

OECD WORKSHOP

POLICY OPTIONS FOR RE-LAUNCHING THE ECONOMY OF L'AQUILA REGION AFTER THE EARTHQUAKE

Co-organised by the OECD and the Ministry of Economy and Finance, Italy*

3 July 2009, 9:00 – 18:00

Ministry of Economy and Finance – Via XX Settembre, 97, Rome, Italy

www.oecd.org/regional/L'Aquila

Introduction

1. The L'Aquila earthquake of April 6, 2009 killed almost 300 people, and destroyed a large part of the built environment, as well as essential infrastructure networks. Besides the need to provide the population hit by the earthquake with immediate care and lodging, the disaster poses important challenges related to regional development.

2. The earthquake damaged the University of L'Aquila, which was the city's key comparative advantage. Before the disaster, L'Aquila was a relatively successful economy in which the university played a pivotal role in the city's economy. The University, which grew in the recent years to attract nearly 30,000 students, provided jobs, rental income and demand for local good and services. It also contributed to the region's economic development through a number of spillovers and had the potential to play a pivotal role in generating innovation and strengthening the link with the private sector. If the University ceased to be a key economic engine for the city, this would weaken localisation advantages and could lead to a considerable loss of core economic activities. To avoid this dynamic, the reconstruction process needs to focus on the University, which could not only be rebuilt, but even strengthened to exploit as much as possible its capacity to act as a regional engine of growth. The University's most immediate priority is re-attracting students for the 2009-2010 academic year, since the earthquake damaged infrastructure and severely reduced housing available to students. There is a real risk that many students, particularly those who come from outside L'Aquila province will not return in the fall.

3. The earthquake also destroyed key public and collective goods, affecting L'Aquila's capacity to attract people and investment. In this context, re-launching the University is not enough, if it is not integrated into a broader longer-term strategy. A feasible vision is needed of what the L'Aquila region can be some years from now and what it can offer while the reconstruction takes place. Good school education, extensive IT infrastructure, affordable and safe housing, cultural events and entertainment, and targeted services to business are some of the needs that L'Aquila could meet to regain, and enhance, its urban attractiveness. As a key attraction for visitors, students, professional offices and second-home owners, as well as a source of pride for residents, the historical centre must again be in a position to draw users from outside of L'Aquila. Restoring the appearance and integrity and improving the safety of buildings will take time. A plan is needed to spark growth while the historical centre is being rebuilt.

4. Multiple levels of government are contributing to the redevelopment of L'Aquila. Short-term reconstruction decisions will impact on the options available for long-term redevelopment. Coordination and information-sharing among the multiple government agencies, as well as with the private sector, the University of L'Aquila, residents, students, and other members of civil society, is necessary for aligning short-term reconstruction plans with long-term redevelopment priorities.

Workshop format

5. The workshop aims at discussing policy options that could be implemented to restore and re-launch the regional economy. Addressing the major challenges described above can benefit from a comparison with similar experiences around the world and from a debate between local and international experts. To allow a better exchange of information, the workshop will be of informal, hands-on nature with a limited selected number of participants. The discussion will focus on three priorities for development:

- Policies to redevelop and valorise the role of the University of L'Aquila and promote links with business;
- Policies to renew the city's attractiveness by strategic choices on restoration and by promoting key innovative services; and
- Policies to foster engagement, information communication and capacity building for effective multi-level governance of redevelopment.

Panel 1: Policies to redevelop and valorise the role of the University of L'Aquila and promote links with business

6. The first panel will assess the role of higher education institutions (HEIs) as sources of regional development, and discuss different policy options to enhance these strengths:

- knowledge creation through research and development;
- knowledge transfer through education and human resources development; and
- cultural and community development, which can, among other things, create the conditions in which innovation thrives¹.

7. To achieve these results, students must first be offered high-quality teaching and facilities: this is today a requisite for them not to choose other alternatives to the University of L'Aquila. Changes are needed to re-attract students and capitalize on the University's comparative advantages. It also suggests that the region should promote university interaction with businesses. The link with the city must also be strengthened: research and acquired knowledge should contribute to the city renaissance. Finally, the University needs to assure students of the availability of housing, much of which was destroyed in the earthquake and which will take years to fully rebuild. Many property owners are not yet in a position to rebuild their homes, and students are not eligible for the housing being built by the Civil Protection and planted for construction in the fall.

Panel 2: Policies to renew the city's attractiveness by strategic choices on restoration and promoting key innovative services

8. A higher educational institution alone cannot generate the momentum needed for regional development. To redevelop in a more sustainable manner, the city needs a more diversified bundle of goods and services, focused on re-attracting residents, businesses, students and visitors to the historical centre, according to a coherent vision of the city's future.

9. The same vision should steer the strategy for restoration, defining the choices of what, how and in which order to restore. The reconstruction of L'Aquila provides an opportunity for the development of a multi-polar economy that enhances the role of local entrepreneurs and professional services. The reconstruction will rely on restoration, architecture, infrastructure, and construction services. L'Aquila can,

1. OECD (2007), *Higher Education and Regions: Globally Competitive, Locally Engaged*, OECD Publications, Paris.

with governmental technical and financial support, attract professionals and become a centre of innovation in these sectors. These sectors in turn can provide a foundation for the longer-term sustainability of economic development. Experts will evaluate a possible strategy to enhance L'Aquila's attractiveness and to create opportunities for innovation in the aftermath of the disaster. Experts will evaluate how to identify an integrated basket of services to enhance the city's attractiveness and better respond to the needs of different users of these services.

Panel 3: Engagement, information communication and capacity building for effective multi-level governance of redevelopment

10. A wide range of actors is involved in the redevelopment of L'Aquila, including several levels of government, the private sector, the university and civil society. For economic development and reconstruction to succeed, the multiple responsibilities involved must be coordinated. Experts will discuss two key points related to the governance of the economic redevelopment strategy: (i) the need to engage all government tiers and adequate technical resources in the process and benefit from external knowledge; and (ii) the need for transparency and monitoring of the decision and implementation process to increase the accountability and people's participation in the redevelopment strategy.

11. First, given the institutional architecture that existed pre-earthquake, and the institutional framework created to deal with the earthquake: what is the most efficient and effective way to combine the role of facilitator of the central government, the role of the Region and the action of local governments? How to mobilize and organize the necessary capacity? The OECD will provide international benchmarks in which inclusive and effective governance tools have been implemented. Second, concerning transparency and monitoring, examples from international experience will be discussed, including the use of information and communication technologies (ICTs) to accurately transfer information about resource allocation and local development projects to public stakeholders.

PROVISIONAL ANNOTATED AGENDA

3 July 2009, 9:00 – 18:00

Ministry of Economy and Finance – Via XX Settembre, 97, Rome, Italy

9:00 – 9:30 **Registration** (*via XX Settembre, 97*)

9:30 – 10:00 **Welcome coffee** (*corridor Sala della Maggioranza*)

10:00 - 10:30 **Opening remarks**

*Sala
Maggioranza*

- *Giulio Tremonti, Minister of Economy and Finance, Italy*
- *Mario Pezzini, Deputy Director, Public Governance and Territorial Development Directorate (OECD)*

Silvio Berlusconi, Prime Minister, Italy, will attend.

Will also attend: Gianni Letta, Under Secretary of State, Prime Minister's Office.

The session will be opened by a short documentary on L'Aquila today produced by Cattleya and Sensicinema (DPS), directed by Stefano Sollima

10:30-13:30 **Parallel Sessions**

A coffee stand will be available inside each room from 11:00-11:30

Sala Azzurra

Panel 1: Policies to redevelop and valorize the role of the University of L'Aquila and promote links with business

Facilitator: Mario Pezzini, Deputy Director, Public Governance and Territorial Development Directorate (OECD)

External experts:

- *John Goddard, Professor Emeritus, CURDS, Newcastle University, United Kingdom*
- *Andrea Bonaccorsi, Professor, Pisa University, Italy*

The redevelopment of L'Aquila economy depends on the future of the University, which has played a pivotal role and can be the source of growth and innovation. Having sustained damage in the earthquake, the University of L'Aquila must decide how to redesign itself to re-attract students and strengthen the links with the region. The promotion of linkages between university and businesses is also needed. This requires a strategy to address the following questions:

1. What potential strengths make the university excellent compared to other universities? How can the University shape its assets by strengthening its international profile?

2. What physical design would best allow the University to meet its goals of high quality academic offerings? Where should different departments or schools be located? (e.g. the Medical School, Basic Sciences Departments, Engineering School, and Humanities Departments).
3. How can the University respond to students need for lodging in the short and long term?
4. What types of partnerships can the University develop with local entrepreneurs, both large and SME, to support regional innovation, provide research services to business, and create employment opportunities for graduates?
5. What business projects could be launched in the short-term to strengthen the links between business and university?

*Sala del
Parlamentino*

Panel 2: Policies to renew the city’s attractiveness by strategic choices on restoration and promoting key innovative services

Facilitator: Monica Brezzi, Senior Economist, Head of Regional Statistics Unit, Public Governance and Territorial Development Directorate (OECD)

External experts:

- ***Mounir Bouchenaki, Director General ,International Centre for the Study of Preservation and Restoration of Cultural Property (ICCROM)***

Though prior to the earthquake L’Aquila benefited from a relatively high standard of living, it had faced increasing economic stagnation in recent years. Given that the historical centre was a primary attraction, but it was underutilised, developing a strategy for restoration and a vision of a multi-polar economy must be central and re-launch the city.

1. Can the reconstruction of L’Aquila provide a foundation for redevelopment of the greater economy, creating opportunities for innovation and attracting expertise on restoration and cultural preservation?
2. What are the key priorities for the historical centre’s redevelopment so it can attract residents, student and visitors? How will the short-term supply of houses provided by the Government and the timing of reconstruction fit the housing demand of residents and students?
3. What integrated basket of services can facilitate other sources of economic growth and enhance the city attractiveness? How can the supply and quality of services respond to the needs of the city’s different users?

*Sala
Maggioranza*

Panel 3: Engagement, information communication and capacity building for effective multi-level governance of redevelopment

Facilitator: Janos Bertok, Senior Policy Analyst – Head of Integrity Unit, Innovation and Integrity Division, GOV - OECD

External experts:

- ***Edward Andersson, Deputy Director, INVOLVE, United Kingdom***
- ***Chris Harman ,Interim Chief Executive of Stoke-on-Trent City Council, United Kingdom***

A wide range of actors is involved in the development strategy, including different levels of government, the private sector, and civil society. To achieve an effective economic development strategy and reconstruction process, the multiple roles and responsibilities

involved must be clarified and coordinated. Three main issues arise linked to how to design and implement the most efficient and effective development strategy for the area:

1. How can the complex governance structure deriving from the extraordinary situation work most efficiently in ensuring cooperation among levels of government?
2. Does the local governance structure have the capacity to carry out the task of redeveloping L'Aquila's economy? How to put at the disposal of the multilevel governance a task force that can implement the defined strategy?
3. How can the transparency and integrity of the decision-making process be assured? How can the use of information and communication technologies (ICTs) help transfer information about resource allocation, new regulations and decisions? How can the use of ICT help to increase the accountability of the different actors involved and help people to form an opinion and contribute to decisions?

13:30-15:00 **Buffet Lunch** (corridor Sala della Maggioranza)

15:00-16:30 **Plenary Session**

Sala
Maggioranza

- Reporting of the options considered in the parallel sessions and general discussion

16:30-17:00 **Coffee break** (corridor Sala della Maggioranza)

17:00-18:00 **Plenary Session**

Closing remarks

- **Mario Pezzini, Deputy Director, Public Governance and Territorial Development Directorate (OECD) will report on the outcome of the discussions.**
- **Giulio Tremonti, Minister of Economy and Finance, Italy**
- **Massimo Cialente, Mayor of L'Aquila**
- **Stefania Pezzopane, President of L'Aquila Province**
- **Giovanni Chiodi, President of Abruzzo Region**

Silvio Berlusconi, Prime Minister, Italy, will attend.

Will also attend: Gianni Letta, Under Secretary of State, Prime Minister's Office

* *The Workshop is sponsored by ENI, ABI and CDP*