy. It argues that, despite all the criticism it attracted over the years, urban regime theory, especially in combination with regulation theory, still is a valid tool to analyse the dynamics between public actors and private interest, and to understand why and how urban development took the form it did in a particular place at a particular time. However, this paper argues that in order for urban regime theory to be even more robust – and more accurate for the Italian case - it also needs to address issues of illicit practices like corruption and collusion, and the role of housing and residential development in urban growth.

In the next section of the paper a review of the literature will give an account of urban regime theory in its original US formulation, describing its origins and main features. The third section will address criticism and discussion of relevant concepts, in order to test the theory’s validity in the contemporary debate, while the fourth section will elaborate on the integration of regime theory and other conceptual tools. The fifth section will explore how the regime concept has been applied to Italian urban politics so far and reflect on its validity as a theoretical tool for the analysis of contemporary Italian cities. Finally, the concluding section will summarize strengths and weaknesses of this integrated theoretical framework and suggest paths for further research.

2. Urban regimes: a review of concepts

Urban regime theory, as developed by Stone in 1989 and 1993, derives from a political economy perspective that rejects both the assumption that governmental authority is sufficient on its own to make and implement policies, and the assumption that structural economic forces are the ones shaping policies instead. Challenging both these premises, regime theory explores “the informal arrangements by which public bodies and private interests function together in order to be able to make and carry out governing decisions” (Stone, 1989, p.6).

The origin of urban regime theory can be found in the long-standing debate about community power and who ruled American cities. The debate saw political pluralists on one side – who understood power as distributed among multiple interest groups, with democratically elected representatives taking the lead in shaping city politics (Dahl, 1961) – and elite theorists on the opposite side – who claimed that, since power is highly stratified, city politics is controlled by the interests of the economic elites (Hunter, 1953). Stemming from the elitist side of the debate, the growth machine theory (Molotch, 1976; Logan & Molotch, 1987) can be considered the theoretical antecedent of urban regimes. It essentially views cities as being run by property entrepreneurs, or rentiers, who are mostly concerned with maximizing their (land) rent. Logan & Molotch (1987) consider the desire for growth as the fundamental nature of every governing coalition. Rentiers, by virtue of the control they have over substantial resources, are able to dominate city politics and can steer the urban development process, pursuing unconstrained growth to maximise the surplus value they can extract from property. However, although both are concerned with the politics of production and the relationship between public and private interest, urban regime theory has a broader scope than the growth machine theory and it goes beyond the pluralist-elitist debate. Indeed, regime theorists believe that the socio-economic, political and institutional context influences the form a regime takes. Thus, for them the growth machine is not the only possible model, but other types of regimes can exist, which can advance different political agendas than simply unconstrained development.

In its original formulation, urban regime theory is deeply ethnocentric, as it is rooted in the particular relations between politics and markets which exist in the United States. US local governments have a high degree of control over land use and planning, but their urban development strategies are heavily dependent on private sector economic resources. Indeed, US local governments heavily rely on taxes raised locally from businesses and residents as opposed to resources transferred from state or national levels. Thus, governments must maintain their revenues by enhancing and attracting property investment. As a result, there is vigorous competition for investment and development between American cities. Moreover, the high importance of business is enhanced by the fact that, due to how politics works in the US (there is no strong non-business party comparable to European labour or socialist parties), business interest is strongly represented in city politics, the most straight forward example being campaign funding for local candidates. Finally, business decisions are critical to public welfare since private investment helps provide jobs, income, and purchasing power. Thus, the local state must “facilitate accumulation in order to advance the material interests of its citizens” (Fainstein & Fainstein, 1983, p.251). These structural features explain the very strong interdependence between politics and markets at the local level in the United States. Today we can find a similar interdependence also in European countries, although to a much lesser extent. This has the potential to make urban regime theory more relevant for European countries – and more easily transferrable – than it was before (see section 3.2).

2.1 Relations, motivations, and actors

Regimes are necessary collaborative arrangements in a context in which power is fragmented. Following Lindblom (1977) and various neo-Marxist scholars, Elkin (1987) states that this fragmentation of power originates in the division of labour between state and market. Both local government and business possess some of the resources necessary to govern. Governments hold legitimacy and policy-making power, while business controls the capital that generates revenues, financing, and ultimately jobs. However, no group alone is able to exercise comprehensive control in a complex world, and it is only in cooperation that their resources become sufficient to govern. While not all the members of the coalition have the same wants – and they do not necessarily agree over beliefs, values, or ideological stances – they cooperate in order to achieve the objectives of a negotiated agenda (Ward, 1996) that benefits all the members to different extents.

Although regime analysis attempts to situate the city in a wider economic and political context (Fainstein & Fainstein, 1986; Ward, 1996), its main focus is on the internal dynamics of coalition building – as they, in Stone's words, “best explain why various policy initiatives took the particular form that they did” (1989, p.178) – and on the management of interests of different actors. The internal politics of coalitions can be grasped by understanding power as a matter of social production rather than social control. Instead of assuming that those who govern want to exercise control over the mass public, Stone (1989) describes the political power internal to governing regimes as the capacity to act, as “power to” accomplish goals instead of “power over” others. Such capacity to act is achieved through cooperation and consensus, which need to be created and maintained (Stone, 1993; Mossberger & Stoker, 2001). This, along with the little importance attributed to ideological positions in regime formation, explains the fact that conflict is seldom explored by urban regime theory as a specific mode of relation within a coalition. In this regard, Stone (1989) only mentions how the business sector is able to construct and protect consensus by awarding side-payments to potential opponents, effectively avoiding conflict by keeping other concerns and interests off the regime’s policy agenda.

As long as all the actors perceive it in their best interest to be part of the coalition, the regime will find its stability by establishing patterns of interaction and allocating enough resources to achieve the common objectives, which usually take the form of relatively manageable tasks – Stone calls them small opportunities – rather than a large ideological vision. Fundamental to secure participation in the governing coalition and to generally overcome problems of collective action is the distribution of selective incentives to member of the coalition (Stone, 1989, 1993; Mossberger & Stoker, 2001). Stone (1993) highlights how the selective incentives do not necessarily need to be material, such as contracts, jobs or specific facilities, but they can also be purposive, like the possibility to achieve a particular aim. This often happens with non-governmental coalition participants that are part of the non-profit sector, or with neighbourhood associations, or institutional actors interested in civil rights for example, which might attach a cultural or ideological value to such possibility, thus to the participation in the regime (Mossberger & Stoker, 2001). Clearly, the motivations that drive different actors to take part in coalitions are not exclusively economic. With respect to this, Logan & Molotch (1987) do indeed stress the

importance of economic gains – for them local rentiers are the key actors because they have the most to gain in economic terms – but other groups can also get involved if they believe their circumstances – economic, but also social or reputational – will improve through local growth. Cox & Mair (1991) developed the concept of “local dependence” to explain business involvement in development regimes. They argue that certain business interests are tied to a particular place for a range of reasons dependent on the features of the locality itself. These businesses are place-bound in that they see their locality as a crucial sphere of activity and actively seek to improve it. Place-bound capital is seen as a key player in growth coalitions exactly because it benefits from the development process and from the increased demand generated by economic growth. Logan & Molotch's rentiers are a specific form of place-bound capital, in the sense that their fortunes are closely tied to those of their locality.

Although regime theory virtually seeks to integrate structural factors – by considering how the socio-economic and institutional context may affect the behaviour of public-sector decision-makers (Stone, 1993; Mossberger & Stoker, 2001) – its main focus is on the importance of agency for local actors. Logan & Molotch (1987) stress how "the activism of entrepreneurs is, and always has been, a critical force in shaping the urban system" (page 52). Indeed, a governance arrangement requires the participation of at least two specific local actors – namely business and the public sector – in order to be called a regime (Stone, 1989, 1993; Mossberger & Stoker, 2001; Dowding, 2001). Business, because of the resources it controls, has a uniquely privileged position to influence local governments' choices (Stone, 1989). Which business sector is dominant in a city is a key factor in determining the nature of the urban regime, and it will vary as historically contingent circumstances and the level of capitalist development change (Jessop, 1983; D'Albergo & Moini, 2015). The local government is obviously also crucial in regime formation and maintenance. However, it is not a collective actor, but a multiplicity of institutional actors, individuals, departments, operating in different fields and at different levels of scale, that rarely display a cohesive front. For a regime to exist it is sufficient that a few key players within the local government are involved in the construction of a shared agenda and in the allocation of the appropriate resources.

2.2 Key features of a regime

In their analysis of regime theory Mossberger and Stoker (2001) point out how the brilliant synthesis of elements of (American) political economy, pluralism and institutionalism has made the theory extremely relevant and popular. At the same time the complex interaction of different aspects has made it difficult to understand and define what a regime is or is not. This resulted in subsequent empirical studies often omitting aspects of regime analysis, preferring some over others, especially when the concept has been applied outside the US. Due to this multifaceted character, it is not always clear which features are distinctive of a 'prototypical' urban regime. Several critical aspects can be drawn from Stone's work (1989 and 1993), and also other scholars (Mossberger & Stoker, 2001; Dowding, 2001) have attempted at enumerating the crucial characteristics that make a local governance arrangement a proper urban regime. The key features that emerge from all these works are:

1. A regime is “an informal yet relatively stable group with access to institutional resources that enable it to have a sustained role in making governing decisions” (Stone, 1989, p.4). Collaboration is achieved not only through formal institutions but also through informal networks.
2. Regimes bridge the divide between public control of governmental authority and private control of economic resources; thus they are cross-sectoral and cross-institutional. Collaboration is based on the need to bring together fragmented resources in order to accomplish the desired objectives.
3. The participation of business and public-sector actors is required. Other types of actors, such as non-governmental organizations, non-profit institutions, neighbourhood associations and so on, can also be part of the coalition, but their presence is not essential in order to have a regime.
4. Regimes are relatively stable and long-lasting arrangements that can span a number of administrations. A change in political leadership does not mean a change of urban regime.
5. Distinctive (and rather long-lived) policy agendas can be identified. Their objectives are influenced by which actors take part in the governing coalition, the nature of their relationship, and the resources they bring to the coalition.
6. Regime participants may not completely agree over beliefs and values, but selective incentives and the opportunity to achieve some of their aims produce consensus over shared policy objectives, and the allocation of resources appropriate to the policy agenda.

Since regimes cannot be assumed to exist in all cities (see DeLeon, 1992; Orr & Stoker 1994), identifying such features allows to have concrete indicators of urban regimes when analysing different governance arrangements in different contexts, for instance the Italian one.

3. A structured critique

In its decades-long life, urban regime theory has been under scrutiny by scholars from multiple disciplines, who have formulated important critiques and have engaged regime theory with other conceptual tools with the aim of overcoming some of its weaknesses. To most of its critics, regime theory is flawed from several points of view. First of all, it is deemed as too descriptive and lacking a higher theoretical ground; secondly, issues of ethnocentrism and difficult comparative application have been raised; and thirdly, criticism has been directed to its localist character.

3.1 Empirical observation and theory building

Urban regime theory has sought to explain power dynamics through empirical observation and the accumulation of case studies, prompting criticism about its lack of analytical capacity. Due to the excessively descriptive character of its accounts of local political power and coalition building, scholars like Mossberger & Stoker

(2001), Dowding et al. (1999), and Pierre (2014) have defined regime theory as more of a concept or a model, rather than a theory. What scholars in general lament is its limited ability to explain or predict regime change (Macleod & Goodwin, 1999; Ward, 1996). As a matter of fact, the original formulation by Stone (1989, 1993) does not concern itself with explaining the reasons or the mechanisms by which regimes might form or change, but a vast literature has successfully attempted to do just that through cross-case comparisons that highlight possible different dynamics for regime formation and change¹. As Mossberger & Stoker (2001) explain, theory building often depends on testing and refining the concept through comparison with other cases. Indeed, the urban regime concept has developed inductively through prototypical case studies. After all, the case of Atlanta explored by Stone (1989) has been the theoretical pillar of most regime analysis, and Stone & Sanders (1987) have edited a collection of several accounts that provide evidence of the functioning of urban regimes in real life America. Attempts to theorize the regime approach have focused on the construction of ideal types, in order to make sense of the impressive variation observed in empirical case studies. Academics such as Fainstein & Fainstein (1983), Elkin (1987), Stone and Sanders (1987), Stone (1989), DiGaetano and Klemanski (1993), and Stone et al. (1991) have all constructed typologies, based on local studies.

However, the problem with the accumulation of case studies is that a collection of empirical accounts increases the descriptive range of regime analysis, but it does not necessarily contribute to explaining the reasons behind regime formation, maintenance, or change. In short, not all case studies contribute to theory advancement. Much empirical research assumes to find a regime operating in all cities at all times, while Stone's and Elkin's analyses suggest that this is not the case. The distinctiveness and strength of urban regime theory are clearly lost if any governance arrangement that entails public-private cooperation is understood as a regime (John & Cole, 1998). The tendency in such uncritical studies is to create ever more descriptive regime typologies in case the empirical evidence does not fit the (plenty of) current ones.

3.2 Ethnocentrism and comparison

Comparative research of urban regimes has proven difficult because of the deeply ethnocentric character of the original formulation of regime theory. The main criticism is that it is an abstraction of US political economy, thus intrinsically unable to conceptualize urban politics in other parts of the world, Europe being the most explored (Harding, 1991, 1994; DiGaetano & Klemanski, 1993; DiGaetano & Lawless, 1999; Pierre, 2005). However, the issue of comparison and regime concept transfer has been fruitfully explored by several authors (DiGaetano & Klemanski, 1993; Harding, 1994; Stoker & Mossberger, 1994; Ward, 1996; Mossberger & Stoker,

¹ The identified dynamics range from demographic shifts (DeLeon, 1992; DiGaetano & Klemanski, 1999; Orr & Stoker, 1994; Whelan et al., 1994), to fiscal and economic constraints such as economic restructuring or federal grant policies (Fainstein & Fainstein, 1983; DeLeon, 1992; DiGaetano & Klemanski, 1999; Orr & Stoker, 1994; Whelan et al., 1994), to political mobilization and pressures from social movements (Fainstein & Fainstein, 1983; DeLeon, 1992; DiGaetano & Klemanski, 1999).

2001; Di Gaetano & Strom, 2003; Pierre, 2014). Basically, they all argue that, in order to improve the theories' transferability, it is necessary, on one hand, to retain those aspects that are useful in the analysis of any liberal democracy, primarily the fact that coalition building between levels of government and between public and private sectors is essential to the urban politics of production. On the other hand, it is crucial to replace the US-specific elements of the political economic analysis with others that encourage cross-national comparison. This means carefully conceptualizing the way in which the different features of local government and the different sorts of relations between tiers of government affect the motivation of local public-sector decision-makers and private actors.

While comparative regime analysis is indeed problematic, it has to be remarked that in the last two decades the differences between the US and Europe have grown smaller. Whereas local governments in the US have always needed business to achieve any economic development, global changes in capitalist societies have brought about a shift in the role of government and an increased necessity to depend on private economic resources for development in Europe as well. In a framework of privatization, deregulation, and increased financial constraints for public authorities in most European countries (DiGaetano & Klemanski, 1993; Pierre, 1999; DiGaetano & Strom, 2003) the unbalanced distribution of economic resources and discretionary power between private and public sectors means that also in Europe public-private agreements are necessary to achieve any major (and increasingly also minor) urban project, effectively weakening the ethnocentricity criticism.

3.3 Localism, scale and structural factors

Mossberger and Stoker themselves (2001), as well as Ward (1996), Macleod & Goodwin (1999), Moulaert et al (2007), and many others, point out that some of the issues within regime theory do not stem from comparison but from localist weaknesses of the concept itself. Regime analysis has almost exclusively focused on local economic development to study the mediation of power, neglecting to sufficiently consider structural factors and issues of scale in regime formation and maintenance. Moreover, it lacks consideration for the influence of higher political and institutional levels, and for the power relationship between the local and the global, especially given the current phase of neoliberalism.

Stoker & Mossberger (1994) point out how regimes are not confined to the strictly local environment, but they exist within a broader regional or national one, both in spatial and institutional terms. Regime boundaries do not necessarily coincide with municipal boundaries. Indeed, access to non-local resources can improve the capacity of local coalitions; while non-local forces can limit or influence the direction of regimes (Harding, 1994). For these reasons regime analysis needs to be framed within governmental and political hierarchy. Keating (1991, p. 66) states that “the wider political context is critical in determining the terms of the relationship. The central state can be oppressive, or it can be a resource allowing localities to escape other forms of dependence. (...) This, in turn, depends on the weight of local elites in the national political system and their ability to forge coalitions to extract resources on their own terms”. It appears clear that the way local elites manage their relationship

with higher levels of government and the wider political environment is crucial to the success of a coalition.

While some scholars say that the regime framework reaches a position of synthesis in the structure and agency debate² (Mossberger & Stoker, 2001), most of the critiques to regime theory highlight the excessive importance given to the agency of local actors with respect to structural factors (Ward, 1996; Goodwin & Painter, 1997; Harding, 1997). This clearly emerges from Ward's statement: "In order for a regime analysis of the political and economic conditions within a city [to be credible] transitional conditions must be linked to structural processes, such as the Thatcherite project in the UK, globalization and the increased role of the European community in urban regeneration" (1996, p.436). This is ever more valid twenty years on from this comment, with neoliberalism challenging the role of the state in an increasingly unequal society.

The urban regime framework evolved at about the same time as globalization gained momentum, yet several authors (i.e. Ward, 1996; Harding, 1994, 1997; Pierre, 2005, 2014) point out how it does not consider or conceptualize globalization itself and several of the societal transformations of the 1990s and early 2000s, like the emergence of a post-industrial city with economic growth tied to the service sector, the internationalization of the corporate sector; and changes in institutional structures (the so called 'rescaling of statehood', see Brenner, 2004). Especially Harding (1994, 1997) focuses on how to broaden the focus of regime theory in order to include the broader power relationships between the local and the global, which were neglected in Stone's formulation. Harding remarks that, while Fainstein & Fainstein (1986) emphasize the connections to external political and economic relations, Stone concentrates inwardly on local coalition building, theoretically neglecting the connections to the larger world economy. In general, both regime theory and the growth machine thesis often underplay the role played by externally imposed economic and ideological structures that influence the behaviour of local actors. This is where Harding (1997) introduces the 'neoliberal globalization debate'. The changing demands of a globalized (and increasingly highly financialized) market and its investors inevitably have an impact on how urban development strategies unfold on the ground, and they need to be considered by urban regime theory. It is obviously a two-way relationship: just as the local level may be an important factor in national and supranational accumulation strategies, so these higher levels will affect the local one (Ward, 1996).

4. A theoretical leap

Many scholars from different disciplines have attempted to overcome some of the theoretical weaknesses of the urban regime approach. One way this has been done is by theorizing the abstract factors that lead to regime formation and placing greater

² Debate over what exerts more influence over urban politics, whether it is structural factors – macroscale socio-economic dynamics – or human agency – the decisions made by local actors. For a deeper discussion of structure and agency see Jessop, 1997; Ward, 1996; Cox, 1993.

emphasis on bargaining between different levels of government in order to encompass different institutional settings and different state-market relations (Keating, 1991; DiGaetano & Klemanski, 1993; Stoker & Mossberger, 1994). In particular, Stoker & Mossberger (1994) have developed a comparative regime typology. That is, they have expanded the reach of the typological tools developed by US scholars in order to make it suitable for other political economies, especially in a cross-national comparative perspective. Along a similar line, Pierre (2005, 2014) advances the idea that it would be more appropriate to consider urban regime theory as a subset of urban governance theory. According to him, urban governance theory is a more adequate analytical framework for urban politics than regime theory because it takes these structural economic and institutional features into account, it is less narrow in its conceptualization of agency, and thus travels better in time and space. Both theories share the same interest in how power works and how resources and capabilities are distributed among public and private urban actors. However, while urban regime theory is specifically interested in the cooperation between local politics and business, urban governance theory simply asks who controls critical resources and to what extent they can sustain collective action, without making prior assumption as to where the power lies, thus naturally taking on the role of larger conceptual category. Essentially Pierre agrees that regime theory is a powerful theoretical tool to understand urban politics in the post-war industrial society of the United States, but he is asking whether it can offer an equally convincing framework for the analysis of urban politics in a post-industrial society.

While these attempts are certainly valuable, it appears clear that, in order to truly understand the processes underlying power in the contemporary city, urban regime theory needs to move away from the construction of typologies – however useful that might be to contextualize the dynamics of local urban politics – and make a theoretical leap (Ward, 1996; Hankins, 2015). This leap has been made by a number of scholars (Lauria, 1997 and 1999; Jessop, 1997; Jessop et al., 1999; Painter, 1997) that have attempted to integrate the regime approach with other, more abstract, theories in order to overcome some of the concept's theoretical weaknesses. In particular, regulation theory has the potential to address most of regime theory's shortcomings: by focusing on extra-local political and economic influences this more abstract theoretical tool integrates local with global; mediates agency with structure; and enhances explanation and prediction of regime change and formation. Regulation theory is a perspective that “aims to develop a historically and geographically grounded account of capitalism's development” (Goodwin & Painter, 1997, p.5) by analysing the processes of capital accumulation within a particular capitalist mode of production. Modes of regulation depend on a series of social, cultural and political mechanisms that are co-dependent and change over time and across space (Lauria, 1997, 1999). So, just as the structural logic of capitalism constrains and informs institutional arrangements, political processes, social forms, and cultural norms, all these factors also constrain and inform the concrete manifestations of capitalist regulatory processes.

The appeal of this theoretical tool is that it is able to bridge changes in the economy to changes in politics at a high level of abstraction (Jessop, 1995). According to regulation theory, the state and local politics are part of the mode of regulation within a particular accumulation regime. Thus, thanks to regulation theory, we know that, in order to truly grasp the nature of urban regimes and their urban development

strategies, it is necessary to analyse what is the local structure of capital and which capital sectors are represented in the governing coalition, to weigh the external networks and ties of local politicians and businessmen (Lauria calls them 'capitalists'), and to recognize institutional arrangements aimed at consensus seeking and social regulation (Lauria, 1997). Regime theory, on its part, helps identifying particular aspects of modes of regulation and explaining how they operate in specific places, within increasingly complex systems of governance (Hankins, 2015). Thus, a number of scholars believe that the integration of regulation theory within the urban regime model allows to move beyond the limitations of the regime concept as a descriptive framework toward a more comprehensive and nuanced understanding of urban political change (see for example Jessop, 1997, 1999; Lauria, 1997, 1999; Goodwin & Painter, 1997; Hankins, 2015).

Therefore, despite urban regime theory being a relatively old, often misused and widely critiqued theoretical approach, it still is, in its “updated” formulation that includes regulation theory, an extremely useful analytical tool because it allows to understand the variety of responses to urban change. Its emphasis on the interdependence of governmental and non-governmental forces is especially relevant since decentralized or shifting responsibilities within the state, increased financial constraints, privatized services, and the increased role of business interest in local decision-making have rendered public-private cooperation a necessity in all advanced capitalist societies, especially when it comes to urban development. Private interest (or, as Harvey would say, capital) is increasingly shaping the urban environment, and it is necessary to understand how this process unfolds on multiple levels (economic, social, political, but also ideological and discursive) at the same time. Urban regime theory (with regulation theory) allows to do just that. It combines empirical character, which allows a fine-grained analysis of local processes in a period of changing urban governance; and theoretical broad outlook, which allows integration of structural dynamics such as capital accumulation, globalization, financialization and so on.

5. Urban regimes: the Italian case

There have been several attempts to apply urban regime theory and the growth machine model to Italian cities. The earliest works are by Vicari & Molotch on Milan (1988, 1990), and by Baglioni & Vicari on Parma, Pavia and Modena (1995), followed in more recent years by studies on Naples (Vitellio, 2009), Turin (Belligni & Ravazzi, 2011, 2012, 2016), and only very recently on Rome (D'Albergo & Moini, 2015). It is interesting to note the time frame of the Italian engagement with growth machines and regime theory. The earliest research found no evidence of growth regimes in Milan, probably discouraging further analysis. Only after almost two decades have other researchers attempted at using the regime approach for an analysis of Italian urban politics. There are several possible explanations for this, some related to the Italian context, and others to regime theory itself.

Regarding regime theory, it is possible that the integration with other theoretical approaches revived the strength of the urban regime model and produced a renewed academic interest, providing the occasion to reflect on urban regimes and their potential to analyse current urban politics. Explanations related to the Italian context

are best illustrated by the account of three case studies, Milan, Turin, and Rome. The local governance arrangements of these cities attracted the attention of scholars due to their specific character, which called for the use of urban regime analysis. The three cases highlight the importance of historically and geographically determined factors for the existence of a regime, leading to the assumption that urban regimes in Italy follow the temporal pattern of local socio-economic evolution.

5.1 Milan: a change of pace in urban development

Vicari & Molotch (1988, 1990) explored infrastructural development in Milan in the light of the growth machine model. Specifically, they analysed a large-scale transformation project, that of the “Passante ferroviario”, an underground high-speed train meant to encourage the transition of the city from a mono-centric to a poly-centric metropolis (Vicari & Molotch, 1990). After empirical research, they concluded that not only there was no growth machine operating in Milan between 1970 and the early 1980s, but also that in this specific case, the interests normally associated with growth machines (landowners, real estate operators, developers etc.) were “virtually invisible in the process of shaping the project” (Vicari & Molotch, 1990, p.619). In particular, business actors used their influence and connections with party officials not to manipulate the project’s spatial configuration, but to gain access to the deals and contracts generated by it. The authors identify a number of reasons for this, which have to do with the way institutional and political power worked at the time. First, given that Italian (local and national) politicians were not financially dependent on campaign contributions for their careers, there was no structural necessity for deference to local property interests. Moreover, the Italian political party system was so strong and hierarchically organized that it pervaded every level of decision-making and administrative activity. Local governments had to reflect the party line, and local bureaucracy was managed according to a spoils system. Secondly, since local government was financially and legislatively subordinate to the central state, local growth had little impact on local fiscal health. This, together with the fact that it was the national government that had control over land-use regulations and provided localities with the tools to further control the development process, eliminated the need to attract private development for the sake of growth. Thus, centralization of both fiscal and regulatory systems tended to insulate political leaders and local authorities from local property interests.

What emerges from the Milan’s case is a strong role for the socio-economic and institutional setting in regime formation, and a distinctive element of historical temporality. Indeed, Vicari & Molotch affirm that they would have likely confirmed the existence of a growth coalition if they had studied Milan in the 1950s and early 1960s, when the Christian Democrat local government featured real estate speculation and “pillage of the urban environment” (1990, p.620). The context of post-war development and economic boom offered fertile ground for a development regime: major rural to urban migrations, the post-war reconstruction, and an ever-growing demand for both commercial and residential space generated a remarkable volume of building activity, providing high potential profits for rentiers and property entrepreneurs who were able to manipulate spatial development (Vicari & Molotch, 1990; D’Albergo & Moini, 2015). With shifting socio-economic factors in the 70s

and early 80s, conditions for regime maintenance changed, leading to the situation described by Vicari & Molotch (1990). The economic boom model of development had led to a deterioration of the urban environment, generating a protective response from citizens, academics and leftist parties. Demands that growth had to be controlled started to emerge with increased strength and more careful planning policies were demanded. Leftist parties became the carriers of such concerns, thus gaining increasing political recognition and support (Secchi, 1985). At the time of the Passante project they were in power in Milan, trying to exert control over market forces in order to limit urban development, and effectively dismantling the growth coalition of the previous decades.

5.2 Historical changes; institutions, politics and economy in Italy

Major changes occurred in national politics, institutional arrangements and also global structures between the late 80s and the 2000s that allowed the emergence of regimes again. The corruption scandals at the beginning of the 1990s (Tangentopoli, Mani Pulite) and the end of the so called *First Republic* effectively dismantled the party system. In 1993 a new electoral law allowed the direct election of mayors in large cities, as opposed to their nomination by the city council, resulting in an increased political importance of municipal governments, which became less subordinate to party decisions and more reliant on equilibria influenced by the local leadership (see Baldini, 2002). The 2001 constitutional reform changed the institutional equilibrium in favour of the lower levels of government in many fields, including territorial governance by making regional and municipal governments responsible for land use regulations.

Moreover, until the 1990s a system of large state-owned companies was in place in many sectors, mainly utilities and services, with a pervasive presence of political parties in key positions. But in the 90s, due to the financial crisis of the Italian state and to the reduction of ideological differences between centre-left and centre-right – with the former becoming more moderate and giving up most of its anti-capitalist instances – a new season of neoliberalization began, marked by the privatization of state companies and the drastic reduction of redistributive policies (D'Albergo & Moini, 2015).

Additionally, local governments' financing system underwent fundamental reform. First of all, financial and fiscal responsibility was introduced for local administrations, which means that they could no longer ask the central government to restore local budgets to balance. Moreover, the obligation for local governments to have a break-even budget was introduced, alongside the possibility for local governments to levy taxes (property tax is the best example). Thus, the partial decentralization of both regulatory and fiscal systems provided the conditions for the development of new urban regimes.

5.3 Turin and Rome: urban regimes at work in Italy

Contrary to what was found in the 1970s and 80s for Milan, regimes were found operating in Turin and Rome in the 90s and 2000s (Belligni & Ravazzi, 2011, 2012, 2016; D'Albergo & Moini, 2015), highlighting the importance of the historic

temporality element. In this section, both cases will be analysed keeping in mind the fundamental criteria for regime definition outlined in paragraph 2.2.

Turin, together with Milan and Genova, has historically been one of the poles of the Italian industrial triangle and the capital of the automotive industry, thanks to the presence of FIAT. However, during the 1980s, the departure of FIAT and the consequent deindustrialization processes caused a great socio-economic crisis. Companies and jobs were lost, the population declined, and for a long period the city struggled to find a new cultural and economic identity. Turin needed a new image, a new economic profile, a new role within the Italian urban panorama. In the mid 90s, a heterogeneous public-private governing coalition promoted a new policy agenda and model of urban development aimed at turning the city into a successful post-industrial metropolis that relies on culture, creativity and large events for its renewed status.

The governance arrangement observed by Belligni & Ravazzi (2011, 2012, 2016) respects all the fundamental criteria to be defined a regime. First of all, Turin's governing coalition was wide and heterogeneous, with different public and private actors having a more or less prominent role depending on the policy area. The municipality, the region, the two academic institutions, and the two bank foundations based in the city were the key public and institutional actors. They were matched by the real estate and construction industry, ICT and high-tech companies, and tourism agencies as prominent business actors, alongside many non-profit organizations and civil society leaders. Secondly, the regime in Turin lasted around twenty years - encompassing four different mayors - and, thirdly, it was characterized by a quite distinctive agenda, which was composed of three main policy areas. The first set of policies focused on urban regeneration of the city centre, residential expansion, and major infrastructural projects, which drastically reshaped the urban landscape. These policy objectives were partly fuelled by the financial resources brought by the 2006 Winter Olympic Games, which contributed to the construction of new infrastructures and buildings. The second set of policies was aimed at promoting the city as a knowledge centre, specifically focused on technical and industrial research, with the creation of business incubators and innovation centres. The third policy area was entertainment and leisure. The city invested in large cultural events, such as music and film festivals, food and wine fairs, and design events, but also in the renovation of its theatre and museum system.

Although happening in the same years as Turin, the creation of a regime in the case of Rome did not depend on a situation of deadlock to be overcome, but it was more related to the evolution in a neoliberal direction of the historical dominance of specific business sectors that rely on land rent (D'Albergo & Moini, 2015). In particular, the dissolution of party politics and political ideologies, cuts in public expenditure, and the dismantling of the system of state-owned enterprises were pivotal for the emergence of a Roman urban regime. These changes in the national socio-economic context brought about the affirmation of a neoliberal urban agenda, more in line with global economic dynamics.

Despite the peculiarity of its genesis, the Roman regime also respects all the fundamental criteria. Indeed, for twenty years Rome has been governed by a coalition of public-private actors that promoted a consistent agenda despite the change in political leadership. The composition of the governing coalition reflected Rome's

status as Italy's capital and seat of the Vatican State. Public actors – such as the Municipality, the Region, the Chamber of Commerce, but also the national government – played a prominent role, together with the Vatican hierarchy. What is peculiar is that these coalition members represent both public and business interest. The Vatican is a strong political and social actor, but it is also a large landowner, property developer, and financial investor. Similarly, Rome's Municipality holds shares in several companies, insurances and foundations, to the extent that this system is known as “Municipality-holding” (D'Albergo & Moini, 2015). This is a network of relationships partially governed by corporate law, in which economic, political and managerial aspects overlap and key positions are assigned through a spoils system. The business and corporate side of the coalition was composed mainly by rentiers, land developers, real estate entrepreneurs, and construction sector companies, alongside firms in the service sector, tourism, and retail. Due to the strength of the key players, the presence of non-profit organizations and civil society was very limited. Thus, the main function of local politics within the regime consisted in acting as an intermediary between the interests of the different economic actors, and also between them and the larger urban society (D'Albergo & Moini, 2015).

During the regime years the policy agenda in Rome was largely based on a generalized neoliberalization of city management. The main points on the agenda were the privatisation and liberalisation of important public utilities and services, the promotion of Rome as an entrepreneurial city, and a central role for urban development. The objective of Rome as an entrepreneurial city was to be achieved through public intervention aimed at capitalizing on the touristic potential of artistic and cultural heritage, at developing an advanced tertiary sector, and also at supporting excellent and internationally oriented local SMEs (Toscano, 2009). The urban development strategy on the other hand was based on polycentrism and the use of large events (2000 Jubilee, 2009 World Swimming Championship, 2020 Olympic bid) as catalysts for infrastructural and residential development (Cremaschi, 2010). The new masterplan had the ambitious objective of creating new urban centralities in the outskirts of the city in order to provide services to the so far neglected peripheral areas. However, such objectives of territorial redistribution added value to areas previously bought by large construction firms, resulting in property speculation and the creation of dormitory neighbourhoods. Large events, together with the promotion of a cultural agenda, were also part of a strategy based on the use of culture for economic development purposes (Violante & Annunziata, 2011). The creation of cultural institutions such as the Auditorium, the MAXXI, and the International Film Festival can be understood as part of such a framework.

What these policies show is that the governing coalition systematically favoured highly place dependent capital. Indeed, although the agenda was extremely varied, all the objectives had one thing in common: they were necessary to perpetuate the interests of the hegemonic block of Roman property entrepreneurs and rentiers. According to D'Albergo & Moini (2015) the system of rent extraction from land and property has been the major resource and the major stake in power relations in Roman politics. Urban development is the main “object of exchange” between local politics and business, which makes the governance model of Rome a development regime, if not an outright growth machine (Toscano, 2009). This has historical roots, as Rome has never been an industrial city; rather, a major role was played by the so-called

second circuit of capital (Harvey, 1985). The preference for investments in real estate dates back to the 1870s and to the Fascist period (Vidotto, 2001). They were considered less risky than manufacturing and more appropriate for a capital city. Indeed, in the Eternal City wealth accumulation has always depended on investments in the built environment – be it public spending for infrastructure development, or private speculation in the construction of residential estates and shopping malls – and lately also on the increasing financialization of the housing market, since obviously the real estate sector is sustained by good relationships with banks and the financial sector.

Speculation on residential development has been made particularly easy by the fact that public land ownership is extremely low in Rome, thus giving private landowners great bargaining power (D'Albergo & Moini, 2015). The power of the property block to influence public decisions is so great that masterplans and planning regulations have often been interpreted as agreements between the municipal authority and large landowners and developers (Insolera, 2011; Ferrarotti, 1991; Porro, 1993; Berdini, 2000). Indeed, it often happens that public planning decisions increase private land value by changing land use regulations or by providing basic services and infrastructure to previously unserved areas belonging to private landowners (D'Albergo & Moini, 2015). In support of this interpretation, it has to be noted that at the beginning of the 90s Rome's Municipal Council introduced "negotiated planning" (Marcelloni, 2003; Insolera, 2011), a form of planning based on flexibility of land use and the contracting of regulations and development projects. With this formalized negotiation tool comes the legitimization of the role played by property interests in urban development decision-making, effectively restricting the concept of public city development (Berdini, 2000).

In Rome, the regime has shown a particular ability to evolve in order to survive changing economic, political, and institutional circumstances, particularly after the economic crisis. The main challenges were related to an increasingly reduced flow of financial resources from the national government. It was thus necessary for coalition members to find other ways to implement the regime agenda and support economic growth. The main response to the financial constraints of the mid 2000s has been an increase in the neoliberal character of policies, with more privatizations, and above all with the exploitation of the most precious local resource, urban space (D'Albergo & Moini, 2015). In order to boost economic growth, and thus remunerate property interests, new construction has been facilitated through densification, land use changes (usually from non-residential to residential uses), and plans for the construction of hundreds of new dwellings.

6. Discussion and conclusions

This preliminary study lays only some of the groundwork necessary for further investigation of urban regime formation and capacity in the Italian context. From the examined cases, it is clear how the specific 'social ecologies' (Molotch & Vicari, 1988) among local entrepreneurs, national and international capital, political and institutional actors, and the perception of public opinion influence the formation and the type of regime, which in turn have real consequences for how cities develop and

people live. These factors affect the extent to which residents are (made to be) willing to trade off their use value for the exchange value of the entrepreneurs. This means that the physical shape of the landscape, its pattern of use, and its level of services and amenities are dependent on the patterns of cooperation and the power relations among local and non-local actors and the way in which they negotiate their respective interests.

This opens up three paths for reflection. First of all, it appears clear that real estate is a fundamental element of urban politics, especially in the current neoliberal economic model. This emerges clearly in the Roman case, where – even though the city is disconnected from the global networks of capital – real estate and residential development continue to play a major role despite the economic decline³. Indeed, housing and urban development today are becoming some of the main processes driving contemporary global capitalism (Harvey, 1985; Madden & Marcuse, 2016; Aalbers, 2016). The built form of housing has always been seen as a tangible reflection of the organization of society. It reveals the existing class structure and power relationships. Privileging exchange value over use value of something like property and housing (thus commodifying it) advances private interest over citizens' rights. For Logan & Molotch (1987) the systematic favouring of exchange values over use values in urban decision-making means that “in many cases, probably in most, additional local growth under current arrangements is a transfer of wealth and life chances from the general public to the rentier groups and their associates” (pag.88). This holds true in Italy as well, where the construction industry has always been at the core of the economy. Indeed, homeownership and housebuilding were two sides of the same coin, both meant to support the urbanization process as a tool for economic growth. Despite this, housing provision is nowhere to be found in growth machine or urban regime literature. Specific case studies might point at residential arrangements (especially of minority groups) as elements that helped construct (or also bring down) a governing coalition (Bauroth, 2014), or the construction of a housing authority could be seen as a project around which a coalition can be built (Lawson, 2010), but there is no adequate conceptualization of housing and residential development. Instead, I argue that further research should focus on the role of housing and residential development within the construction of urban regimes, especially in the case of Italy.

The second path for reflection leads to corruption, collusion and other illicit practices. Regardless of which tier of government has control of land use regulations, planning is an area where economic rents are associated with discretionary powers, thus a breeding ground for corruptive practices (Jain, 2001; Chiodelli & Moroni, 2015). Especially within the Italian strict regulatory planning framework it often happens that informal and less adversarial negotiations between the authorities and private interests take place ‘under the table’ in order to advance a private real estate development agenda. This potential for bribery, corruption and “shady lobbying” needs to be taken into consideration when discussing urban regimes, especially in the

³ Despite a relevant fall in the construction sector after the economic crisis, at the end of 2015 in Rome 11,8% of the local economic units (a local economic unit is a single office of a company) still belonged to the construction sector, and 4,6% to the real estate sector (source: *Annuario Statistico Roma Capitale* 2016).

Italian context. Indeed, while it is true that engaging private resources and capabilities enhances the efficiency of city government, it is equally true that this engagement has a price, which is that “the integrity of political leadership and political institutions is compromised and that the democratic process caters to privileged actors” (Pierre, 2014, p.9). There is also the obvious risk that policy goals will come to reflect the composition of the governing coalition. In a way this is inevitable, since in order to gain access to the systemic power of the corporate sector, the political leadership must be willing to cater to corporate interests. It is for these reasons that urban regime theory should pay closer attention to illicit practices, in order to gain a more accurate understanding of urban political processes.

Finally, it is interesting to note that there usually is an overlap of people between political, economic, and intellectual elites. The analysis of the regime members and of the intellectual and ruling class in general is crucial to understand the composition of the governing coalition (Belligni & Ravazzi (2016), in order to better understand power dynamics, and especially what “power to” actually means.

Despite having been criticized for not being suitable for comparative work, I believe that urban regime theory, when combined with regulation theory to consider the impact of structural factors, provides a useful approach to analyse contemporary Italian urban politics, as the Turin and Rome cases testify. What is crucial about urban regime analysis is that it focuses on how the political power arrangements in a city affect its urban development. Although it is true that cities must operate within the constraints established by larger political and market forces, they can also transform themselves by taking advantage of the opportunities offered by that very context (Turin is a great example in this sense). There are two great challenges ahead. On one hand, we need to explain how regimes are constructed in different places and at different times; and on the other hand, we need to analyse the urban space produced by these regimes and its socio-political consequences. Contemporary urban space lately features many empty homes and vacant offices, a product of housing and economic growth policies. Urban regime theory might help explain the reasons behind some of these development outcomes.

References

- Aalbers, M. B. (2016). *The financialization of housing: a political economy approach*. London; New York, NY: Routledge Taylor & Francis Group.
- Baglioni, M., & Vicari, S. (1995). Two Models of Local Development Politics. *Environment and Planning C: Government and Policy*, 13(2), 179–194.
- Baldini, G. (2002). Eleggere i sindaci, dieci anni dopo. *Il Mulino*, 658–667.
- Bauroth, N. (2014). The Possibility of a Housing Authority: Elite Negotiations and the Establishment of an Urban Renewal Relocation Plan in Fargo, North Dakota. *Journal of Planning History*, 13(4), 341–356.
- Belligni, S., & Ravazzi, S. (2011). Regimi urbani e modello Torino. Presented at the XXV Convegno Sisp. Retrieved from <http://www.sisp.it/files/papers/2011/silvano-belligni-e-stefania-ravazzi-1044.pdf>
- Belligni, S., & Ravazzi, S. (2012). *La politica e la città: regime urbano e classe dirigente a Torino*. Bologna: Il Mulino.
- Berdini, P. (2000). *Il Giubileo senza città*. Roma: Editori Riuniti.
- Chiodelli, F., & Moroni, S. (2015). Corruption in land-use issues: a crucial challenge for planning theory and practice. *Town Planning Review*, 86(4), 437–455.
- Cox, K. R. (1993). The local and the global in the new urban politics: a critical review. *Environment and Planning: Society and Space*, 11, 433–448.
- Cox, K. & Mair, A. (1991). From localised social structures to localities as agents. *Environment and Planning A*, 23, 197–213.
- Cremaschi, M. (2010). Rendita fondiaria e sviluppo urbano nella riqualificazione urbana: per un'ipotesi interpretativa. *Comunicazione al 24mo Congresso della Società Italiana di Scienza Politica*. Venezia, Università IUAV di Venezia, 16-18 settembre.
- D'Albergo, E. & Moini, G. (2015). *Il regime dell'Urbe: politica, economia e potere a Roma*. Roma: Carocci editore.
- DeLeon, R. (1992). The urban antiregime: progressive politics in San Francisco. *Urban Affairs Quarterly*, 27(4), 555–580.
- DiGaetano, A., & Klemanski, J. S. (1993). Urban Regimes in Comparative Perspective: The Politics of Urban Development in Britain. *Urban Affairs Review*, 29(1), 54–83.
- DiGaetano, A., & Klemanski, J. S. (1999). Power and city governance: Comparative perspectives on urban development. Minneapolis: Univ. of Minnesota Press.
- DiGaetano, A., & Strom, E. (2003). Comparative Urban Governance: An Integrated Approach. *Urban Affairs Review*, 38(3), 356–395.
- Dowding, K. (2001). Explaining Urban Regimes. *International Journal of Urban and Regional Research*, 25(1), 7–19.

- Dowding, K., Dunleavy, P., King, D., Margetts, H., & Rydin, Y. (1999). Regime Politics in London Local Government. *Urban Affairs Review*, 34(4), 515–545.
- Elkin, S. L. (1987). *City and Regime in the American Republic*. University of Chicago Press.
- Fainstein, S. S., & Fainstein, N. I. (1986). Regime strategies, communal resistance, and economic forces. In *Restructuring the city: The political economy of urban redevelopment*. New York: Longman Publishing Group.
- Ferrarotti, F. (1991). *Roma madre matrigna*. Bari: Laterza.
- Goodwin, M. & Painter, J. (1997). Concrete Research, Urban Regimes, and Regulation Theory. In M. Lauria (Ed.), *Reconstructing urban regime theory: regulating urban politics in a global economy*. Thousand Oaks, Ca: Sage.
- Harding, A. (1991). The Rise of Urban Growth Coalitions, UK-Style? *Environment and Planning C: Government and Policy*, 9(3), 295–317.
- Harding, A. (1994). *Urban Regimes and Growth Machines: Toward a Cross-National Research Agenda*. *Urban Affairs Quarterly*, 29(3), 356-382.
- Harding, A. (1997). Urban Regimes in a Europe of the Cities? *European Urban and Regional Studies*, 4(4), 291–314.
- Harvey, D. (1985). *The Urbanization of Capital: Studies in the History and Theory of Capitalist Urbanization*. Baltimore: John Hopkins University Press.
- Insolera, I. (2011). *Roma moderna: da Napoleone I al XXI secolo*. Torino: G. Einaudi.
- Jain, A. K. (2001). Corruption: a Review. *Journal of Economic Surveys*, 15(1).
- Jessop, B. (1983). Accumulation strategies, state forms, and hegemonic projects. *Kapitalistate*, 10, 89-111.
- Jessop, B. (1995). The Regulation Approach, Governance and Post-Fordism: Alternative Perspectives on Economic and Political Change? *Economy and Society*, 24(3), 307-333.
- Jessop, B. (1997). A neo-Gramscian approach to the regulation of urban regimes: accumulation strategies, hegemonic projects, and governance. In M. Lauria (Ed.), *Reconstructing urban regime theory: regulating urban politics in a global economy*. Thousand Oaks, Ca: Sage.
- Jessop, B., Peck, J. & Tickell, A. (1999). Retooling the Machine: Economic Crisis, State Restructuring, and Urban Politics. In A. E. G. Jonas & D. Wilson (Eds.), *The Urban Growth Machine: Critical Perspectives, Two Decades Later*. Albany: SUNY Press.
- John, P., & Cole, A. (1998). Urban Regimes and Local Governance in Britain and France: Policy Adaption and Coordination in Leeds and Lille. *Urban Affairs Review*, 33(3), 382–404.
- Keating, M. (1991). *Comparative urban politics: Power and the city in the United States, Canada, Britain, and France*. Aldershot, England: E. Elgar.

- Lauria, M. (1997). *Reconstructing urban regime theory: regulating urban politics in a global economy*. Thousand Oaks, Ca: Sage.
- Lauria, M. (1999). Reconstructing urban regime theory: Regulation theory and institutional arrangements. In A. E. G. Jonas & D. Wilson (Eds.), *The Urban Growth Machine: Critical Perspectives, Two Decades Later*. Albany: SUNY Press.
- Lawson, J. (2010). Path Dependency and Emergent Relations: Explaining the Different Role of Limited Profit Housing in the Dynamic Urban Regimes of Vienna and Zurich. *Housing, Theory and Society*, 27(3), 204–220.
- Lindblom, C. (1977) *Politics and Markets*. New York: Basic Books.
- Logan, J. R., & Molotch, H. L. (1987). *Urban fortunes: the political economy of place*. Berkeley, Calif: Univ. of California Press.
- Macleod, G., & Goodwin, M. (1999). Space, scale and state strategy: rethinking urban and regional governance. *Progress in Human Geography*, 23(4), 503–527.
- Madden, D. J., & Marcuse, P. (2016). *In defense of housing: the politics of crisis*. London; New York: Verso.
- Marcelloni, M. (2003). *Pensare la città contemporanea. Il nuovo Piano Regolatore di Roma*. Bari: Laterza.
- Molotch, H. (1976). The City as a Growth Machine: Toward a Political Economy of Place. *American Journal of Sociology*, 82(2), 309–332.
- Molotch, H., & Vicari, S. (1988). Three Ways to Build: The Development Process in the United States, Japan, and Italy. *Urban Affairs Review*, 24(2), 188–214.
- Mossberger, K., & Stoker, G. (2001). The Evolution of Urban Regime Theory: The Challenge of Conceptualization. *Urban Affairs Review*, 36(6), 810–835.
- Moulaert, F., Martinelli, F., Gonzalez, S., & Swyngedouw, E. (2007). Introduction: Social Innovation and Governance in European Cities: Urban Development Between Path Dependency and Radical Innovation. *European Urban and Regional Studies*, 14(3), 195–209.
- Orr, M. E. & Stoker, G. (1994) Urban regimes and leadership in Detroit. *Urban Affairs Quarterly*, 30, 48- 73.
- Painter, J. (1997). Regulation, Regime, and Practice in Urban Politics. In M. Lauria (Ed.), *Reconstructing urban regime theory: regulating urban politics in a global economy*. Thousand Oaks, Ca: Sage.
- Pierre, J. (1999). Models of Urban Governance: The Institutional Dimension of Urban Politics. *Urban Affairs Review*, 34(3), 372–396.
- Pierre, J. (2005). Comparative Urban Governance: Uncovering Complex Causalities. *Urban Affairs Review*, 40(4), 446–462.
- Pierre, J. (2014). Can Urban Regimes Travel in Time and Space? Urban Regime Theory, Urban Governance Theory, and Comparative Urban Politics. *Urban Affairs Review*, 50(6), 864–889.

- Porro, N. (1993). *Il cemento e la ricotta. Per una sociologia del sistema politico romano (1946-1992)*. Roma: Edizioni SEAM.
- Ravazzi, S., & Belligni, S. (2016). Explaining “Power to”: Incubation and Agenda Building in an Urban Regime. *Urban Affairs Review*, 52(3), 323–347.
- Secchi, B. (1985). La politica urbanistica delle amministrazioni di sinistra. In G. Martinotti (Ed.), *Politica locale e politiche pubbliche*. Milano: Franco Angeli.
- Stoker, G., & Mossberger, K. (1994). Urban Regime Theory in Comparative Perspective. *Environment and Planning C: Government and Policy*, 12(2), 195–212.
- Stone, C. N. (1989). *Regime Politics: Governing Atlanta, 1946-1988* (New. edizione). Lawrence, Kan: Univ Pr of Kansas.
- Stone, C. N. (1993). Urban Regimes and the Capacity to govern: A Political Economy Approach. *Journal of Urban Affairs*, 15(1), 1–28.
- Stone, C. N., & Sanders, H. T. (Eds.). (1987). *The Politics of Urban Development*. Lawrence, Kan: University Press of Kansas.
- Stone, C. N., Orr, M. E. & Imbroscio, D. (1991). The reshaping of urban leadership in US cities: a regime analysis. In M. Gottdiener & C. Pickvance (Eds.), *Urban Life in Transition*. Newbury: Sage.
- Toscano, P. (2009). *Imprenditori a Roma nel secondo dopoguerra. Industria e terziario avanzato dal 1950 ai giorni nostri*. Roma: Gangemi Editori.
- Vicari, S., & Molotch, H. (1990). Building Milan: alternative machines of growth. *International Journal of Urban and Regional Research*, 14(4), 602–624.
- Vidotto, V. (2001). *Roma contemporanea*. Bari, Roma: Editori Laterza.
- Violante, A. & Annunziata, S. (2011). Rome-Model: rising and fall of a hybrid neo-liberal paradigm in Southern Europe. *Communication to the RC21 Conference of the International Sociological Association*.
- Vitellio, I. (2009). *Regimi urbani e grandi eventi. Napoli, una città sospesa: Napoli, una città sospesa*. FrancoAngeli.
- Ward, K. (1996). Rereading urban regime theory: a sympathetic critique. *Geoforum*, 27(4), 427–438.
- Whelan, R. K. Young, A. H. & Lauria, M. (1994). Urban regimes and racial politics in New Orleans. *Journal of Urban Affairs*, 16, 1-21.

CHAPTER 4

The many shades of grey in urban governance: how illegality shapes urban planning, policy and development

A version of this chapter has been submitted as an academic article to Political Geography and it is currently under review. Co-authored by Associate Professor Francesco Chiodelli from University of Turin.

Abstract

While illegal practices have been widely investigated in specific sectors, there is still a lack of focus on the city scale and the specific urban aspects of the illegal. As a consequence, most research on urban planning, policy and development only takes into consideration legal practices and actors, and treats illegal ones as insignificant anomalies, unable to structurally affect the governance of urban space. However, such an approach seems to be inadequate for explaining urban governance in contexts where illegality (e.g. corruption and organized crime infiltration) is a structural feature (e.g. several countries in the Global South, the former Soviet bloc and Southern Europe). This paper addresses the role of illegal actors and practices in urban governance in the Italian context. The research centres around the analysis of two case studies in the city of Rome (the Mafia Capitale investigation about a criminal network that infiltrated the local administration and shaped several urban policies, and the investigation of episodes of corruption related to the project for the new A.S. Roma soccer stadium). It shows the existence of different shades of 'grey urban governance': the existence of an illegal urban regime, centred around a criminal organisation and in parallel to the 'regular' one, and the use of corruption as a customary daily practice for real estate entrepreneurs in order for them to influence municipal decisions. Overall, this research aims to contribute to the debate on urban regimes (and on urban governance dynamics in general), by highlighting the necessity of investigating their many shades of grey.

1. Introduction: neglecting the many shades of grey in urban governance

News stories and judicial investigations often report illegal practices such as corruption, patronage or organized crime infiltration in the fields of urban planning, policy and development in many cities across the world. Despite this, such illegal practices have seldom been investigated by scholarly research with reference to the *city scale* and to their *specific urban aspects* (Hall, 2013). One of the consequences of such a research gap is that reflections on the illegal have only marginally influenced the analysis of urban politics, so that an ‘ideal’ view of urban governance through ordinary (i.e. formal) regulation and decision-making still prevails (Le Galès, 2011).

The lack of research on the ‘grey’ side of urban governance becomes apparent when considering urban regime theory, a political economy conceptualization that explores formal and informal networks of cooperation in city governance among public and private actors committed to a shared development agenda (Stone, 1989 and 1993). Regardless of how informal the network, in urban regime theory both private and public actors (and their practices) are always within the realm of legality. What urban regime theory – as well as other theoretical approaches to urban governance – fails to do is to consider the possibility of illegal practices and actors as a structural component of its theoretical framework.

Considering only the legal side of urban governance can be appropriate when analysing contexts where illegal practices and actors in the public sector and economy are rare. However, it could be argued that such idyllic contexts are the exception rather than the norm. Indeed, in most countries of the so-called ‘Global South’ and in the former Soviet Bloc, illegal practices (such as corruption or abuse of office) are a structural feature in the public sphere (Transparency International, 2018). This is also the case in a number of European countries (European Parliament, 2016). Moreover, such illegal practices sometimes take place in a context characterized by the deeply-rooted presence of criminal organizations (Varese, 2011).

Against this backdrop, the paper analyses Rome as a case study to investigate the role of illegal practices and actors in shaping urban governance and their connections with the Roman urban regime. Our analysis shows that, during (at least) the last decade, illegality has deeply influenced different aspects of the governance of Rome. Two main shades of grey governance emerge. The darker shade is the existence of an illegal urban regime – centred around a criminal organization (*Mafia Capitale*) – parallel to the ‘regular’ one operating in Rome since the 1990s. The lighter shade of grey is the use of illegal practices (corruption in particular) as a customary daily practice for some real estate entrepreneurs, who are a core component of the regular Roman regime, in order to influence several public decisions. Through this empirical case, our work aims to spark a theoretical discussion that contributes to the international debate on urban governance dynamics in the field of urban studies, geography, sociology and planning, primarily by highlighting the need to take into account the potential role of illegal practices and actors in city governance.

The paper is structured as follows: The next section outlines the current state of the research on illegal practices and actors in urban governance, as well as explaining our use of urban regime theory as a robust analytical framework for the Roman case; The

subsequent section investigates the case study of the city of Rome, analysing two judicial investigations of urban projects and programmes at the municipal level. This serves as evidence to discuss the role of illegal practices and actors in urban governance; The last section offers conclusions – explaining the larger heuristic value of Rome as an empirical case – and pathways for further research.

2. *The illegal and the illicit in the city*

2.1 Beyond a 'positivistic' view of urban governance

“Analysing a city requires focusing not just on governments but also understanding the illegal side of the city, the invisible activities, from undocumented immigrants in clandestine rooms to gangs controlling drug trafficking or private developers financing illegally political activities in order to build new developments. This is not just some dark side of the city which will disappear on the road to rational progress but an irreducible part of any city” (Borraz & Le Galès, 2010: 140; see also: Le Galès, 2011; Marques, 2011; Singerman, 2009). This illegal side of the city is multifaceted and, while some of its aspects have been extensively analysed by academic research (for example the role of informal settlements in the urban development of the ‘Global South’, that of informal activities in the urban economy, or that of irregular armed forces and violence in many urban area), others have not. For instance, there is little investigation on the crucial role of corruption (Chiodelli, 2018; Chiodelli & Moroni, 2015; Gardiner & Lyman, 1978) or organized crime (Chiodelli, 2019; Gardiner, 1970; Weinstein, 2008) in shaping urban planning, policy and development. At the same time, while illegality has been widely analysed in reference to national government and governance – showing the ability of illegal practices and actors to deeply influence different spheres of public action in many circumstances¹ – such research has rarely concerned the specificity of *urban* governance (and government). As a result, the prevailing approach to urban governance is still dominated by a ‘positivistic view’, which considers only legal practices and actors, and treats illegal ones as ‘insignificant anomalies’, unable to structurally affect the governance of urban space. Therefore, illegal phenomena are mostly relegated outside governance processes and are mainly framed as the result of policy failure, neglect or absence – that is, situations in which the government does not govern (Le Galès & Vitale, 2013).

However, this view of urban governance is, in our opinion, deeply unsatisfactory. In fact, illegality can be a *structural component of the ordinary functioning* of urban governance as a result of processes that have institutionalized it (see, for instance, Allum 1973 on Naples). This is due to the intrinsic characteristics of urban governance. For example, illicit or illegal relationships between public and private actors are more likely to emerge at the local (municipal) level because, compared to national politics, local politics is much more dependent on the interaction with resourceful societal actors (mainly the corporate sector) (Pierre & Peters, 2012).

¹ For a review of this, refer to the many good handbooks published in the last decade, including Heywood (2014); Paoli (2014); Rose-Ackerman (2007).

Moreover, local governments are responsible for activities that, by their very nature, provide strong incentives for illegal practices. This is the case of urban planning as conceived of and practiced in many countries, where huge economic returns are generated by highly discretionary public decisions with a low level of accountability, thus offering several stimuli to corruption (Chiodelli, 2018; Chiodelli & Moroni, 2015). The limits of current conceptualizations of urban governance emerge clearly when considering urban regime theory, as this approach to city governance exposes the existence of informal networks – sometimes identifying illicit customs – but never considers illegal actors and practices.

At this point, a terminological clarification is necessary. There is no agreement in the academic world on the differences between the terms ‘illicit’ and ‘illegal’, and on their precise definition. For the purpose of this analysis, we consider: (il)legal as referring to the relationship between a practice (or an actor) and the public regulatory system (that is, an act is illegal when it transgresses a specific law in force in a given context); (il)licit as referring mainly to moral judgment, customary practice and social acceptability (that is, an act is illicit when it is subject to social disapproval, regardless of whether it violates a law or not) (Abraham & van Schendel, 2005; Chiodelli et al., 2018). Moreover, in this paper we will use the term ‘informal’ to identify arrangements that, despite being legal, are not clearly codified and regulated transparently, and are sometimes also hidden.

2.2 Urban Regime Theory and the illegal

Urban regime theory (Elkin, 1987; Stone, 1989 and 1993) is a theoretical tool for the analysis of urban governance. Essentially, it postulates the potential existence in city governance of networks among public and private actors, which form governing coalitions in order to pursue a shared development agenda. An urban regime can be thus understood as a system of civic cooperation based on mutual self-interest.

In order to be considered an urban regime, a governing coalition needs to possess a number of key characteristics. First, collaboration is achieved not only through formal institutions and arrangements, but also through *informal* networks and practices. Second, since they aim to bridge the divide between public control of governmental authority and private control of economic resources, urban regimes need to be cross-sectoral and cross-institutional. Third, the participation of both business and public-sector actors is required – other types of actors (e.g. non-governmental and non-profit institutions) can also be part of the coalition, but their presence is not essential in order to have a regime. Fourth, regimes are relatively stable and long-lasting arrangements that can span a number of administrations; therefore, a change in political leadership does not imply a change of urban regime. Fifth, a regime has a distinctive (and rather long-lived) policy agenda, whose objectives are influenced by which actors take part in the coalition, the nature of their relationship and the resources they bring. Sixth, regime participants may not completely agree on beliefs and values, but selective incentives and the opportunity to achieve some of their aims produce the necessary consensus.

There are several motivations that drive actors to take part in coalitions. With reference to business actors, Logan & Molotch (1987) stress the importance of economic gains, which push local rentiers in particular – mostly property

entrepreneurs concerned with maximizing their land rent – to join the coalition. This form of place-bound capital is seen as a key player in urban regimes – and, specifically, in growth coalitions (see Molotch, 1976) – exactly because it benefits from the urban development process and from local economic growth. Public actors, on the other hand, mostly seek an improved capacity to act, which can only be achieved through cooperation and consensus; these, in turn, can best be created and maintained by taking part in a coalition with different actors (Stone, 1993; Mossberger & Stoker, 2001).

In decades of its existence, urban regime theory has been criticized from two main viewpoints. First of all, it has been accused of neglecting structural factors such as the power relationship between the local and the global and the influence of higher political and institutional levels (Cox, 1993; McLeod & Goodwin, 1999; Ward, 1996). Secondly, issues of ethnocentrism and difficult comparative application have been raised, with urban regime theory criticized as an abstraction of US political economy, thus intrinsically unable to conceptualize urban governance in other parts of the world (Di Gaetano & Klemanski, 1993; Harding, 1991).

However, while this criticism applies well to the earlier formulations of the theory, it is less convincing with regard to more recent approaches and understandings. Indeed, many scholars have expanded the focus of regime theory in order to include broader power relationships between the local and the global (see, for instance: Harding, 1994 and 1997; Stoker & Mossberger, 1994; Ward, 1996), thus effectively overcoming the localist character of earlier formulations and allowing the regime framework to reach a position of synthesis in the structure and agency debate (Cox, 1993; Ward, 1996) – also by incorporating other theoretical formulations, namely regulation theory (Lauria, 1997; Jessop, 1997; Jessop et al., 1999). With regards to ethnocentrism, it has to be noted that in recent decades the differences between the US and Europe have grown smaller (Harding, 1994; Mossberger & Stoker, 2001; Pierre, 2014). Privatization, deregulation and increased financial constraints are currently key features of most Western economies, where public-private agreements and interventions by the business sector are now necessary to achieve any major urban project and policy, and increasingly also some of the minor ones (DiGaetano & Klemanski, 1993; Pierre, 1999; DiGaetano & Strom, 2003).

Therefore, despite urban regime theory being a relatively old, often misused and widely critiqued theoretical approach, we believe it still is an extremely useful analytical tool. Its emphasis on the interdependence of governmental and non-governmental forces and their informal cooperation is especially relevant to understanding how urban space is currently shaped and managed in many cities and how multiple actors and layers (economic, social, political, but also ideological and discursive) are mobilized at the same time. Moreover, urban regime theory fits particularly well with the features of some Italian cities. Indeed, the major regulatory, institutional, political and economic changes occurred in Italy between the late 80s and the 2000s provided the conditions for the development of urban regimes (Molotch & Vicari 1988; Vicari & Molotch 1990; Vitellio, 2009; Belligni & Ravazzi, 2012; D'Albergo & Moini, 2015).

However, it seems to us that, despite its potentialities, urban regime theory – as well as other approaches to urban governance – provides an incomplete picture of the arena of forces shaping urban planning, policy and development. Indeed, only legal

practices are included in the framework, and illegality (e.g. corruption) is mentioned only as an unfortunate side consequence rather than a potentially constitutive factor (Logan & Molotch, 1987). This draws a picture of a sort of ‘gentlemanly capitalism’: private and public actors taking part in the regime may be self-interested, but at least they always accept the rules of the game, thus obeying the law. Their coalition can be informal, and sometimes also hidden and non-transparent; in some instances, it might also be socially disapproved of and perceived as a rather unfair shortcut for influencing local policy and doing business. Nevertheless, such a coalition always remains within the realm of legality. However, in the light of the spread of illegal practices and actors in many spheres of public life and the economy in many cities around the world, it appears unrealistic to assume that this illegal domain does not play any role in the specific (and very profitable) field of urban governance and does not influence the composition and functioning of an urban regime.

2.3 The Roman Regime

In 2015 the sociologists Ernesto d’Albergo and Giulio Moini advanced the thesis that between 1993 and 2013 an urban regime could be found operating in the city of Rome [hereafter: the regular Roman urban regime]. According to them, the governance model of Rome has been based on urban development as the main ‘object of exchange’ between local politics and business, thus making it a development regime, if not an outright growth machine (Toscano, 2009). Indeed, for at least twenty years Rome has been governed by a coalition of public-private actors that promoted a consistent agenda despite the change in political leadership. The business and corporate side of the coalition was composed mainly by rentiers, land developers, real estate entrepreneurs, construction sector companies and bankers. Public actors – such as members of the Municipality, the Region, the Chamber of Commerce, but also of the national government – played a prominent role in the coalition, together with the Vatican hierarchy (D’Albergo & Moini, 2015).

The creation of this regime was related to the evolution in a ‘neoliberal direction’ of the historical dominance of specific business sectors that rely on land rent (ibid.). Indeed, Rome has never been an industrial city; rather, a major role was played by the so-called second circuit of capital (Harvey, 1985). This neoliberal turn centred around the privatisation of important public utilities and services and the promotion of Rome as an entrepreneurial city (Toscano, 2009). These two streams complemented the pivotal role of urban development, which was characterized by two trajectories. On one hand, large events (e.g. 2000 Jubilee, 2009 World Swimming Championship, 2020 Olympic bid), together with the promotion of a catchy cultural agenda, were used as catalysts for infrastructural and residential development (Cremaschi, 2010). On the other hand, ‘ordinary’ urban development in the outskirts of the city was promoted ostensibly in order to provide services to the neglected peripheral areas, but often resulted in mere property speculation and the creation of dormitory neighbourhoods (Erhani, 2013; Sina, 2013). Speculation on residential development has been made particularly easy by the fact that public land ownership is extremely rare in Rome, thus giving large private landowners huge bargaining power (Erhani, 2013). The power of the property bloc to influence public decisions is so great that masterplans and planning regulations in Rome have often been interpreted as

primarily a sort of formalization of informal agreements between the municipal authority and large landowners and developers (Insolera, 2011; Berdini, 2000; Tocci, 2009).

All these policies systematically favoured highly place-dependent capital. Indeed, although the policy agenda was extremely varied, the majority of these interventions perpetuated the interests of the hegemonic block of Roman property entrepreneurs and rentiers, using land and property as the major resource (and the major stake) in power relations (D'Albergo & Moini, 2015).

D'Albergo and Moini's theorization of the role of urban regime theory in explaining the governance dynamics of Rome in the past decades is robust and convincing. However, illegal actors and practices are missing in their picture. They do discuss the 'collusive character' (ibid.) of the Roman regime – meaning that in many cases illicit practices (that is, socially stigmatized ones) are in place (such as informal agreements in order to reduce competition among business actors), which are, nonetheless, perfectly legal. However, although the authors seem aware of a need to consider them further, they never mention criminal actors, and illegal practices do not play an important role in the framework of the Roman urban regime. This conflicts with some resounding cases of illegal practices discovered in recent years by the judiciary with reference to the urban planning and policy sphere, and with the widespread perception that illegality is an entrenched component of urban development in Rome (Berdini & Nalbhone, 2011; Berdini, 2018). Indeed, by failing to take into consideration the role of illegal actors and practices, we run the risk of painting a very partial picture. It is this gap that the current paper seeks to address, in order to provide a more accurate depiction of (Rome's) urban governance.

3. Urban governance and illegality in Rome: actors and practices

The Municipality of Rome has been the object of several judicial investigations in the last years. Two of these inquiries are particularly significant for this research². The first one is the investigation called *Mondo di Mezzo* ['In-between world'] (Tribunale di Roma, 2015a, 2015b, 2017a), regarding corruption and criminal infiltration in public agencies and municipal departments dealing with various urban policies. The second investigation is called *Nuovo stadio della Roma* [New A.S. Roma stadium] (Tribunale di Roma, 2017b) and it deals with corruption in one of the largest urban projects of the last decade, that of the new stadium for the A.S. Roma soccer team. Overall, these investigations spanned over 10 years, a time-frame in which the city has been governed by three separate municipal councils, radically different in terms of people and political leanings.

These two investigations are different in nature, but they both revolve around illegality, highlighting the existence of at least two different shades of grey urban governance. One darker shade is a parallel regime run by a criminal organization; the other, somewhat lighter, consists of ordinary actors in the regular regime engaging in

² The work is based on an analysis of the main court records of both investigations, along with related judicial documents and press releases.

illegal practices to influence public decisions. Bribery, in particular, emerges as a key means, depicting a landscape of *systemic corruption* (della Porta & Vannucci, 2012): corruption is not occasional, but common in some public departments and fields, and it is characterized by a more or less stable configuration of rules and enforcing mechanisms, thus being always available as a tool for urban actors in their interaction with public agents (to the point where it is sometimes even expected)³.

3.1 The 'In-between World' investigation: corruption and urban policy in the 'Old Rome' (2008-2015)

In December 2014 the national press was swarming with news of the first arrests from the 'In-between world' inquiry (for an English overview, see Sergi, 2015). The investigation revealed the existence in Rome of a criminal organization called *Mafia Capitale* [Capital Mafia]⁴ by the judges, which was able to consistently and profoundly affect the functioning of the city's governance apparatus. In particular, *Mafia Capitale* was able to influence important public agencies and also several sectors of the public administration in charge of all sorts of urban policies, including immigration, housing, public works and social services.

3.1.1 Mafia Capitale: people, interests and modus operandi

Two people were in charge of *Mafia Capitale*. The first one was Massimo Carminati, the so-called 'criminal soul' of the organization. He was one of the leading figures of the neo-fascist terrorist scene in 1970s Italy (Dondi, 2015), and also part of the Roman mob. The second person was Salvatore Buzzi, the so-called 'business soul' of the organization. He established and managed a number of social cooperatives in Rome, with total revenues of about 60 million Euros in 2012 (Tribunale di Roma, 2015a: 607). Social cooperatives in Italy manage several kinds of activities on behalf of public administrations, often in the field of welfare services (e.g. elderly and disability care and supporting socially disadvantaged people back into work). Cooperatives belonging to the Catholic world and to that of left-wing political parties are particularly powerful in Italy (Borzaga & Zandonai, 2009). Buzzi was part of this latter world and had considerable contacts among leading left-wing politicians.

Mafia Capitale made most of its profits by obtaining public contracts through Buzzi's cooperatives. His coops operated in multiple policy areas at the municipal level; among them are emergency housing solutions, the construction and management of Roma camps, the maintenance of public green space, parks and bike

³ Two kinds of corruption are in place in the investigations under consideration: *corruzione propria* (i.e. bribing public officials, who commit abuse of power in the form of malfeasance in office) and *corruzione impropria* (i.e. bribing officials to speed up or encourage their actions). The 'In-between world' inquiry refers to *corruzione propria*; the 'New A.S. Roma Stadium' to *corruzione impropria*.

⁴ Despite the name, the judgement in the first instance (July 2017) has denied the *mafioso* character of the criminal organization. The judgement in the second instance (September 2018) has instead overturned this, declaring *Mafia Capitale* a proper mafia-type organization. On the difference between organized crime and mafia-type organized crime, see Finckenauer (2005). For a discussion of the actual mafia character of *Mafia Capitale*, see Brancaccio (2016), Della Chiesa (2015), Martone (2016) and Sergi (2019).

lanes, the management of refugee and migrant shelters and service and snow removal services (Tribunale di Roma, 2015a: 205, 797). In addition to public procurement, *Mafia Capitale* profited from the private sector as well, for instance by providing services to firms in the construction sector (e.g. earth-moving, excavation, safety) (ibid.).

Two aspects of *Mafia Capitale* need to be highlighted. The first is that the main method used by the organization to influence public decisions to its advantage was a widespread, lasting and well-structured system of corruption. It was not the occasional bribe, but rather a structural action. As we will explain in the next section, several politicians and bureaucrats were on *Mafia Capitale*'s payroll, receiving an actual monthly 'salary' of up to several thousand euros. This paints a picture of *systemic corruption* (della Porta & Vannucci, 2012), where key public officials were in the service of a criminal organization and the daily practices of several public departments were profoundly shaped and oriented by bribes, collusive tendering and trafficking of favours, so much that corruption was almost institutionalised. The second important aspect is that these corrupt practices did not only happen in the policy implementation phase (for example to win a specific public procurement contract). Rather, *Mafia Capitale* – thanks to its grey relationships with leading politicians – had the ability to deeply affect policy design as well. One example of this is that *Mafia Capitale* managed to influence the composition and allocation of the Municipal budget, which is one of the main decisions local government can make. In particular, the organization managed to obtain resources about 15 million Euros higher than initially budgeted for the sectors in which it carried out its activities (Tribunale di Roma, 2015a: 187, 898), with the idea of 'capturing' this money when it was allocated for specific activities and procurements. All of this reveals that the organization operated not only in the sphere of bureaucratic corruption, but also in that of political and legislative corruption, thus achieving an effective 'multilevel governance' of public activities (Vannucci, 2016). As the sentence indicates, *Mafia Capitale* "has distorted the functioning of the entire municipal administration of Rome" (Corte di Cassazione, 2015, in Osservatorio Tecnico-Scientifico per la Sicurezza e la Legalità della Regione Lazio, 2018: 105), so much so that the Prefect of Rome has argued for the dissolution of the city council.

3.1.2 The 'social capital' of Mafia Capitale

Judges describe *Mafia Capitale* as "a virus that can infect healthy bodies, quickly and deeply infiltrating business and politics. [...] The ability to accumulate and use social capital, that is to manipulate and exploit social connections, is the key strength of the criminal organization" (Tribunale di Roma, 2015a: 888-889). Essentially, the main asset of *Mafia Capitale* was its extensive network of relations with both *legal* actors, such as businessmen, politicians and public officials, and *illegal* ones – although according to Martone (2017) less than one third of *Mafia Capitale*'s network consisted of actual criminal actors.

The administrative-bureaucratic sphere and the political sphere at the municipal level were the two main areas of criminal infiltration. To get a sense of the extent of the phenomenon, consider that, according to the report by Rome's Prefect, at least 101

people within the municipal administration – politicians and public officials – allegedly favoured the criminal activities of *Mafia Capitale* (Abbate, 2015).⁵

The political sphere. One of *Mafia Capitale*'s main objectives was to infiltrate the municipal political system in order to secure the favours of leading politicians. The most wanted were members of the Municipal Cabinet and of the Municipal Council with important roles in the administrative areas crucial to the organization's business. As Buzzi himself declared: "the cooperative lives off politics. [...] I pay all of them. [...] I finance newspapers, I do advertising, I finance events, I pay for secretaries, I pay for dinners, I pay for billboards. I have a 20 thousand Euro dinner next Monday... now is the moment when you have to pay the most, because municipal elections are coming, otherwise you only pay them when they do something for you" (Tribunale di Roma, 2015a: 132). Relations with prominent politicians were crucial for *Mafia Capitale*. On one hand they guaranteed a high level of influence over political decisions during the policy design phase (e.g. the draft of the municipal budget for specific policy sectors). On the other hand, they were pivotal in order to condition the appointment of relevant managers, executive officials and bureaucrats in important public agencies and municipal departments.

In this respect, the ability to survive radical political changes in the city's government was crucial for *Mafia Capitale*. Although already active during the Veltroni administration⁶, the organization consolidated its operating capability during radical right-wing Gianni Alemanno's term of office as mayor of Rome from 2008 to 2013. During those years *Mafia Capitale* had several prominent politicians at its service; among them there were the majority party whip in the City Council and the head of the Mayor's Office. This translated to "direct contact with mayor Alemanno and into conduct on his part that objectively favoured the criminal association" (Tribunale di Roma, 2015a: 142). For these latter reasons, Alemanno has been recently sentenced to six years in prison (Grignetti, 2019).

These consolidated relationships explain *Mafia Capitale*'s concern over Alemanno's electoral defeat in 2013. As Buzzi clearly stated: "If Alemanno had won we would have owned all of them already [...] we would have had the cabinet member for public works, then Tredicine would have been cabinet member for social services, and Cochi for green spaces" (Tribunale di Roma, 2017a: 1126). Instead, Alemanno was defeated by a center-left coalition led by Ignazio Marino, which held office until 2015. The new mayor was a man of perceived moral integrity, totally alien to Roman politics (he is a renowned surgeon working in the USA). Nonetheless, *Mafia Capitale*'s network was so pervasive that in a short time it managed to infiltrate even the new administration, so much so that only a few months after the elections Buzzi declared that six out of ten Municipal Cabinet members "belong to their team" (Tribunale di Roma, 2015a: 134). Moreover, *Mafia Capitale* even recruited the

⁵ The entrepreneurial sphere was also within the scope of criminal infiltration. Indeed, *Mafia Capitale* was always in search of entrepreneurs willing to go into business with the organization (Tribunale di Roma, 2015a). Among those who did, building contractors and real estate developers were particularly valuable (Abbate & Lillo, 2015).

⁶ Walter Veltroni, a leading national politician, was the left-wing mayor between 2001 and 2008. The investigation uncovered that during his term of office some people in the administration were involved with *Mafia Capitale*.

Chairman of the new City Council and the head of the Mayor's Office (ibid.: 133, 148). As the Court stated: "The political change of the administration [which] occurred in 2013 forced the criminal organization to adjust its strategies, to identify new potential partners within the Council, to reinforce and transform the existing relations with civil servants [...]. Such capacity for adaptation, and the rapidity with which new results have been achieved, highlights the stability of the organization as well as revealing the infiltration of the public administration as its main and essential objective" (Tribunale di Roma, 2015a: 729).

The administrative-bureaucratic sphere. The organization's control of technical and bureaucratic figures throughout the public administration – such as employees and managers of public agencies and municipal departments – is a crucial element of its strength. While politicians change continuously according to electoral results, public officials and civil servants remain in office for much longer, thus ensuring stability and continuity for *Mafia Capitale's* affairs. This is why the organization was deeply rooted in various municipal departments, including the Department of Social Services and the Department of Social Policy, Subsidiarity and Health. These two departments play a key role in developing and implementing policies with regards to Roma camps, which were one of the main sources of money for *Mafia Capitale* (Tribunale di Roma, 2015a). Corrupt senior officials and civil servants from these departments used various means – disclosing confidential information, diverting public funds, manipulating tenders and bids – in order to favour Buzzi's cooperatives working in the construction and management of Roma camps.

Alongside municipal departments, public companies were also targeted by *Mafia Capitale*. Two public agencies in particular were heavily infiltrated by it. The first is EUR S.p.A, an incorporated company controlled by the Municipality that manages the highly valuable real estate assets in the area of the 1942 Universal Exposition of Rome, promoting large development projects and *de facto* governing a large portion of the Roman urban fabric (the EUR neighbourhood). To give an idea of the size of the enterprise, EUR S.p.A in 2007 had a capital of over 800 million Euros, a yearly revenue of 35 million Euros and 82 employees. The second public agency is AMA S.p.A, a huge incorporated company owned by the Municipality. It has around 7800 employees and a yearly revenue of several hundred million euros; its main task is to manage garbage collection and disposal in the city. Both AMA S.p.A and EUR S.p.A were, according to Vannucci (2016), *de facto* completely controlled by *Mafia Capitale* or, as Martone (2017) says, 'colonized'. Indeed, the organization paid a 'monthly salary' to the CEO of EUR S.p.A who could thus be considered an actual 'underling' of Carminati and Buzzi (Tribunale di Roma, 2015a). AMA S.p.A was also the object of a widespread corruption strategy, so systemic that *Mafia Capitale* was able to control the appointment of some members of the Board of Directors and of the Director General (Tribunale di Roma, 2015a), thus favouring its business activities – for instance, AMA S.p.A. contracted with Buzzi's cooperative to manage differentiated waste collection for two years, a contract worth 16 million Euros which Buzzi won in a rigged bid (Tribunale di Roma, 2015a).

3.2 The 'New A.S. Roma stadium' investigation: urban development and corruption in the 'New Rome' (2016-2019)

The 'In-between world' inquiry, together with other legal scandals – in the context of a larger crisis of traditional political parties in Italy – led to the *Movimento 5 Stelle* [5 Star Movement, abbreviated to M5S] winning the 2016 municipal elections in Rome with mayor Virginia Raggi. The M5S is a new populist and anti-establishment political party. Since it was founded in 2009 it has grown rapidly,⁷ basing its political programme in notions of honesty, fighting corruption and opposing political profligacy. In Rome, too, M5S's electoral success was largely based on ideas of renewal of the city's political class and of the fight against corruption and 'crookedness', after the scandals that engulfed previous administrations.

However, a recent judicial investigation into the new A.S. Roma stadium brings into question the effectiveness of the aforementioned moral renewal (Tribunale di Roma, 2017a). This corruption investigation is extremely relevant for our research because it concerns one of the largest and most important real estate projects of the past decade in Rome – the construction of a new stadium for the A.S. Roma soccer team. Moreover, despite the investigation focusing mainly on the corruption occurring in the case of the stadium, court records also explicitly mention other important urban projects: the urban renewal of the former *Fiera di Roma* [Roma Trade Fair], the regeneration of Ostia's waterfront and the construction of a new shopping mall. According to the tribunal, the corruption and illegal actions involved in the case of the new stadium “are not separate and isolated events, but rather they are part of a wider plan, so they can be seen as the expression of a well-oiled system” (Tribunale di Roma 2017a: 280). Hence, they are a long-established practice not only of Eurnova S.p.A – the real estate group owned by Luca Parnasi under investigation – but also, very possibly, of some other real estate actors operating in Rome.

3.2.1 The project for the new A.S. Roma Stadium

In 2014 the AS Roma football club presented a project for a new stadium to the city council led by mayor Ignazio Marino. The whole project, estimated at approximately 2 billion Euros, would be financed by private capital from A.S. Roma and developed by the real estate group Eurnova S.p.A. As envisaged by the football club, the developer and the city council, the project should include, alongside the soccer stadium, several other urban interventions: a retail and food district, a public park and three high-rise towers designed by 'starchitect' Daniel Libeskind. In exchange for these profitable developments, the developer should realize several works of public interest, mostly infrastructure and mobility interventions.

However, the project was strongly criticized because of its location – in an allegedly high hydro-geological risk area, which local residents would like to see transformed into a public park – and because of some of the project features – namely the three high-rise towers, whose landscape impact was deemed too high. Among the

⁷ In Rome's 2016 municipal elections, M5S triumphed against the centre-left candidate, with Virginia Raggi winning 67% of the votes in the run-off. In the 2018 national elections, M5S was the most popular party, with 32% of votes.

most vocal critics was the 5 Star Movement. In the end the Marino administration fell due to political imbalances and the stadium project remained stalled, still awaiting the green light.

With the new M5S administration in charge, in 2016 the project was revised (and not cancelled, as declared during the electoral campaign) and a new phase of negotiations between the Municipality and the developer opened up in order to define (and approve) the specific contents of the new project (D'Albergo et al., 2018).

The judicial investigation concerns exactly this phase, from 2017 onwards. During this time the real estate developer had to face several obstacles that could seriously limit profit and even endanger the approval of the project. At the municipal level, a crucial negotiation process was taking place that would define the profit margins for the real estate group by establishing the exact outline of the project – in particular the ratio between private development and the public infrastructural interventions required in exchange for it. In order to obtain a favourable outcome for this negotiation process, the Parnasi group established clandestine and questionable relationships with a number of politicians and civil servants (among them an opposition councillor, a municipal officer and, in particular, Marcello De Vito, the M5S President of the City Council⁸). However, the key player in the whole story is Luca Lanzalone. Despite not holding any formal political position within the City Council, he was the informal envoy of Mayor Raggi in the stadium negotiations (as well as in other important urban development programmes). According to Paolo Berdini – former Cabinet Member for Urban Development in the M5S administration⁹ – Lanzalone was the “*de facto* Cabinet Member for Urban Development when it came to the stadium project” (Tribunale di Roma, 2017a: 129; see also Berdini, 2018).

Parnasi approached Lanzalone precisely because of this *de facto* power and found him ready to be of service to the entrepreneur, in exchange for a considerable amount of money (Tribunale di Roma, 2017a). Indeed, Lanzalone successfully interceded on Parnasi's behalf on multiple occasions during the stadium negotiation process and was subsequently involved by Parnasi in negotiations pertaining to other urban projects (for example the regeneration of the former *Fiera di Roma*). Lanzalone's role in the stadium negotiations was that of a mediator between Parnasi's interests and the municipal representatives (mainly mayor Raggi, her deputy and the Cabinet Member for Urban Development) in order to smoothly overcome any possible obstacle to the approval of the project. Indeed, court records tell us that “Lanzalone took charge of the quick definition of the project and the smoothing of the process by elaborating proper strategies aimed at removing any existing or potential obstacle on the way of a profitable result” (Tribunale di Roma, 2017a: 197).

Thus, thanks to this network of clandestine relationships between Parnasi and municipal officers, the stadium project was authorised in a few months. Moreover, it was approved in a very profitable way for the Eurnova group. Indeed, the new version

⁸ De Vito has been recently arrested for corruption. According to the judges, he has been bribed not only by Parnasi in relation to the stadium project, but also by other Roman real estate developers in order to support their development projects (Scarpa, 2019).

⁹ Berdini resigned from his post in 2017 due to irreconcilable differences with the City Council and the Mayor regarding the stadium project.

of the project did see a reduction in the overall size of the development (for instance, the three high rises have been scrapped), but it also cut back on the previously required public infrastructural interventions to be realized and paid for by the private developer. As Caudo¹⁰ (2017) notes, “there is a 40% reduction in the overall building volume [...] while required public works see a reduction of over 60% [...]. This difference results in a higher profit for the developer [...] that can be estimated at over 30 million Euros”. Thus, Parnasi’s enthusiasm for the go-ahead to the new project is not surprising, seeing how his profit margin emerged unscathed because of the cancellation of most of the public interest works (Tribunale di Roma, 2017a). After obtaining the green light for the stadium development, the Parnasi group started a trade procedure to sell the project for over 200 million Euros instead of building it directly. Since the land it sits on was purchased for 42 million Euros a few years before, had the sale gone through, Parnasi would have stood to gain even more (Tribunale di Roma, 2017a).

4. Discussion: the role of the dark urban regime and corruption in urban governance

The two investigations analysed above, together with some other judicial cases (see Bernardini, 2015; Colombo, 2016), show how pervasive illegal practices are in public action in the urban sphere in Rome, as well as exposing the key role often played by criminal actors. Against this backdrop, it becomes essential for any research on urban governance in Rome to focus not only on its bright side, but on its dark side as well – or, rather, on its different shades of grey. Two main shades of grey emerge. The first is the influence of criminal actors on urban governance through the creation of a parallel *dark urban regime*. The second is the widespread use of illegal practices (particularly corruption) to influence public decisions about urban development.

4.1 The Dark Urban Regime

The ‘In-between world’ inquiry testifies to the existence (at least until the arrests in 2014) of a dark urban regime, different from the ‘regular’ Roman regime described by Moini & D’Albergo (2015). Indeed, *Mafia Capitale* can be seen not only as a ‘simple’ criminal organization, but also as an urban regime *per se*. All the key features of urban regimes can be found in relation to *Mafia Capitale*: the capacity to bridge the divide between public control of governmental authority and private control of economic resources; the participation of actors from different spheres (e.g. business, politics, public administration); its stability across several administrations; its political and ideological heterogeneity that does not prevent it from developing a coherent policy agenda. The definition of an urban regime as “an informal yet relatively stable group with access to institutional resources that enable it to have a sustained role in

¹⁰ Giovanni Caudo is Professor of Urban Planning at the Roma Tre University of Rome. Between 2013 and 2015 he served as Cabinet Member for Urban Development in the Marino administration. In this role, he managed the first phase of the stadium project.

making governing decisions” (Stone, 1989: 4) fits perfectly with *Mafia Capitale*. Moreover, from an organisational and procedural point of view, *Mafia Capitale* resembles a modern business more than a traditional mafia organization (Della Chiesa, 2015). It is a lean and flexible organization centred around a small executive core and has a networked structure that changes according to needs and opportunities (Della Chiesa, 2015). Its main weapon is a systematic use of corruption of politicians and civil servants, while violence is rarely used, and only when strictly necessary (Tribunale di Roma, 2015a). Essentially, the peculiarity of the dark urban regime of *Mafia Capitale* is that it includes people with a specific and explicit criminal character, who can add violence (or, rather, intimidation) to the methods available to the coalition.

The main difference between the dark and the regular Roman regime lies in their respective main areas of action. The regular Roman urban regime centres essentially around urban development as the main object of exchange between local politicians and business; *Mafia Capitale* instead operates in different sectors, for example waste collection and management of Roma and refugee camps. These sectors share with urban development the pivotal role of public decisions at the local level for their operation. Despite it being only a secondary and sporadic area of action, the field of real estate development is not disdained by *Mafia Capitale*. For example, Cristiano Guernera, owner of an important real estate company in Rome, has involved *Mafia Capitale* in – among other things – the construction of 90 apartments in the heart of Rome, in exchange for a certain and quicker building permit, secured thanks to Carminati’s concern (Abbate & Lillo, 2015).

The difference between the main fields of intervention by the regular and the dark regime also determines a difference in the stakes for the public actors involved (and politicians in particular). On the one hand, in the regular regime, carrying out specific urban projects – which would not be possible without an agreement with private actors – can still be considered of ‘public interest’, although it can generate clear personal and electoral benefits for the politicians involved. On the other hand, in the case of the dark urban regime, the stakes for public actors are of a purely individual nature, such as personal enrichment or funding for their own electoral campaign.

As mentioned, the dark urban regime is not only made up of criminal actors, but also of people from the legal world; thus it is a relational space of opportunity for both types of players. Such deep and structural relations between the legal and the illegal sphere in the dark urban regime is clearly captured in one of Carminati’s wiretapped conversations: “It is the theory of the ‘in-between world’ [...] the living are above, the dead are below, and we are in-between. [...] There is a world in-between where everybody meets. [...] People from the ‘upper world’ have an interest in getting someone from the ‘down world’ to do something unspeakable for them, something no one else would do in the ‘upper world’. [...] The ‘in-between’ is where this happens, where everything merges.” (Tribunale di Roma, 2015a: 37). The upper world actors (e.g. politicians, civil servants, entrepreneurs, professionals) and down world actors (e.g. petty criminals) that inhabit the in-between world are those who share the ability and will to use the practices and opportunities of each other’s worlds (La Spina, 2016): the upper world has the possibility to carry out business by using down world practices; at the same time the down world is able to join the realm of legal businesses. This is exemplified by the already-mentioned case of Guernera: the real estate

entrepreneur allows *Mafia Capitale* to enter its legal business of real estate development, obtaining in return the approval of a construction permit long-blocked thanks to the action of the criminal organization.

In this regard, it is worth stressing that in *Mafia Capitale*'s dark urban regime people from the upper and the down world have an equal footing, and they both take advantage of each other's standing in their respective worlds (Vannucci, 2016). Such a balance between different kinds of players is in line with the relation between mafia actors and legal actors that has been explored with reference to the connections of legal and mafioso economies (Sciarrone, 2011a). The concept of a *grey area* has been used to portray such connections, defined as "the space that lies in-between legal and illegal, where relations of collusion and complicity with mafia materialize" (Sciarrone, 2011b: 11). The grey area is populated by several legal actors, very diverse in terms of roles, skills and interests (e.g. professionals, businessmen, politicians, civil servants), alongside the proper criminal ones. The latter are not necessarily the dominant actors around which the whole relation system of the grey area revolves, in a sort of 'mafioso governance' (Sciarrone, 2011b). In some cases, criminal actors remain marginal – or equal at most – compared to others (for example important politicians). This is one of the reasons why "positive-sum games tend to be established between Mafia mobsters and external actors, in which all participants have something to gain [...]. Mobsters themselves often choose 'cooperative games', clearly favouring tools and practices to foster them, such as negotiation [...], incentives [...] or compensation for those temporarily losing out. The obvious problem with such games is how to divide up the 'cake'. [...] It is not always mobsters that get the biggest slice" (Sciarrone, 2011b: 16). The appealing outcomes of such cooperative games guarantee the stability of the coalition (in our case, of the dark urban regime) and, simultaneously, are an attractive reason for new legal actors to join the network.

4.2 The role of corruption in urban governance

The second shade of grey revealed by our analysis is the systematic use of illegal practices (in particular, corruption) as a tool to influence public decisions in urban development. Such illegal practices are not only used by criminals or dark regime actors, but also by the legal actors of the regular urban regime. Despite the diversity of the two inquiries analysed above, corruption emerges as the 'lowest common denominator' among all mentioned actors, and is embraced by all of them as the main instrument with which to secure profitable outcomes from public policies and from private business, depending on the decisions of local public actors (e.g. urban development projects). The case of the A.S. Roma soccer stadium is paradigmatic from this point of view. This investigation exposes how corruption is clearly an "integration of the regular *modus operandi* of business management and is perceived as an essential strategy, necessary to achieving any project" (Tribunale di Roma, 2017b: 8), even for ordinary (i.e. non-criminal) entrepreneurs of the regular Roman regime. Indeed, Luca Parnasi is the ultimate example of a place-bound capitalist: married to the heir of an important aristocratic family, he is a well-known Roman developer, part of a dynasty of developers. His father has been at the centre of Rome's urban development since after the Second World War, and has built several important neighbourhoods (Serpentara, Torrino, Tor Vergata, Porta di Roma, Euroma 2). As

such, Parnasi embodies the typical rentier, and is therefore a central component of the regular Roman regime. Indeed, Parnasi's business is closely dependent on municipal urban decisions. This is why, as stated in the court records, Parnasi's usual *modus operandi* consists of establishing opaque relations with important politicians and public officials ahead of any important urban development project, as a precondition for its success (Tribunale di Roma 2017a)¹¹.

The stadium case clearly shows how an ordinary player in the regular urban regime did not shy away from corruption, favour-trafficking and collusive tendering – despite not belonging to the criminal sphere. However, it is very likely that Parnasi is not the only Roman real estate developer to use these illegal practices. At the beginning of the '90s, the nationwide *Mani Pulite* ['clean hands'] investigation uncovered a widespread use of corruption in the construction and real estate sector in Rome – within a context of systemic political corruption all around the country, at the national level as well as at the local one (Barbacetto et al., 2003). While there have been no resounding judicial cases regarding real estate development in the past 20 years, there is a widespread perception in both academic and journalistic environments that urban development in Rome is still characterized by a high degree of illegal practices (Berdini & Nalbone, 2011; Sina, 2013) – in a local and national context where systemic corruption has neither disappeared nor been substantially weakened by *Mani Pulite* (Vannucci, 2009). Indeed, Parnasi himself declared that the use of illegal methods (e.g. corruption) has been the standard *modus operandi* for years (Tribunale di Roma, 2017a). It is thus possible to advance the hypothesis that corrupt practices in the real estate sector have been customary throughout recent decades, although they haven't surfaced very often at the judicial level, and are still present today.

5. Concluding remarks: the heuristic value of Rome's case

Through the analysis of the two case studies of *Mafia Capitale* and of the new A.S. Roma stadium, this paper has exposed how illegal practices and actors are important factors influencing urban governance in Rome. What we can conclude from these cases is that several shades of grey must be added to the traditional, ideal, purely legal picture of urban governance. As we have shown, the 'regular' Roman regime is not purely legal at all, since it not only uses collusive (i.e. illicit but legal) practices to reach its goals, but also widely employs illegal tools such as corruption. And it is not the only regime operating in Rome either, since a 'dark' relationship, centred around *Mafia Capitale*, was also in place during the last decade.

Some aspects of these grey shades of urban governance in Rome deserve further investigation. For instance, the links and overlaps between regular and dark urban regimes require additional analysis. Also, it is not clear whether the dark urban regime of *Mafia Capitale* is an isolated case or, it is part of a larger system, as suggested by the extent of the connections among criminal organisations, legal businesses and the

¹¹ Alongside the relations that emerged from the stadium case, there are also contacts with several members of national political parties (both left and right-wing), whom Parnasi has abundantly financed (directly or indirectly, legally or illegally).

public sphere (Osservatorio Tecnico-Scientifico per la Sicurezza e la Legalità della Regione Lazio, 2018). Likewise, it is not explicit how ordinary corruption is among the actors of the regular regime guiding the urban development of Rome, or if it is widespread in some specific policy sectors – such as planning – more than in others.

Despite the limitations of this work, which raised a range of still-open questions, the necessity to expand urban regime theory – as well as other theories of urban governance – in order to include illegal aspects (as advocated also by Le Galès & Vitale, 2013), thus moving away from a sort of rhetoric of ‘gentlemanly urban Capitalism’, emerges clearly.

At this point another question emerges: can our hypotheses concerning the role of illegal practices and actors in Rome be used in the case of other cities? What is the heuristic value of this case study in terms of general theory? The only robust answer to such questions would clearly come from the construction of a series of in-depth case studies in other cities. Nonetheless, even before undertaking such a task, we can already observe that some constitutive elements of Rome’s grey governance can be found in other contexts (both in Italy and in other countries). The first element is the ordinary nature of non-public actors willing to be involved in illegal practices, as the presence of (mafia-type) organized crime is not a prerequisite for the emergence of illegal shades of urban governance – although when present it can facilitate it as a sort of galvanizing factor (Chiodelli, 2018). In this regard, it is worth stressing that, in terms of a criminal environment, Rome is similar to other Italian and non-Italian cities where (mafia-type and non-mafia-type) criminal groups are only one of the relevant actors in the local economic context¹². The thesis that non-public actors involved in the analysed cases are not ‘anomalous’ is reinforced by the fact that actors from the upper world can be the main drivers of illegal action (without any connection with the ‘down world’), such as in the case of the A.S. Roma stadium. The second element is that corruption is the main instrument used to shape grey urban governance – and, obviously, corruption is not an exclusive prerogative of Rome or Italy. Moreover, planning systems where huge returns can be generated by very discretionary decisions are a breeding ground for corruptive practices, and they can be found in many different countries. Ergo, even from this point of view, Rome does not seem to be an exception – but rather an ‘hyper-example’.

That said, this should not lead us to easy and excessive generalization: the Roman case remains somewhat particular, if only because such illegal practices represent a long-lasting tradition. There is in Rome an ‘inherited backlog’ of corruption, in particular in the field of urban planning, policy and development, that facilitates the emergence of new corrupt practices by guaranteeing a certain stability, order and predictability within networks and practices of corruption, as well as by decreasing its moral costs (della Porta & Vannucci, 2012). These same characteristics cannot be found in every other context. However, regardless of these differences, it is entirely possible that some shades of grey urban governance can be present in other cities, thus providing grounds for further research in this direction.

¹² Mafia-type organized crime has not been historically rooted in Rome, even if organized crime has been operating in the city for years, both in the form of groups belonging to traditional mafia organizations and of groups belonging to local mobs (Pignatone & Prestipino, 2015).

References

- Abbate (2015). Roma. Cosa c'è nel 'libro Magno' del marcio Capitale. *L'Espresso*, 2 Novembre 2015.
- Abbate, L., Lillo, M. (2015). *I re di Roma. Destra e sinistra agli ordini di Mafia Capitale*. Milano: Chiarelettere.
- Abraham, I., van Schendel, W. (2005). Introduction: the making of illicitness. In van Schendel, W., Abraham, I. (Eds.) *Illicit Flows and Criminal Things: States, Borders and the Other Side of Globalization*. Bloomington: Indiana University Press.
- Allum, P. (1973). *Politics and society in post-war Naples*. Cambridge: Cambridge University Press.
- Barbacetto, G., Gomez, P., Travaglio, M. (2003). *Mani pulite*. Roma: Editori Riuniti.
- Belligni, S., Ravazzi, S. (2012). *La politica e la città: regime urbano e classe dirigente a Torino*. Bologna: Il Mulino.
- Berdini, P. (2018). *Roma, polvere di stelle. La speranza fallita e le idee per uscire dal declino*. Roma: Edizioni Alegre.
- Berdini, P. (2000). *Il Giubileo senza città*. Roma: Editori Riuniti.
- Berdini, P., Nalbone, D., (2011). *Le mani sulla città. Da Veltroni ad Alemanno storia di una capitale in vendita*. Roma: Edizioni Alegre.
- Bernardini, M. (2015). *Roma. La fabbrica degli scandali*. Roma: Newton Compton Editori.
- Borraz, O., Le Galès, P. (2010). Urban Governance in Europe: the Government of What? *Pole Sud*, 32. <http://metropoles.revues.org/4297>
- Borzaga, C., Zandonai, F. (2009). *Economia e istituzioni dei beni comuni*. Roma: Donzelli.
- Brancaccio, L. (2016). Mafia Capitale: associazione mafiosa e fazione politica. *Meridiana*, 87.
- Caudo, G. (2017). *Stadio, vittima di una illusione senza fondamento*. Available at: www.carteinregola.it/index.php/51965/
- Chiodelli, F. (2018). The illicit side of urban development: Corruption and organised crime in the field of urban planning. *Urban Studies* [OnlineFirst] DOI: 10.1177/0042098018768498
- Chiodelli, F. (2019). The Dark Side of Urban Informality in the Global North: Housing Illegality and Organized Crime in Northern Italy. *International Journal of Urban and Regional Research*, 43(3).
- Chiodelli, F., Moroni, S. (2015). Corruption in land-use issues: a crucial challenge for planning theory and practice, *Town Planning Review*, 86(4).

- Chiodelli, F., Hall, T., Hudson, R. (Eds.) (2018). *The Illicit and Illegal in the Development and Governance of Cities and Regions: Corrupt Places*. London and New York: Routledge.
- Colombo, A. (2016). *Marcio su Roma: Criminalità, corruzione e fallimento della politica nella Capitale*. Milano: Cairo Editore.
- Corte di Cassazione (2015). *Sentenza nei confronti di Buzzi Salvatore e altri*
- Cox, K. R. (1993). The local and the global in the new urban politics: a critical review. *Environment and Planning: Society and Space*, 11.
- Cremaschi, M. (2010). Rendita fondiaria e sviluppo urbano nella riqualificazione urbana: per un'ipotesi interpretativa. *Comunicazione al 24mo Congresso della Società Italiana di Scienza Politica*. Venezia, Università IUAV di Venezia, 16-18 settembre.
- D'Albergo, E., Moini, G. (2015). *Il regime dell'Urbe: politica, economia e potere a Roma*. Roma: Carocci Editore.
- D'Albergo E., Moini G., Pizzo B. (2018). Il negoziato sullo stadio dell'A.S. Roma: elementi di discontinuità nel regime urbano. In Coppola A., Punziano G. (Eds.) *Roma in transizione. Governo, strategie, metabolismi e quadri di vita di una metropoli*. Roma and Milano: Planum Publisher.
- Della Chiesa, F. (2015). A proposito di "Mafia Capitale". Alcuni problemi teorici. *Cross*, 1(2).
- della Porta, D., Vannucci, A. (2012). Political corruption. In Amenta, E., Nash K., Scott, A. (Eds) *The Wiley-Blackwell Companion to Political Sociology*. Malden: Blackwell Publishing.
- DiGaetano, A., Klemanski, J. S. (1993). Urban Regimes in Comparative Perspective: The Politics of Urban Development in Britain. *Urban Affairs Review*, 29(1).
- DiGaetano, A., Strom, E. (2003). Comparative Urban Governance: An Integrated Approach. *Urban Affairs Review*, 38(3).
- Dondi, M. (2015). *L'eco del boato. Storia della strategia della tensione 1965-1974*. Bari: Laterza.
- Elkin, S. L. (1987). *City and Regime in the American Republic*. University of Chicago Press.
- Erbani, F. (2013). *Roma: il tramonto della città pubblica*. Roma: Laterza.
- European Parliament (2016). The Cost of Non-Europe in the Area of Organized Crime and Corruption—Annex I— Corruption. *European Parliamentary Research Service*, European Union, Brussels. Available at [http://www.europarl.europa.eu/RegData/etudes/STUD/2016/579319/EPRS_STU\(2016\)579319_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/579319/EPRS_STU(2016)579319_EN.pdf).
- Finckenauer, J. O. (2005). Problems of definition: What is organized crime? *Trends in organized crime*, 8(3).

- Gardiner, J. A. (1970). *The politics of corruption: Organized crime in an American city*. New York: Russell Sage Foundation.
- Gardiner, J. A., Lyman, T. R. (1978). *Decisions for sale: Corruption and reform in land-use and building regulation*. New York: Praeger.
- Grignetti, F. (2019). Alemanno condannato a 6 anni per corruzione: era lui il politico di riferimento di Mafia Capitale. *La Stampa*, 26 February. Available at: <https://www.lastampa.it/2019/02/26/italia/alemanno-condannato-a-anni-per-corruzione-era-lui-il-politico-di-riferimento-di-mafia-capitale-zH7gIfXg6WPXa7ifrFNa6N/pagina.html>
- Hall, T. (2013). Geographies of the illicit: Globalization and organized crime. *Progress in Human Geography*, 37(3).
- Harding, A. (1991). The Rise of Urban Growth Coalitions, UK-Style? *Environment and Planning C: Government and Policy*, 9(3).
- Harding, A. (1994). Urban Regimes and Growth Machines: Toward a Cross-National Research Agenda. *Urban Affairs Quarterly*, 29(3).
- Harding, A. (1997). Urban Regimes in a Europe of the Cities? *European Urban and Regional Studies*, 4(4).
- Harvey, D. (1985). *The Urbanization of Capital: Studies in the History and Theory of Capitalist Urbanization*. Baltimore: John Hopkins University Press.
- Heywood, P. M. (Ed.) (2014). *Routledge handbook of political corruption*. London and New York: Routledge.
- Insolera, I. (2011). *Roma moderna: da Napoleone I al XXI secolo*. Torino: Einaudi.
- Jessop, B. (1997). A neo-Gramscian approach to the regulation of urban regimes: accumulation strategies, hegemonic projects, and governance. In Lauria, M. (Ed.), *Reconstructing urban regime theory: regulating urban politics in a global economy*. Thousand Oaks: Sage.
- Jessop, B., Peck, J., Tickell, A. (1999). Retooling the Machine: Economic Crisis, State Restructuring, and Urban Politics. In Jonas, A. E. G., Wilson, D. (Eds.), *The Urban Growth Machine: Critical Perspectives, Two Decades Later*. Albany: SUNY Press.
- La Spina, A. (2016). *Il mondo di mezzo. Mafie e antimafie*. Bologna: Il Mulino.
- Lauria, M. (1997). *Reconstructing urban regime theory: regulating urban politics in a global economy*. Thousand Oaks: Sage.
- Le Galès, P. (2011). *Urban Governance in Europe: What Is Governed?* In Bridge G., Watson S. (Eds), *The New Blackwell Companion to the City*. Oxford: Blackwell.
- Le Galès, P., Vitale, T. (2013). Governing the large metropolis. A research agenda. *Cahiers de recherche du Programme Cities are Back in Town*, 2013(8), Paris: Science Po. Available at al-sciencespo.archives-ouvertes.fr/hal-01070523
- Logan, J. R., Molotch, H. L. (1987). *Urban fortunes: the political economy of place*. Berkeley: Univ. of California Press.

- Macleod, G., Goodwin, M. (1999). Space, scale and state strategy: rethinking urban and regional governance. *Progress in Human Geography*, 23(4).
- Marques, E. (2011). State Institutions, Power, and Social Networks in Brazilian Urban Policies. *Latin American Research Review*, 47(2).
- Martone, V. (2016). Mafia Capitale: corruzione e regolazione mafiosa nel "mondo di mezzo". *Meridiana*, 87.
- Martone, V. (2017). *Le mafie di mezzo. Mercati e reti criminali a Roma e nel Lazio*. Roma: Donzelli.
- Molotch, H. (1976). The City as a Growth Machine: Toward a Political Economy of Place. *American Journal of Sociology*, 82(2).
- Molotch, H., Vicari, S. (1988). Three Ways to Build: The Development Process in the United States, Japan, and Italy. *Urban Affairs Review*, 24(2).
- Mossberger, K., Stoker, G. (2001). The Evolution of Urban Regime Theory: The Challenge of Conceptualization. *Urban Affairs Review*, 36(6).
- Osservatorio Tecnico-Scientifico per la Sicurezza e la Legalità della Regione Lazio (2018). *Mafie nel Lazio. Terzo rapporto*. Available at: http://www.regione.lazio.it/binary/rl_osservatorio_legalita_sicurezza/tbl_news/OSSERVATORI_O_III_Rapporto_Mafie_Lazio_Report_definitivo_stampa.pdf
- Paoli, L. (Ed.) (2014). *The Oxford Handbook of Organized Crime*. Oxford: Oxford University Press.
- Pierre, J. (1999). Models of Urban Governance: The Institutional Dimension of Urban Politics. *Urban Affairs Review*, 34(3).
- Pierre, J. (2014). Can Urban Regimes Travel in Time and Space? Urban Regime Theory, Urban Governance Theory, and Comparative Urban Politics. *Urban Affairs Review*, 50(6).
- Pierre J., Peters, B.G. (2012). Urban Governance. In Mossberger, K., Clarke, S.E., John, P. (Eds.) *The Oxford Handbook of Urban Politics*. Oxford: Oxford University Press.
- Pignatone, G., Prestipino, M. (2015). Le mafie su Roma, la mafia di Roma. In Ciconte, E., Forgione, F., Sales, I. (Eds.), *Atlante delle mafie*. Soveria Mannelli: Rubbettino Editore.
- Rose-Ackerman, S. (Ed.) (2007). *International handbook on the economics of corruption*. Cheltenham: Edward Elgar.
- Scarpa, D. (2019). Arrestato Marcello De Vito (5s) per tangenti sul nuovo stadio della Roma. *La Repubblica*, 20 marzo 2019. Available at: https://roma.repubblica.it/cronaca/2019/03/20/news/presunte_tangenti_a_marcello_de_vito_presidente_5_stelle_dell_assemblea_di_roma-222042969/?ref=RHPPLF-BL-I0-C8-P1-S1.8-T1
- Sciarrone, R. (Ed.) (2011a). *Alleanze nell'ombra. Mafie ed economie locali in Sicilia e nel Mezzogiorno*. Roma: Donzelli.

- Sciarrone, R. (2011b). Mafie, relazioni e affari nell'area grigia. In Sciarrone, R. (Ed.), *Alleanze nell'ombra. Mafie ed economie locali in Sicilia e nel Mezzogiorno*. Roma: Donzelli.
- Sergi, A. (2015). The Mafia Mega Trial that has Italy on Tenterhooks. *Newsweek Europe* 11 November 2015, <http://europe.newsweek.com/mafia-mega-trial-that-has-italy-tenterhooks-336366?rx=eu>
- Sergi, A. (2019). Constructing the mafia concept on the bench. The legal battles in the 'Mafia Capitale' case in Rome. *International Journal of Law, Crime and Justice*. <https://doi.org/10.1016/j.ijlcrj.2019.04.002>
- Sina, Y. (2013). *Chi comanda Roma. Palazzinari, banche e stampa: un sistema di potere che tiene in pugno la Capitale*. Roma: Castelvecchi RX.
- Singerman, D. (Ed.) (2009). *Cairo contested. Governance, urban space and global modernity*. Cairo-New York: The American University in Cairo Press.
- Stoker, G., Mossberger, K. (1994). Urban Regime Theory in Comparative Perspective. *Environment and Planning C: Government and Policy*, 12(2).
- Stone, C. N. (1989). *Regime Politics: Governing Atlanta, 1946-1988*. Lawrence: University of Kansas Press.
- Stone, C. N. (1993). Urban Regimes and the Capacity to govern: A Political Economy Approach. *Journal of Urban Affairs*, 15(1).
- Tocci, W. (2009). L'insostenibile ascesa della rendita urbana. *Democrazia e Diritto*.
- Toscano, P. (2009). *Imprenditori a Roma nel secondo dopoguerra. Industria e terziario avanzato dal 1950 ai giorni nostri*. Roma: Gangemi Editori.
- Transparency International (2018). Corruption Perceptions Index 2017. https://www.transparency.org/news/feature/corruption_perceptions_index_2017
- Tribunale di Roma (2015a). Ordinanza di applicazione di misure cautelari a carico di Massimo Carminati e altri.
- Tribunale di Roma (2015b). Ordinanza di applicazione di misure cautelari a carico di Rocco Rotolo e altri.
- Tribunale di Roma (2017a). Sentenza nella causa penale di primo grado nei confronti di Bolla Claudio e altri
- Tribunale di Roma (2017b). Ordinanza di applicazione di misure cautelari a carico di Luca Parnasi e altri.
- Vannucci, A. (2009). The controversial legacy of 'Mani Pulite': A critical analysis of Italian corruption and anti-corruption policies. *Bulletin of Italian politics*, 1(2).
- Vannucci, A. (2016). Tra area grigia e "mondo di mezzo": anatomia di Mafia Capitale. *Meridiana*, 87.
- Varese, F. (2011). *Mafias on the Move: How Organized Crime Conquers New Territories*. Princeton: Princeton University Press.

- Vicari, S., Molotch, H. (1990). Building Milan: alternative machines of growth. *International Journal of Urban and Regional Research*, 14(4).
- Vitellio, I. (2009). *Regimi urbani e grandi eventi. Napoli, una città sospesa*. Milano: Franco Angeli.
- Ward, K. (1996). Rereading urban regime theory: a sympathetic critique. *Geoforum*, 27(4).
- Weinstein, L. (2008). Mumbai's development mafias: Globalization, organized crime and land development. *International Journal of Urban and Regional Research*, 32(1).

CHAPTER 5

Conclusions

1. An evolving housing demand

What are the housing needs, aspirations and strategies of lower-middle class young adults?

The results of the analysis of the housing pathways of young lower-middle class adults and of their strategies to navigate an increasingly inaccessible housing market answer this question in two main ways. On one hand – and consistently with many other studies – they show the increased importance of prolonged co-residence for a growing share of young adults as a strategy to deal with uncertain housing opportunities. On the other hand, they highlight how even in Southern European countries – where homeownership and family help are traditionally well rooted and closely linked – the cogs in the homeownership reproduction machine are getting jammed, forcing young adults to adjust their expectations. The cracks are appearing most clearly for the lower-middle class; those households at the threshold between the ‘accomplished middle-class’ and the lower incomes.

With regard to tenure, a strong preference for homeownership was found among both the parents and the young adults. In terms of tenure ideology, Italy is still a family oriented Mediterranean homeownership society. However, the collected narratives also detected the potential for a growing demand for rental options, that may provide a better fit with the precarious and flexible labour market. There was among the younger interviewees a certain degree of ambivalence between the understanding of owner occupation as something inherently good, appropriate and worth striving for, and the awareness of it increasingly being out of reach. Nevertheless, the housing strategies of most interviewees were still geared towards homeownership, regardless of the time they would have to wait, the discomfort they would have to endure, the independence they would have to renounce, and the life steps they would have to postpone. Indeed, the image of homeownership as the only responsible tenure, the one truly signifying full adulthood, is a powerful norm transmitted from parents to children, and it reflects on patterns of intergenerational help.

Furthermore, the analysis has shown how middle-class parents, particularly those from the lower middle class, struggle to provide financial help to their adult children in accessing homeownership. In order to gather enough money, it is increasingly

necessary to rely jointly on resources from multiple families – typically those of both members of a young couple – and from multiple generations – typically parents and grandparents. Even so, in many cases, prolonged co-residence in the parental home is the only help that can be offered.

It also appears that the worse post-crisis economic situation has impacted on parental attitudes and motives towards intergenerational help, thus unsettling ‘traditional’ dynamics of intergenerational exchanges. Motives seem to be shifting from solely personal/familial ones – in which parents are willing to help towards homeownership as it is a legitimate cause that entails taking full responsibility on the part of young adults – to more generational/social ones – in which parents feel an increased sense of responsibility at how intergenerational inequalities have played out in the housing field. In this respect, Italy seems somewhat different from other Western countries where the impact of the Global Financial Crisis has been less severe, and where social/generational motives are less frequently mentioned. In connection with this, Italian young adults who receive help realize their position of privilege with respect to those who do not have a family network to rely on, and also to future generations.

Homeownership is very important for the formation of class identity of lower-middle class young adults, and this was reflected in the perspectives of the interviewees. Failure to achieve homeownership – or to do so in a reasonable time – was often perceived as a blow to their class identity. A widespread preoccupation about losing ground in terms of social class with respect to their parents and to their peers emerged from the narratives of the lower-middle class group. They also expressed a strong desire for stability and ontological security in at least one of the two main life spheres: employment or housing.

Participants voiced anger, preoccupation and frustration about their unstable housing pathways, echoing more general worries expressed by scholars of various disciplines around the future sustainability of homeownership societies amid decreasing welfare protections and increasing employment instability for younger generations. Indeed, it appears clear that current housing conditions for young adults pose a threat to social reproduction. This is problematic in many ways, both at the societal and at the individual level. Beyond a wobbly middle-class identity, frustrated housing trajectories have a significant impact on the realisation of full adulthood as well as on future welfare. On one hand, key steps of early adulthood are being delayed and on the other hand, when young generations are being excluded from homeownership in a context of ‘asset-based welfare’, their future economic wellbeing and security are being threatened. The results of this work show that these issues are particularly pressing in the Italian context.

Therefore, I am of the opinion that a policy response should not be delayed any further. As the end goal should be access to decent housing for young adults, and as the owner-occupation model prevalent in Italy presents clear issues of long-term sustainability, it could be time for a move towards other tenures. Perceptions among young adults show timid signs of change that should be capitalized on by changing both policies and discourses around homeownership and rent. A larger, more affordable and more secure rental sector, with both market and social rents, and other intermediate tenures – such as collective ownership for example – could help increase the pool of potential housing solutions for Italian young adults.

2. Limited housing choices for lower-middle income households

What are the features and the spatial distribution of the housing supply affordable for lower-middle income households in the private housing market in Rome?

In response to this question, the picture that emerges from Chapter 2 is one of housing choices being severely limited for a large portion of Roman households, as even the peripheral areas are becoming out of reach for households with incomes close to or higher than the national average.

With regard to owner-occupation, access to credit emerged as a great problem for lower-middle class households, and not only for young ones. Indeed, although more evident for younger generations, the affordability of owner-occupation is not exclusively a generational issue, but a structural one. What this analysis decisively shows is that buying a house is close to impossible for young adults, but that it is actually problematic for many other households, even ones with good economic resources and that already own property. Generally speaking, being an “insider” in the housing market no longer seems to provide enough advantage to progress on the housing ladder. In this respect, the issue in Rome is mostly one of adequacy and it clearly points to spatial aspects. If moving to a larger, or in any way more suitable, dwelling is impossible within one’s budget, spatial lock-ins and large trade-offs in crucial aspects limit households’ choices and curb residential mobility. Spatially speaking, only low density, underserviced and remote peripheries fall within the budget of lower-middle income households wanting to buy a dwelling. This severely impacts on their quality of life in terms of commuting time and neighbourhood safety, and on their access to all sorts of city resources.

Although at a first glance it may appear the rental market is faring better in terms of affordability, this tenure presents different problems and risks. The supply is scarce and spatially concentrated in central areas, where rents are more expensive, often reflecting buying-for-investment and rent extraction practices. Thus, rental supply is not nearly sufficient to cater for the growing demand from the lower and lower-middle income segments, and the mismatch between the size of available dwellings and that of households is of particular relevance for this tenure. Additionally, physical quality in terms of maintenance and adequacy of installations and fixtures is often much lower in rental dwellings than in owner-occupation, especially for units that have a low price. Finally, the issue of security of tenure represents a great risk for more vulnerable households (large families and immigrant households in particular), as black-market rentals are particularly widespread in Rome, while offering no security or protections to tenants, who, even in the case of rent raises, inadequate physical conditions, or abuse, are less likely to report this to the authorities, because of lack of alternative viable options.

Moreover, real estate and house price dynamics are deeply linked to processes of rent extraction and gentrification, which have weakened the opportunities of lower-middle income households in previously affordable areas. Especially when it comes to the rental sector, the touristification of the city and the profitability of short-term rentals should be taken into account as important factors shaping availability and affordability. These dynamics – often pushed by local and national governments – are

part of a larger financialization process that is changing landscapes of housing access and exclusion across urban areas. In different Roman neighbourhoods the house price and rent dynamics affecting lower-middle income households can be both a cause or a consequence of gentrification and displacement, depending on whether the processes are at their initial or final stage.

Overall, the analysis of the housing supply on the private housing market illustrates that, regardless of tenure, lower-middle income households are being priced out of Rome, pushed further and further away from even semi-central areas. Many of these grey area households are young – theoretically the most active and productive segment of population in the socio-economic life of the city. When evaluating urban affordability, it needs to be considered how the expulsion of these groups from the consolidated city not only has a considerable impact on their private lives and choices, but – perhaps more worryingly – it also has significant implications for the city's socio-economic wellbeing.

3. Residential development in Rome's governance regime

What is the role of residential development in the governance regime of Rome?

The policies implemented during the Roman urban regime show that the governing coalition systematically favoured highly place dependent capital, namely the real estate sector. Indeed, although the agenda was extremely varied, all the objectives had one thing in common: they were necessary to perpetuate the interests of the hegemonic block of Roman property entrepreneurs and rentiers. According to D'Albergo & Moini (2015) the system of rent extraction from land and property has been the major resource and the major stake in power relations in Roman politics. Urban development is the main 'object of exchange' between local politics and business, which makes the governance model of Rome a development regime, if not an outright growth machine. Indeed, in Rome the construction industry has always been at the core of the economy and homeownership and housebuilding were two sides of the same coin, both meant to support the urbanization process as a tool for economic growth. Moreover, the main response to the financial constraints of the mid 2000s has been an increase in the neoliberal character of policies, with more privatizations, and above all with the exploitation of the most precious local resource, urban space. In order to boost economic growth, and thus remunerate property interests, new construction has been facilitated through densification, land use changes (usually from non-residential to residential uses), and plans for the construction of hundreds of new dwellings, which have then mostly remained empty.

Despite this key role of residential development in the creation and maintenance of the Roman urban regime, there is no adequate conceptualization of housing provision and residential development in urban regime literature.

4. *Illegal actors and practices in Rome's urban governance*

Is there a role for illegal actors and practices in urban governance in Rome?

The analysis of the two investigations in Chapter 4 shows that illegal practices are pervasive in public action in the urban sphere in Rome, as well as exposing the key role often played by criminal actors. Two main 'shades of grey governance' emerge. The first is the influence of criminal actors on urban governance through the creation of a parallel *dark urban regime*. The second is the widespread use of illegal practices, particularly corruption, to influence public decisions about urban development.

The 'In-between world' inquiry testifies to the existence (at least until the arrests in 2014) of a dark urban regime, different from the 'regular' Roman regime described by D'Albergo & Moini (2015). Indeed, *Mafia Capitale* can be seen not only as a 'simple' criminal organization, but also as an urban regime *per se*. The definition of an urban regime as "an informal yet relatively stable group with access to institutional resources that enable it to have a sustained role in making governing decisions" (Stone, 1989: 4) fits perfectly with *Mafia Capitale*. Its main weapon is a systematic use of corruption of politicians and civil servants, while violence is rarely used, and only when strictly necessary. Essentially, the peculiarity of the dark urban regime of *Mafia Capitale* is that it includes people with a specific and explicit criminal character, who can add violence (or, rather, intimidation) to the methods available to the coalition.

The main difference between the dark and the regular Roman regime lies in their respective main areas of action. The regular Roman urban regime centres essentially around urban development as the main object of exchange between local politicians and business; *Mafia Capitale* instead operates in different sectors, for example waste collection and management of Roma and refugee camps. These sectors share with urban development the pivotal role of public decisions at the local level for their operation. Despite it being only a secondary and sporadic area of action, the field of real estate development is not disdained by *Mafia Capitale*.

The dark urban regime is populated by several legal actors, very diverse in terms of roles, skills and interests (e.g. professionals, businessmen, politicians, civil servants), alongside the proper criminal ones. The latter are not necessarily the dominant actors around which the whole relation system of the dark regime revolves. In some cases, criminal actors remain marginal – or equal at most – compared to others (for example important politicians). This guarantees the stability of the dark coalition and, simultaneously, is an attractive reason for new legal actors to join the network.

The second shade of grey revealed by the analysis is the systematic use of illegal practices (in particular, corruption) as a tool to influence public decisions in urban development. Such illegal practices are not only used by criminals or dark regime actors, but also by the legal actors of the regular urban regime. The case of the A.S. Roma soccer stadium is paradigmatic from this point of view. This investigation exposes how corruption is clearly an integration of the regular *modus operandi* of business management and is perceived as an essential strategy, necessary to achieving any project, even for ordinary entrepreneurs of the regular Roman regime. Luca

Parnasi embodies the typical rentier, and is therefore a central component of the regular Roman regime. Nonetheless, he did not shy away from corruption, favour-trafficking and collusive tendering – despite not belonging to the criminal sphere.

Seen as how widespread corruption is and has been in Italy and in Rome (Barbacetto et al., 2003; Vannucci, 2009; Berdini & Nalbone, 2011; Sina, 2013) it is very likely that Parnasi is not the only Roman real estate developer to use these illegal practices. Indeed, he himself declared that the use of illegal methods (mostly corruption and favour trafficking) has always been the standard *modus operandi*. This analysis thus advances the hypothesis that corrupt practices in the real estate and development sector have been customary throughout recent decades and are still present today.

5. *Public-private grey relations and housing opportunities of the lower-middle class*

To what extent does the public-private interplay around residential development affect the ability of the lower middle class to find a suitable and affordable accommodation?

While it was not possible within the limits of this dissertation to determine a clear direct relationship between the Roman regime – whether the legal or the illegal one – and the housing situation of the lower-middle class, this work suggests that this is a path worth following. Indeed, the research shows that the existence of several interlocked levels of legality in urban governance, as well as the use of corruption as a customary practice can have a considerable impact on the decisions surrounding urban and residential development, ranging from what to build and for what kind of demand, to where development should take place and at what cost for the community and for vulnerable households.

The urban and residential development of Rome has been historically shaped by a predominance of property interest over public objectives, and the results are visible in the urban form of the city and the historical peripheries, as well as in the lack of public infrastructure – especially rail networks – in many residential areas, thus affecting the location, quality and accessibility of the residential neighbourhoods built at the time for the middle and lower-middle classes. This predominance has not receded, and the same strategically close relations between the ‘property bloc’ and the political elite continue until today, with the neoliberal layer only accelerating the dismissal of regulations and legitimizing networks among political and economic elites. New processes of financialization and the more complex investment and financing dynamics open up new networks and alliances between the real estate and the financial sectors, deepening and broadening the system of relations that have an interest in influencing planning and development decisions.

With regard to this, it is interesting to reflect on Rome’s position in the global markets. Rome is not a global city; it does not have international investors in the real estate sector and is not very financialized (Gemmiti et al., 2012; Cremaschi, 2014;

Conclusions



Figure 1 – Porta di Roma, 2008 PRG metropolitan hub – Source: Luca Dammicco



Figure 2 – Ponte di Nona, 2008 PRG metropolitan hub – Source:Luca Dammicco

Conclusions



Figure 3 – Porta di Roma, waiting for the metro to be built – Source: Luca Dammicco



Figure 4 – Ponte di Nona, waiting for the bus – Source: Luca Dammicco

Salvati, 2015), and this is both a cause and a consequence of the structures of power between local politics and the ‘real estate bloc’ (D’Albergo & Moini, 2015). Tight and collusive relations between political actors, local administrators and real estate entrepreneurs represent a barrier to entry for international investors in the Roman real estate and development market. Slow and heavy bureaucracy, long and uncertain procedures and widespread corruption are off-putting for large international investors, and the returns on investments are not appealing enough to engage with such a difficult context – the A.S. Roma stadium is a case in point. Local rentiers have all the interest in keeping the Roman real estate market away from the international spotlight, as the consolidated collusive relations are safer and more profitable for them. With strong international competition, they would lose the strategical advantage represented by their close contacts with politicians and decision makers.

While the most striking cases of ‘grey governance’ and corruption can be seen in large urban projects with big economic stakes, similar dynamics also happen in ordinary residential development. Indeed, large developments are more visible, thus they often catch the eye of journalists and prosecutors looking for illegal or illicit practices. However, the disregard for municipal masterplans and the neoliberal negotiation tools that have emptied planning of its regulatory meaning are evidence that similar practices of ‘grey steering’ of planning can go undetected and become customary because of the routine character of homebuilding.

As clearly proven by the cases analysed in Chapter 4, local politicians and bureaucrats are not ‘unwilling victims’, but rather essential players of this system of exchange. Former Mayor Gianni Alemanno literally talked about ‘urban money’ (*moneta urbanistica*), meaning the economic advantage that the city could gain from allowing private developers to build increasing volumes of constructions (Erhani, 2013; Berdini, 2018). Many works (cited throughout the thesis) confirm the existence of a well-established system based on the exchange of incentives and opportunities between public actors and real estate entrepreneurs, and suggest that the exchange is unbalanced in favour of private actors, whose power position warrants profitable opportunities.

Real estate entrepreneurs in Rome have built for a middle class that has little financial worry, wants to be homeowner, longs for suburban life (low densities and mono-functionality). The ‘property bloc’ has promoted this as the only possible, and even desirable, type of development. Local governments went along with it, abdicating to their role of providing a political and ideological vision in planning. This subservience – or rather, this convergence of interests and objectives among local political and economic elites has shaped Rome’s urban environment towards a residential expansion with little quality and little relation to both consolidated and emerging housing needs. As a result, most of the residential neighbourhoods built during the Roman regime in the last thirty years, especially in the peripheral areas, are nondescript dormitory suburbs, lacking urbanity, surrounded by car infrastructure and mostly devoid of services and people (Figure 1, 2, 3,4).

As shown in Chapter 2, these are among the only places affordable for lower-middle income households, whose quality of life is irreparably affected by the location and features of these neighbourhoods, in terms of commuting time and neighbourhood safety, as well as of access to all sorts of city resources. Ordinary homebuilding, regardless of where and how it took place, has been used during the decades of the

Roman regime as the economic engine of the city, with landowners and property developers reaping off the benefits and citizens paying the costs, also in terms of inefficiency of public transport, garbage collection, and future sustainability of this model of development.

6. Significance, limitations and further research

This research aims to raise awareness on the ever-growing housing affordability issue and to re-centre public discourse on the need to change the attitude towards housing provision in order to move from emergency-based interventions to a long-term sustainable approach. Moreover, it highlights the importance of the urban aspect of the affordability crisis Italy and many other countries are experiencing. Planning and land use regulations have often worsened the housing situation of lower-middle income groups – especially when they were steered by private interests – rather than providing solutions to it. Furthermore, this research contributes to the international academic debate by linking several different literatures – housing provision and planning, urban regimes and residential development, the middle-class question – which are currently disconnected but that could expand the discourse on housing affordability and the role of housing in political economy.

This research also has both practical and theoretical flaws. First of all, due to time constraints, it was not possible to develop an in-depth case study analysis in order to more clearly connect the housing issue of the lower-middle class in Rome with the public-private governance dynamics. In particular, the case of Porta di Roma – one of the ‘metropolitan hubs’ envisioned by the 2008 masterplan – would have been of remarkable interest, as the dynamics surrounding its development touch upon issues of grey governance, corruption, land ownership, land use changes, exceptions to the planning provisions and negotiated planning. From a theoretical point of view, it could be said that it is impossible to clearly find causal links between political and planning choices, and housing outcomes. While seriously acknowledging this as a limitation, I believe that, even without a case study, it is possible to provide reasonable evidence that these processes are related, and that one influences the other, albeit not exclusively.

Clearly, these limitations provide many opportunities to further expand the research, both vertically – going more in depth, and horizontally – broadening the discussion to other places. Vertically, more effort could be put in the analysis of Roman case studies that reinforce the connection between housing provision and public-private relationships – Porta di Roma to begin with, but many other places and instances come to mind; for example, the ‘*Piani di Zona*’ (Area Plans) policy. This was a national policy initiative that envisioned the construction of residential neighbourhoods with a social mix of owner-occupation, assisted tenancies and rent-to-buy schemes, as well as having urban regeneration aims. It could be interesting to examine how a policy that in other Italian cities resulted in improved housing access for the lower-middle class – especially in owner-occupation – has failed to reach the same objectives in Rome. Moreover, I believe that a proper social network analysis of the people involved in the Roman urban regime between 1993 and 2013 (both in the business sector and in the public administrative and political sphere) would help

to highlight which interests have been privileged. Mapping such interests would open up paths for research on lobbying and its impact on housing provision. With regard to the housing problems of lower-middle income households, a thorough analysis of the Italian, and Roman, mortgage credit market would shed more light on the dynamics of access to homeownership for this social group, as well as providing new avenues to connect the Italian case to the European and international context.

Indeed, the research could be expanded horizontally by comparing the Roman case to that of other cities. On one hand, this would allow to understand how the affordability crisis can have similar results for low- and middle-income households in contexts with very different structural conditions – stagnating vs growing economies, decreasing vs rising house prices, easily accessible vs restricted mortgage credit. On the other hand, more structural explanations for the Roman situation could partly be found by exploring the links with the increasing financialization of global (housing) markets, as well as with urban processes of gentrification and touristification. Such a broader international focus would also improve the research on illicit and illegal practices in urban governance. Case study analysis of other cities would provide further material to reflect on whether Rome is an isolated case or if it is worth expanding governance theories – urban regime theory in particular – to include such ‘grey levels of governance’ as structural features.

7. *Final remarks*

In Italy, and especially in Rome, housing only appears in the political agenda in terms of neglected and decaying public dwellings, squatting, and urgent situations of vulnerability (homelessness and evictions). The housing issue in public and political discourse is framed as an emergency, although it clearly is a structural problem that would need careful strategic interventions. Over the past decade the housing crisis has become a motif for an enduring state of affairs in which rising evictions, overcrowding, unaffordability, substandard conditions, homelessness, and displacement have become the norm. The housing crisis, in Rome as elsewhere, is thus less an emergency than a consistent aspect of a capitalist political economy predicated on private property, market exchange, and the capital accumulation imperative (Aalbers & Christophers, 2014; Madden & Marcuse, 2016; Siatitsa & Annunziata, 2017; Fields & Hodkinson, 2018), and as such it should be treated. Therefore, the relations between political elites and real estate investment should not be left unchecked.

Overall, the results of this doctoral research call for further examination of the impact that public-private interactions in urban governance can have on residential development and policy initiatives influencing housing availability and access, as well as tenure and housing adequacy. There is a long way to go, but it is hard for me to imagine a different strategy than changing the nature of housing from commodified good to essential right.

References

- Aalbers, M. B., Christophers, B. (2014). Centring Housing in Political Economy. *Housing, Theory and Society*, 31(4), 373–394.
- Barbacetto, G., Gomez, P., Travaglio, M. (2003). *Mani pulite*. Roma: Editori Riuniti.
- Berdini, P. (2018). *Roma, polvere di stelle. La speranza fallita e le idee per uscire dal declino*. Roma: Edizioni Alegre.
- Berdini, P., Nalbone, D., (2011). *Le mani sulla città. Da Veltroni ad Alemanno storia di una capitale in vendita*. Roma: Edizioni Alegre.
- Cremaschi, M. (2014). Worlding, worldly or ordinary? Repositioning Rome. *The Changing Italian Cities: Emerging Imbalances and Conflicts, GSSI Urban Studies–Working Papers*, 6, 67–74.
- D’Albergo, E., Moini, G. (Eds.) (2015). *Il regime dell’Urbe: Politica, economia e potere a Roma*. Carocci editore.
- Erbani, F. (2013). *Roma: il tramonto della città pubblica*. Roma: Laterza.
- Fields, D. J., Hodkinson, S. N. (2018). Housing Policy in Crisis: An International Perspective. *Housing Policy Debate*, 28(1), 1–5.
- Gemmiti, R., Salvati, L., Ciccarelli, S. (2012). Global City or Ordinary City? Rome as a case study. *International Journal of Latest Trends in Finance & Economic Sciences*, 2(2), 9.
- Madden, D. J., Marcuse, P. (2016). *In defense of housing: The politics of crisis*. Verso.
- Salvati, L. (2015). Lost in complexity, found in dispersion: ‘Peripheral’ development and deregulated urban growth in Rome. *Cities*, 47, 73–80.
- Siatitsa, D., Annunziata, S. (2017). Attempts to prevent displacement: Housing policies in time of austerity in Athens and Rome. *Urbanistica Tre*, 5(13).
- Sina, Y. (2013). *Chi comanda Roma. Palazzinari, banche e stampa: un sistema di potere che tiene in pugno la Capitale*. Roma: Castelvecchi RX.
- Stone, C. N. (1989). *Regime Politics: Governing Atlanta, 1946-1988*. Lawrence: University of Kansas Press.
- Vannucci, A. (2009). The controversial legacy of ‘Mani Pulite’: A critical analysis of Italian corruption and anti-corruption policies. *Bulletin of Italian politics*, 1(2).