Working Party on Territorial Policy in Urban Areas

Governing the Metropolitan City of Venice

This is a monitoring report following up on the Territorial Review of Venice, Italy 2010, which was approved under the reference GOV/TDPC(2009)12.

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JT03362253

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GOVERNING THE METROPOLITAN CITY OF VENICE

Introduction

In April 2014, the Italian Parliament passed a law (Law n. 56/2014) up-grading the status of the provinces corresponding to the country’s ten largest cities that of “metropolitan cities” (città metropolitane), in an attempt to stimulate the emergence of new forms of inter-municipal co-ordination in the major metropolitan areas of the country. The law identifies a road map towards the establishment of an institutional setting that defines the co-ordination mechanisms, leaving however to each territory the freedom – and responsibility – to decide the depth and breadth of inter-municipal co-ordination. This legislation was adopted following more than two decades of failures on the part of local governments to use the existing legal framework – originally introduced with the law n.142/1990 – to establish coherent and encompassing forms of institutional integration to govern territorial interdependencies at metropolitan level. It is true that in some metropolitan areas metropolitan governance structures have been emerging, but they generally appear to be very weak and limited in scope, and they are unable to address the key social, economic, spatial and ecological imbalances of Italian metropolitan areas.

Given the profound differences in the territorial organisation of Italian metropolitan areas, the new law raises two questions, addressed in this report with regard to the case of Venice:

• The co-ordination institutions, which can be chosen largely at local level, have to reflect the organisational structure of the provincial territory – in this case, the territory of the Province of Venice, which is to be turned into a metropolitan city.

• The correspondence between the territory of the Venice Province and that of the “metropolitan area” is an issue – crucial in the case of Venice – that warrants accurate analysis.

Against the background of the new law turning the Province of Venice into the Metropolitan City of Venice, this report reflects on the territorial organisation of the “metropolitan area of Venice” to contribute to the design of an institutional setting that can meet the challenges this territory confronts.

The role of metropolitan governance in delivering growth and well-being

The current reform in Italy must be seen in the context of a wider trend towards stronger forms of metropolitan co-ordination across the OECD and beyond (OECD, 2014). Both policymakers’ keen interest in – and the difficulty of tackling – metropolitan challenges, are reflected in the wide spectrum of metropolitan governance models currently in place in OECD countries and in the large number of metro governance reforms launched since the end of the 1990s. These reforms reflect increasing recognition that our larger cities and their spheres of influence (metropolitan areas) are in need of greater co-operation on a metropolitan-wide basis. Their importance for national economic performance is one rationale. The increasing attention to environmental and well-being considerations is a further motivation. Financing systems at the local level often provide disincentives for metropolitan-wide engagement, therefore national reforms are often used to provide better incentives.

While some governments have chosen to retrofit administrative boundaries around the renewed urban shape (e.g. via municipal mergers), most have eschewed this approach. Many are encouraging municipalities to build partnerships, within a more or less institutionalised framework. With each type of metropolitan governance arrangement likely to carry its own set of strengths and challenges, the OECD has undertaken a new survey of metropolitan governance in metropolitan areas to allow a more in depth exploration of these issues, (Ahrend, Gamper and Schumann, 2014). To date, the survey has brought
together data on 263 out of the 275 functional urban areas in OECD countries with a population of more than 500 000, covering well over 90% of the population of large OECD metros. While the survey reveals a wide range of governance solutions adopted in different places, ranging from limited inter-municipal agreements to the creation of supra-municipal authorities and even outright mergers, it also suggests a relationship between metro size and the strength of governance solutions: larger, more fragmented metropolitan areas tend to require stronger co-ordination institutions.

Altogether, about two-thirds of large OECD metropolitan areas have established a specific body in charge of organising responsibilities among public authorities for metropolitan-wide development – hereinafter referred to as metropolitan governance bodies. Further, there has been a renewed momentum in the number of metropolitan governance bodies created or reformed since the 1990s, against the backdrop of the early 1990s recession and the 2008 financial crisis (Figure 1 and Box 1). The survey data show that around 80% of metropolitan governance bodies work on regional development, over 70% on transport, and over 60% on spatial planning. More than half bodies are active in these three fields at the same time. This is likely because in these fields the demand from residents is higher, externalities are most obvious, and municipalities can co-operate more easily.

Figure 1. Number of metropolitan governance bodies created (or reformed) in OECD countries

Box 1. Metropolitan governance reforms in OECD countries

Since the 2008 crisis, there has been an acceleration of metropolitan reforms. The objective is to find the "right scale", that is to say the most consistent and relevant scale for metropolitan strategic competences. The context is clearly the search for efficiency of public action and also the optimisation of public spending.

- In Finland, a law seeks to grant Helsinki and ten other urban areas a special status within the framework of the municipal reform.

- Eight regional, city and district councils in New Zealand were amalgamated to form the Auckland Council in 2010. A Unitary Plan was established for the new entity, which stipulates development policies and replaces the previous seven district plans.

- In France, a Law on the modernisation of territorial public action and on the strengthening of metropolitan cities was adopted in December 2013, creating new governance structures for Paris-Ile-de-France, Grand Lyon and Aix-Marseille-Provence metropolis (the three larger French metropolitan areas) as well as for 11 other metropolitan areas of more 400 000 inhabitants. For these later (metropolis of "common law"), competences are reinforced in the field of economic development, housing, environment, roads and social action, following an agreement with the département in which they are situated. For the metropolitan areas of Paris, Lyon and Aix-Marseille-Provence, an ad hoc status has been prepared for each of them depending on their own characteristics and needs (an innovation of this law and, more globally, of the French way of doing laws). Their competences are substantially reinforced as well as their tax integration and equalisation mechanisms.

- In England, the City Deals scheme allocates new competencies and specific funding to the biggest cities provided that they consolidate their governance structures.

- In Australia, various Australian States have launched metropolitan reforms. For example, in June 2011, the State of Western Australia has commissioned a group of experts (Metropolitan Local Government Review Panel) with the task of conducting an evaluation of the Perth metropolitan governance. The report, released in 2012-13, has developed 30 recommendations that were the subject of a public consultation in the summer of 2013. A committee (Metropolitan Reform Implementation Committee) is now in charge of the implementation of the reform of metropolitan governance.

Similar reforms were introduced in Greece where several metropolitan responsibilities were transferred to the regions of Attica and Thessaloniki as mandated by the Kallikratis reform (transport and communications, environmental protection, or spatial planning). In Denmark, the local government reform of 2007 has given a special status to the Greater Copenhagen; in Turkey, the status of metropolitan municipalities has been attributed to 30 large urban areas (16 in the 1980s and 14 new ones after March 2014 local government elections). In Korea, Seoul and the 6 metropolitan areas with more than one million inhabitants are accorded, as metropolitan cities, the same status as that of the larger and more populous provinces. In Portugal, the central government has established in 1991 the status of metropolitan areas for Lisbon and Porto, a status reformed in 2003 and 2008.

However, metropolitan governance arrangements come with great diversity and are rarely binding. Four main types of arrangements emerge from OECD experience (from the least to the most “stringent” institutionally): informal/soft co-ordination; inter-municipal authorities; supra-municipal authorities; and special status of metropolitan cities (Table 1). There is considerable diversity among (and sometimes even within) these four categories in terms of legal status, composition, power, budget and staff – hence with varying impact on policy design and implementation. For example, less than 20% of OECD metropolitan areas have a governance body that can impose laws or regulations. On the whole, though, the “lightest” metropolitan governance arrangements tend to prevail over the most “stringent”. More than half of the...
metropolitan governance bodies covered by the OECD survey are informal/soft co-ordination arrangements, whereas about one-quarter are inter-municipal joint authorities. Supra-municipal authorities, such as the metropolitan cities now being created in Italy, currently account for 14% of the cases, and "special-status metropolitan cities" are the rarest arrangement with only 8%. Unsurprisingly, a size factor is at play: the larger the population of the metropolitan area, the more “stringent” its choice of metropolitan governance arrangement tends to be.

Table 1. Four broad categories of metropolitan governance bodies in OECD metropolitan areas (from the lightest to the most stringent in institutional terms)

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Informal/soft co-ordination</td>
<td>Often found in instances of polycentric urban development, lightly institutionalised platforms for information sharing and consultation are relatively easy both to implement and to undo. They typically lack enforcement tools and their relationship with citizens and other levels of government tends to remain minimal.</td>
</tr>
<tr>
<td>b) Inter-municipal authorities</td>
<td>When established for a single purpose, such authorities aim at sharing costs and responsibilities across member municipalities – sometimes with the participation of other levels of government and sectoral organisations. Multi-purpose authorities embrace a defined range of key policies for urban development such as land use, transport, and infrastructure.</td>
</tr>
<tr>
<td>c) Supra-municipal authorities</td>
<td>An additional layer above municipalities can be introduced either by creating a directly elected metropolitan government, or with the upper governments setting down a non-elected metropolitan structure. The extent of municipal involvement and financial capacity often determine the effectiveness of a supra municipal authority.</td>
</tr>
<tr>
<td>d) Special status metropolitan cities</td>
<td>Cities that exceed a legally defined population threshold can be upgraded into a special status as metropolitan cities, which puts them on the same footing as the next upper level of government and gives them broader competencies (e.g. Germany’s city-state Länder).</td>
</tr>
</tbody>
</table>


Empirical work based on the survey results suggests that governance arrangements do indeed affect economic and environmental performance and quality of life. First, it provides evidence that municipal fragmentation reduces economic efficiency and undermines the growth of metropolitan areas, with OECD estimates indicating that a doubling of the number of municipalities per 100 000 inhabitants is associated with a decrease in productivity of around 6%; in many cases, governance fragmentation is so great that its effects may overwhelm the economic benefits of agglomeration. The effects of fragmentation, however, can at least be substantially mitigated through adequate governance arrangements. More precisely, the existence of a central metropolitan governance body is estimated to reduce the negative effect of municipal fragmentation by roughly half (Ahrend, Farchy, Kaplanis and Lembcke, 2014). OECD work based on the Metropolitan Governance Survey has found other empirical regularities. Metropolitan areas without a co-ordinating governance body have larger increases in sprawl (Figure 2), even though they seem to be less attractive, as indicated by lower population growth than in metropolitan areas with such bodies. Similarly, in metropolitan areas without a co-ordination body for transport, such as a transport authority, citizens are much less satisfied with the public transport system; these metropolitan areas have also significantly higher levels of air pollution (Ahrend, Gamper and Schuman, 2014). The survey also suggests that the areas where co-operation across municipal boundaries is most urgently needed include environmental challenges (particularly management of waterways and water resources), transport and land-use planning, and economic development. These are all areas that rank high among the co-ordination challenges facing greater Venice and its neighbours.
Figure 2. Governance institutions and selected outcomes

* Controlling for country fixed effects.


The metropolitan territory of Venice: The institutionalisation issue

In 2010, the OECD produced an encompassing Territorial Review of the Venice city-region, defined as the entire territory of the contiguous Provinces of Padua, Treviso and Venice (OECD, 2010). By taking this area as a unit of analysis, the OECD was relying on an interpretation of territorial interdependence in the Veneto Region widely shared by analysts and scholars – and also acknowledged in the local political debate. The report analysed the threats and challenges facing this large urban area, which had been one of Italy’s best-performing regions in terms of economic growth in the previous decades and which is among its most economically advanced. The report pointed to a need to up-grade the area’s economic base, infrastructural endowments and governance frameworks to meet the challenges posed by globalisation and technological progress, as well as those resulting from the territorial imbalances generated by the economic growth of the previous decades.

Not surprisingly, one of the key recommendations in the report was to change the current governance practices and frameworks (OECD, 2010), by introducing “advanced forms of multilevel governance”. In fact, the report suggested that the emergence of the Venice city-region as a consequence of the territorial development trajectory followed in the decades 1950-2010 needed to be acknowledged and to find an institutional expression. New and effective co-ordination principles and practices in the local policy-making process – which were seen as functional to the objective of meeting the challenges this area is facing – ought to have been introduced.

Moving towards a form of metropolitan governance was the key suggestion. Being aware of the institutional fragmentation of the Venice city-region and the ensuing complexity of the governance structure, the OECD review pointed to the emerging “diffused metro-governance model” (OECD, 2010) as the right choice, in particular for its adaptability, its grass-root character and the co-ordination role that the regional and provincial governments could play. Although there were signs that such governance model was emerging, the pace of the institutional evolution was too slow, given the urgency of the social and economic imbalances that had to be addressed.
Against the backdrop of a general deadlock in the “metropolitisation” process, the Italian government decided in 2012 to address the institutionalisation of Italian metropolitan areas directly. In an effort to avoid the vexed question of how to identify metropolitan areas – which had already proved a major obstacle to the emergence of metropolitan structures – the government first selected a number of cities for which it was deemed urgent to address the metropolitisation question, and then decided to take the territories of the corresponding Provinces as the territories for which to assign by law the status of metropolitan city (città metropolitana), leaving to the local political process the decision about the kind of governance structures to be created. After a long and difficult legislative process, the government proposal finally was recently turned into law (Law n. 56/2014) in April 2014.

Its adoption has raised a number of important new challenges for some Italian cities. While warranted in cases where the provincial territory largely corresponds to a functional urban area, the transformation of Provinces into metropolitan cities raises complicated territorial questions for most of them. The territories of Italian Provinces are historical artefacts: though the provinces were born with the newly established Kingdom of Italy with the Rattazzi Law in 1865, their boundaries corresponded to those first established by Napoleon Bonaparte on the model of French départements. These Napoleonic boundaries have generally proved durable, although some changes have occurred. The key point here is that the territories of Italian provinces do not have a functional dimension and do not reflect modern economics or settlement patterns. The approach defined in the new legislation is particularly problematic in respect of the polycentric metropolitan areas of Venice and Florence (Calafati, 2014). While it may have finessed potentially contentious debates in some Italian metropolitan areas, it has arguably left the most important questions untouched in respect of others.

The government’s approach, as manifested in the new law, is certainly at odds with established notions of the Venice city-region. As a matter of fact, according to the law, only one of the three provinces of the Venice city-region – that of Venice – would gain the status of metropolitan city. As a consequence, scaling up the institutional integration will soon emerge as a necessary further step. Indeed, all the discussions conducted in recent years – the 2010 Territorial Review included – point to the Province of Venice as a territorial scale that does not correspond well to important – indeed, fundamental – co-ordination issues. The shift of focus on to the Province of Venice brought about by the new turn of the national debate on the metropolitisation issue has introduced the risk of profound institutional tensions in many cases, and certainly for the Venice metropolitan area.

Interestingly enough, a more recent OECD (2012) study offers a further perspective on the functional organisation of the Venice city-region, which might reconcile the different analytical and institutional viewpoints. In a comparative study conducted on OECD countries questioning the relevance of the existing boundaries of large cities (Box 2), Venice was taken into consideration as an object of study among many others. Relying on population settlement and commuting data, the OECD identified a tightly intertwined functional urban area (FUA) around the municipality of Venice; this area accounts for 44% of the provincial territory, 32% of the province’s municipalities, 64% of the population and 69% of total employment.
Box 2. Defining functional urban areas: The OECD method

The OECD's definition of functional urban areas (FUAs) is designed to provide a common definition of functional cities that can be employed in cross-country analyses and that reflects patterns of settlement and economic activity rather than administrative boundaries. The product of several years of work by the OECD Secretariat and the organisation's Working Party on Territorial Indicators, it is similar in some respects to the definition of metropolitan statistical areas in countries like the United States but is somewhat simpler, as it has been adapted to reflect the need for a method that can be applied across countries on the basis of commonly available data. In that sense, it is not better or worse than the national definitions of functional cities or metros that are calculated in some (but not all) OECD countries. Its utility lies in providing a clear, robust method that can be used across countries, including those that currently have no functional definition of urban at all.

The method is set out in detail in OECD (2012) but the central elements of this three-step approach can be summarised as follows:

- **Defining urban cores through gridded population data.** Aggregations of contiguous municipalities that have more than 50% of their population living in high-density clusters. The latter are made of contiguous 1 km² grid cells with a population density of at least 1 500 inhabitants per km² (1 000 inhabitants per km² in the US and Canada) and a total population of at least 50 000 people (100 000 in Japan, Korea, Mexico).

- **Connecting non-contiguous cores belonging to the same functional area on the basis of commuting data.** Two urban cores are considered integrated, and thus part of the same metropolitan system, if more than 15% of the working population of any of the cores commutes to work in the other core.

- **Identifying the urban hinterlands.** The “worker catchment area” of the urban labour markets, outside the cores is composed of those municipalities which send to the cores 15% or more of their employed residents.

This method also makes it possible to identify levels of mono- or poly-centricity of FUAs, as well as the extent of concentration.


OECD (2012) is of particular relevance for the interpretation of territorial interdependence in the metropolitan territory of Venice. *De facto*, it suggests exploring the Venice city-region focusing on its internal territorial organisation. In fact, the exercise conducted for Venice could be repeated for other cities – certainly for Padua and Treviso – to define their functional urban areas. This would lead a definition of the Venice city-region in terms of functional urban areas – with straightforward implications for the design of an up-graded governance structure. It is interesting to note that this perspective is coherent with that proposed by the Italian Central Statistical Office (ISTAT), which conceptualises the Venice city-region in terms of a number of functional urban areas, with that of Venice being practically identical to that suggested in the 2012 OECD study. In addition, the OECD study defines FUAs around Padua and Treviso which are contiguous to Venice and also conform fairly closely to the ISTAT definitions. The result is a large polycentric urban region in North-eastern Italy as seen in Figure 3.
This is not to say that the ISTAT or OECD definitions of Venice as a functional urban area are, or should be, definitive for governance. They clearly reflect settlement patterns and labour-market realities, and in that sense they are a significant advance on definitions based on administrative borders, but they do not resolve (or even try to address) the kind of co-ordination challenges that arise when substantial FUAs are located very close to one another.

OECD (2012) did not conduct an in-depth analysis of the internal territorial organisation of the Venice city-region, which was taken as the unit for analysis without further inquiry. In turn, OECD (2012) was a vast comparative exercise; it could not provide – and was not intended to provide – an interpretation of the implications of its results for individual urban areas. The present report, against the backdrop of the new law on metropolitan cities, provides a bridge between the notion of the Venice city-region and that of the “Venice Metropolitan City”, suggesting a governance structure coherent with the actual territorial organisation.

The analysis conducted in this report has straightforward policy implications. A route is proposed that meets the challenge of giving advanced forms of multilevel governance to the city-region, as recommended by the OECD in its 2010 Territorial Review, while at the same time moving along the path that leads to the Venice Metropolitan City as envisaged in the new law. By acknowledging the polycentric territorial organisation of the Venice city-region, and considering other focal point other than Venice, Padua and Treviso, the establishment of the Venice Metropolitan City may prove to be the first and key step towards the diffused metro-governance model proposed in the 2010 OECD study.
The Venice city-region

The awareness that the Venice city-region – that is, the entire territory of the contiguous Provinces of Padua, Treviso and Venice – is the territorial unit for which to raise the question of metropolitanisation has consolidated in the past decades. OECD (2010) has significantly contributed to strengthen the relevance of this perspective, which was further developed in a number of recent subsequent studies (Fondazione Venezia 2000, 2011, 2012, 2013). The specific character of the territorial integration process that has taken place since the 1950s at this territorial scale had already attracted attention in the scientific community by the end of the 1980s (Indovina, 1990), and it became a policy issue entering the local and national political agenda in the 1990s.

The fundamental law regulating the institutional integration of local policy-making processes (Law n. 142/1990), laying the basis for the metropolitanisation of large Italian cities, did not account for the specific territorial organisation of the potential metropolitan areas. At the same time, it left to each territory the right to set in motion – or not – the kind of institutional integration that it preferred. There was an in-built tension in the laws regulating the institutionalisation of metropolitan areas between procedures established at national level and the specific territorial organisation to which those procedures had to be implemented.

At least three dimensions of the territory ought to be taken into consideration when discussing the metropolitanisation issue: (a) political-administrative fragmentation; (b) territorial polarisation; (c) functional organisation of the territory.

The Venice city-region: A fragmented and polarised territory

When observed in terms of the political-administrative organisation, the territory of the Venice city-region is at the same time highly fragmented – it comprises 243 municipalities – and highly polarised. Figure 4 summarises these features. Venice and Padua are clearly two outliers with sizes that are much larger in terms of population and total employment than the average ones: they are largely the two most important cities in the Venice city-region. Although of much smaller size than Venice and Padua, Treviso is clearly the third most important city of this area. Moreover, the problem of governance fragmentation is not limited to the horizontal dimension (across municipalities). There is also vertical fragmentation resulting from the presence in the metropolitan area of other public actors exercising their jurisdiction over the same territory with concurrent mandates and sometimes overlapping functions, particularly in the fields of economic development, environmental policies, spatial planning. These include the central state (and its public entities such as the Port), the region, three provinces and several local public entities with specialised functions (società per azioni, regional aziende, consorzi, etc.). There are also private actors engaged in public service provision who have their own apprehension of the local territory (e.g. the airport). This fragmentation of public – and private – actors may result in a fragmentation of public policies when they are badly co-ordinated, which is the case in the case of Venice as it was underlined many times during OECD interviews with local experts, officials and representatives of the private sector. The issue of metropolitan governance is thus about more than municipal co-ordination: it concerns multi-level governance at the metropolitan scale.
If the Venice city-region is observed focusing on these three cities, one can identify a spatial core defined as the triangle obtained connecting them (Figure 5). Since these cities are quite close to each other, the spatial core identified comprises a relatively small part of the territory of the Venice city-region. Besides, within this triangle, the border of which is a large band rather than a line, a situation of territorial multi-gravitation is to be observed.
Figure 4, with its dense cloud containing all municipalities apart from Venice, Padua and Treviso, suggests a need to measure the already mentioned political-administrative fragmentation of the territory more precisely. The histograms of Figures 6 and 7 show clearly the extent to which this territory is fragmented. This is a feature that the Venice city-region shares with the entire Veneto Region and, indeed, with Northern Italy as a whole: the territory is governed by a large number of municipalities that tend to be very small with regard both to population and land. The Venice city-region is made up of 243 municipalities, of which 157 (65%) have fewer than 10 000 inhabitants (including 91 with fewer than 5 000). Only two municipalities have populations in the range of 40 000-50 000 inhabitants. Equally important is to stress how low densities are in the Venice city-region: 179 municipalities have population densities lower than 500 inhabitants per km²; more than half of these (96) have densities below a threshold of 250 inhabitants per km².
Figure 6. Municipalities in the Venice city-region by population class

(Venice, Padua and Treviso excluded)

Source: OECD calculations based on data from ISTAT.

Figure 7. Municipalities of the Venice city-region grouped by size of territory

(Venice excluded)

Source: OECD calculations based on data from ISTAT.
From a dynamic perspective, it is interesting to note that the territorial organisation that is to be observed today is the result of diffused growth, in turn generated by a diffused industrialisation process, which affected practically all municipalities significantly. Low-density development was a by-product of a decentralised form of production, which favoured small and medium enterprises and mini-factories, often in rural areas. Minimal enforcement of land-use controls and inexpensive land encouraged residents to convert rural into industrial or commercial areas. The result was what many Italian urbanists refer to as the città diffusa, a low-density urbanised countryside model. If performance is measured in terms of the growth rate of private-sector employment – employment in the industrial sector and in the private services – the growth pattern is that depicted by the box plots of Figure 8.

**Figure 8. Dispersion in growth rates of private-sector employment across municipalities**

Venice city-region, 1951-2011

The diffusion of economic growth – i.e., the fact that most municipalities experienced population and employment increases – that has characterised the Venice city-region attracted very early scientific attention (Indovina, 1990). It became a paradigm for the territorialisation of industrial accumulation in Northern Italy that led to the category of “diffused city” (città diffusa). Its spatial form was extensively studied as a specific manifestation of urbanisation in contemporary Europe (Munarin & Tosi, 2002; Secchi, 2005). This diffused development pattern has come under increasing challenge in recent years from two sources, in particular:
• first, the development of transport infrastructure projects (such as the EU’s so-called “Corridor 5”) which create new nodes and pathways, and concomitant specific new opportunities in some parts of the territory; and

• secondly, the growing importance of services, which benefit more from density and agglomeration than do most manufacturing activities.

While a relatively short time ago, a firm’s choice of location within the region was of limited importance – conditions were similar across the whole territory of the Central Veneto Plain – there is now an increasing concentration of settlement and activity under way (Munarin and Tosi, 2014).

With regard to the metropolitanisation issue, it should be noted that the first, extraordinary wave of industrial growth, in the 1960s and 1970s, took place long before the introduction of the regions in Italy as levels of administrative co-ordination (their formal introduction dates back to 1970 but took more than ten years to consolidate) and also before provinces received the mandate to co-ordinate spatial development. Indeed, the astonishingly rapid trajectory of spatial development associated to the industrialisation of the Venice city-region (and of the Veneto Region as a whole) took place against the backdrop of the extreme political-administrative fragmentation illustrated above. The planning (and negotiation) of property right assignments on real estate and land was conducted at municipal level. That strengthened local communities, consolidated local political elites and, as noted in the OECD (p. 207), subsequently influenced the evolution of the area’s political geography. The limits of a governance mechanism based on independent municipalities soon became apparent. Planning at inter-municipal level surfaced as a key question very early and remained for some decades at centre stage in the scientific debate (Fregolent, 2006). The co-ordination powers assigned to the regions and provinces can be traced back to the need for inter-municipal co-ordination.
Box 3. Venice and Veneto in the context of Italy

The Veneto Region ranks fifth among the Italian Regions in terms of GDP per capita (see Figure 9) and third in terms of total GDP, after Lombardy and Emilia Romagna. Given its weight in the Italian economy, its performance has a straightforward national relevance. All of Veneto’s provinces except Treviso are well above the national average in terms of GDP per capita (Figure 10). Differences are not striking between Padua, which ranks first in terms of GDP per capita in the Veneto Region, and the other Provinces (except that of Treviso).

GDP per capita, Italian regions, 1995 and 2011

Source: OECD calculations based on data from ISTAT.

GDP per capita, Province of Veneto, 2011

Source: OECD calculations based on data from ISTAT.
The functional organisation of the territory: Local labour systems

In the 1980s, a conceptualisation of the Italian territory that was pointing to the formation of local systems began to emerge: these local systems were basically clusters of municipalities highly integrated around a pivot city. Clearly, this was a generalisation of the notion of functional urban area, applied to large as well as to small urban systems. In 1987, the Italian Central Statistical Institute, in collaboration with IRPET (ISTAT-IRPET, 1987), proposed an interpretation of the Italian territory in terms of “clusters of contiguous municipalities” that became known as “local labour systems” – which can be translated into functional urban areas (FUAs). The new perspective did not put in question the notion of diffusion of economic activity. It simply pointed to the fact that the diffusion of economic growth had generated a polarised territorial structure (Calafati, 2009b). The map of Italy in terms of local labour systems provided a useful interpretation of the Italian territory and was upgraded twice in the subsequent years (ISTAT, 1997, 2005). The fact that it would have had an impact on the interpretation of the Italian territory as far as the urban dimension is concerned was immediately clear (Sforzi, 1987, 1990) and stimulated further research in this field (Calafati, 2009a).

According to the interpretation of the Italian territory in terms of FUAs proposed by ISTAT, the Venice city-region can be divided into ten local labour systems (LLS) entirely within its boundaries plus two small LLS – Montegnano and Adria – that partially stretch beyond its boundaries (they are not taken into consideration here). Table 2 gives some basic information on these LLS, while Figure 11 shows the spatial dimension. Figure 11 probably under-states the degree of territorial integration, though. On the map, the local labour systems of Venice, Padua and Treviso border each other. In reality, they may very well overlap – local labour systems are identified according to a procedure that draws clear-cut borders, which means that a choice must be made when assigning to an LLS a municipality that in fact experiences double gravitation.

Table 2. Local labour systems in the Venice city-region, 2011

<table>
<thead>
<tr>
<th>LLS</th>
<th>Municipalities (n.)</th>
<th>Territory (sq km)</th>
<th>Population</th>
<th>Population density</th>
<th>Total employment</th>
<th>Industrial sector employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Padova</td>
<td>46</td>
<td>947</td>
<td>635,052</td>
<td>671</td>
<td>275,437</td>
<td>80,443</td>
</tr>
<tr>
<td>Venezia</td>
<td>21</td>
<td>738</td>
<td>621,099</td>
<td>842</td>
<td>248,311</td>
<td>61,385</td>
</tr>
<tr>
<td>Treviso</td>
<td>25</td>
<td>698</td>
<td>337,463</td>
<td>483</td>
<td>138,526</td>
<td>49,527</td>
</tr>
<tr>
<td>Castelfranco Veneto</td>
<td>24</td>
<td>589</td>
<td>230,777</td>
<td>392</td>
<td>96,503</td>
<td>47,617</td>
</tr>
<tr>
<td>Conegliano</td>
<td>23</td>
<td>596</td>
<td>186,858</td>
<td>314</td>
<td>72,895</td>
<td>33,863</td>
</tr>
<tr>
<td>Montebelluna</td>
<td>17</td>
<td>441</td>
<td>131,279</td>
<td>298</td>
<td>51,568</td>
<td>25,505</td>
</tr>
<tr>
<td>Porlogruaro</td>
<td>19</td>
<td>751</td>
<td>124,460</td>
<td>166</td>
<td>42,769</td>
<td>19,229</td>
</tr>
<tr>
<td>Este</td>
<td>28</td>
<td>555</td>
<td>122,851</td>
<td>221</td>
<td>42,016</td>
<td>17,873</td>
</tr>
<tr>
<td>San Donà di Piave</td>
<td>10</td>
<td>438</td>
<td>119,589</td>
<td>273</td>
<td>41,763</td>
<td>14,485</td>
</tr>
<tr>
<td>Pieve di Soligo</td>
<td>9</td>
<td>192</td>
<td>45,802</td>
<td>239</td>
<td>16,777</td>
<td>9,365</td>
</tr>
</tbody>
</table>

Source: OECD calculations based on data from ISTAT.
Figure 9. Map of local labour systems in the Venice city-region, 2011


In terms of LLS, the Venice city-region is, of course, much less fragmented than it is in terms of municipalities. Yet the territorial integration expressed by the LLS is not reflected at all at the institutional level: in political-administrative terms, the Venice city-region has remained highly fragmented. This leads one to state that in designing governance structures co-ordinating or integrating the policy-making processes of the municipalities in the Venice city-region, it would be contradictory not to consider territorial integration as expressed by local labour systems.

A phenomenon that goes unnoticed under the standard conceptualisation of a territory is that the economic hierarchy changes considerably by shifting the focus from single municipalities to clusters of functionally linked municipalities. First, the functional area of Padua emerges as the largest in terms of population – it has surpassed that of Venice over the past decade (Figure 12). It also emerges as the one with largely the strongest manufacturing base (Figure 13). Indeed, in the past decades the Padua’s FUA has been the best performing in terms of economic growth parameters (population, total employment, employment in the manufacturing sector). Noteworthy to highlight that the manufacturing base of Castelfranco Veneto’s FUA is more or less equal to those of the FUAs of Treviso and Venice. This fact suggests conceptualizing the Venice city-region as a multi-gravitational territory.
Figure 10. Local labour systems in the Venice city-region: Population and employment, 2011

Source: OECD calculations based on data from ISTAT.

Figure 11. Local labour systems in the Venice city-region: Manufacturing employment and population, 2011

Source: OECD calculations based on data from ISTAT.
The conceptualisation of the Venice city-region as a multi-gravitational territory can be addressed by analysing the importance of the performances of single LLS for the economy of the Venice city-region. In this respect, since the economic development of the Venice city-region in the period 1951-2011 was essentially driven by capital accumulation in the manufacturing sector, analysis of the contribution of the FUAs to the growth of the Venice city-region in terms of manufacturing employment seems to be of particular relevance (Figure 14).

**Figure 12. Contribution to employment growth of LLS in the Venice city-region**

[Diagram showing contribution to employment growth of LLS in the Venice city-region]

*Source: OECD calculations based on data from ISTAT.*

If we decompose the manufacturing employment growth in terms of the contribution of the single LLS to the economy of the Venice city-region one notes that:

- there are remarkable differences among FUAs in terms of their contribution to the manufacturing growth of the Venice city-region.
- Padua, Castelfranco Veneto, Treviso and Conegliano are the FUAs of key importance for the Venice city-region’s manufacturing growth.
- Differences in the scale of the FUAs are not wholly reflected in their contributions to manufacturing growth (Figure 15) – Castelfranco Veneto has contributed significantly more than Treviso, which was larger in size, and slightly less than Padua; noteworthy is the negative contribution of Venice, the largest FUA in terms of population.
The hierarchy changes significantly when the contribution of the single LLS in terms of employment growth of the private sector (industry and private services) is considered. It is here that the importance of Venice emerges, as does the crucial role played by Padua, which displays the highest contribution over the period 1951-2011. Moreover, that, with the sole exception of San Donà di Piave, all the remaining LLS have contributed less – in some cases much less – in terms of private-sector employment growth than in terms of manufacturing employment growth. This suggests, of course, increasing concentration of services in the region, a trend that is common to urban areas across developed countries and that reflects both the agglomeration economies available in services sectors. It is also consistent with theoretical and empirical work on the relationship between industry and urbanisation. Except where they are undergoing rapid technological progress, most manufacturing industries tend to locate in smaller, more specialised cities where own-industry economies of scale can be maximised relative to the diseconomies associated with the higher wage and land costs of very large cities (see Henderson, 2010 for an overview).

**Figure 13. Size and contribution to the growth of manufacturing employment**

LLS in the Venice city-region, 1951-2011

Source: OECD calculations based on data from ISTAT.

Figure 16 highlights the importance of looking at the territorial organisation of this area in terms of urban systems brought about by the industrialisation process and the ensuing urban growth, rather than in terms of the single municipalities. The weight of the pivot municipality with respect to the corresponding local labour system can vary considerably in terms of population and manufacturing employment. Venice, with the highest concentration of population in the pivot municipality, has a value of 42%, but its weight falls to 28.5% if manufacturing employment is considered. High degrees of dispersion are shown by seven
urban systems, which display values of the weight of the pivot municipality in terms of population lower than 30%. They are more dispersed in terms of employment, with values of the pivot municipality in some cases below 10%. Noteworthy the case of Treviso, whose pivot shows in terms of manufacturing employment (8.5%) that is significantly lower than the value in terms of population – and the latter is already low if compared to the other pivot municipalities considered. This leads one to suppose that most manufacturing production occurs in municipalities other than Treviso.

**Figure 14. Weight of the “pivot” municipality in population and manufacturing employment**

Local labour systems, Venice city-region, 2011

Source: OECD calculations based on data from ISTAT. 

The above-mentioned change in the economic hierarchy that one observes when shifting the focus from single municipalities to LLS points to a strong tension between the political-administrative organisation and the economic organisation of the territory, which emerged as a consequence of the sustained economic growth experienced by the Venice city-region since the 1950s. The existence of LLS as identified by ISTAT would have suggested addressing the institutional integration of the policy process for small and medium-sized urban systems too – and not only for those with the status of metropolitan areas. Indeed, there are grounds to believe that the encompassing reform of the political-administrative system introduced in Italy in 1990 (Law n. 142/1990) was prompted in no small measure by the reflections on functional urban territories that had led ISTAT to conceptualise the Italian territory in terms of local labour systems (ISTAT, 1997). In fact, Law n. 142/1990 introduced into the Italian legal system various tools to be used to reshape the government and governance structure of the Italian territory. However, these tools have not been put into practice since they were made available.
The interpretation of the Venice city-region in terms of functional urban areas makes clear that the coordination issue is more complex than it has often envisaged. An additional layer of complexity is added when one moves beyond analyses of the labour market to see Venice as a “living area”. The Venice city-region is today a “lived reality” for citizens and companies, a fact that was repeatedly emphasised to the OECD team by a range of public and private local actors. However, fragmented public policies and a lack of administrative co-ordination in a number of areas were repeatedly mentioned:

- higher education and research;
- health policy and emergency services;
- the environment/water;
- support to enterprises/economic development; and
- transport – both urban and long distance (different networks with different tariffs and tickets, etc.).

In the field of transport, the need for better integration of the port within the mainland and of the airport in the metropolitan area was stressed by several observers.

As will be seen below, in the case of Venice there is a fairly good correspondence between the Province and its functional urban area: the local labour system of Venice comprises large shares of the provincial population and employment. This is not the case for the Provinces of Padua and Treviso, which display more complex gravitation structures. In both cases the functional urban areas of Padua and Treviso identify much lower shares of population and employment with respect to the corresponding Provinces. This is particularly significant in the case of Treviso. Since the weight of the FUAs of Treviso with respect to the Province in demographic and occupational terms is fairly low – it accounts for about 38% and 39% of the provincial population and total employment, respectively – it seems reasonable to suppose the presence of other significant poles. As a matter of fact, the Province of Treviso can be decomposed in five functional urban areas (Castelfranco Veneto, which is the second largest one and very significant in terms of industrial and manufacturing employment, Conegliano, Montebelluna, Pieve di Soligo). This distinctive feature of the territorial organisation of Padua and Treviso Provinces should be acknowledged when designing a metropolitan governance structure for the Venice city-region.

The functional urban area of Venice

As already outlined, the ISTAT definition of a “functional Venice” based on local labour systems practically overlaps with the functional urban area of Venice as identified on the basis of the clustering procedure proposed in OECD (2012). The two definitions are contrasted in Table 3 and Figure 17. The population of the municipality of Venice accounts for 42.1% of the total population of the LLS and 48.1% of the OECD-definition FUA, values that depict a fairly high degree of spatial concentration. All other municipalities are small or very small in size: the second largest municipality (Chioggia, around 50 000 inhabitants) and the third one (Mira, about 38 000 inhabitants) account for 8% and 6% of the total population, respectively, whereas the remaining 18 municipalities show values between 1.0 and 4.4%.
Table 3. The Province of Venice, the LLS of Venice and the FUA of Venice

<table>
<thead>
<tr>
<th>Source</th>
<th>OECD calculations based on data from ISTAT; OECD (2012).</th>
</tr>
</thead>
</table>

|--------|--------------------------------------------------------------------------------------------|

Table 3. The Province of Venice, the LLS of Venice and the FUA of Venice

<table>
<thead>
<tr>
<th>Municipalities</th>
<th>Territory (sq km)</th>
<th>Population</th>
<th>Total employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Province of Venice</td>
<td>44</td>
<td>2.462</td>
<td>846.962</td>
</tr>
<tr>
<td>LLS of Venice</td>
<td>21</td>
<td>1.208</td>
<td>621.099</td>
</tr>
<tr>
<td>OECD 2012</td>
<td>14</td>
<td>1084</td>
<td>542822</td>
</tr>
</tbody>
</table>

Figure 15. The Province of Venice, the LLS of Venice and the FUA of Venice


Figure 18 zooms in on the (ISTAT-defined) LLS of Venice itself, showing the pivot municipality and the two rings of surrounding municipalities that constitute the bulk of the LLS (only a small part of the LLS lies beyond the II ring). Table 4 shows the structure of the LLS in some detail.
Figure 16. The Venice LLS

Source: OECD calculations based on ISTAT data.
Table 4. Structure of the LLS of Venice

<table>
<thead>
<tr>
<th>Municipalities</th>
<th>Surface (sq km)</th>
<th>Population density</th>
<th>Population</th>
<th>Total Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pivot</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Venezia</td>
<td>413</td>
<td>1.665</td>
<td>261.362</td>
<td>136.901</td>
</tr>
<tr>
<td>I ring</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chioggia</td>
<td>185</td>
<td>541</td>
<td>49.735</td>
<td>13.617</td>
</tr>
<tr>
<td>Mira</td>
<td>99</td>
<td>665</td>
<td>38.552</td>
<td>8.198</td>
</tr>
<tr>
<td>Mogliano Veneto</td>
<td>46</td>
<td>598</td>
<td>27.608</td>
<td>9.141</td>
</tr>
<tr>
<td>Spinea</td>
<td>15</td>
<td>1.788</td>
<td>26.862</td>
<td>6.047</td>
</tr>
<tr>
<td>Martellago</td>
<td>20</td>
<td>1.054</td>
<td>21.171</td>
<td>4.811</td>
</tr>
<tr>
<td>Scorzè</td>
<td>33</td>
<td>568</td>
<td>18.904</td>
<td>8.513</td>
</tr>
<tr>
<td>Marcon</td>
<td>26</td>
<td>634</td>
<td>16.215</td>
<td>7.186</td>
</tr>
<tr>
<td>Cavallino-Treporti</td>
<td>45</td>
<td>487</td>
<td>13.162</td>
<td>2.479</td>
</tr>
<tr>
<td>Quarto d’Altino</td>
<td>28</td>
<td>291</td>
<td>8.199</td>
<td>2.923</td>
</tr>
<tr>
<td>Campagna Lupia</td>
<td>88</td>
<td>277</td>
<td>6.936</td>
<td>1.856</td>
</tr>
<tr>
<td>II ring</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mirano</td>
<td>46</td>
<td>580</td>
<td>26.456</td>
<td>9.821</td>
</tr>
<tr>
<td>Noale</td>
<td>25</td>
<td>627</td>
<td>15.708</td>
<td>4.918</td>
</tr>
<tr>
<td>Dolo</td>
<td>24</td>
<td>622</td>
<td>14.982</td>
<td>6.054</td>
</tr>
<tr>
<td>Camponogara</td>
<td>21</td>
<td>605</td>
<td>12.920</td>
<td>2.638</td>
</tr>
<tr>
<td>Salzano</td>
<td>17</td>
<td>738</td>
<td>12.678</td>
<td>2.928</td>
</tr>
<tr>
<td>Pianiga</td>
<td>20</td>
<td>597</td>
<td>11.968</td>
<td>4.644</td>
</tr>
<tr>
<td>Rest of the LLS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Santa Maria di Sala</td>
<td>28</td>
<td>619</td>
<td>17.295</td>
<td>6.875</td>
</tr>
<tr>
<td>Fieso d’Artico</td>
<td>6</td>
<td>1.225</td>
<td>7.728</td>
<td>3.648</td>
</tr>
<tr>
<td>Fossò</td>
<td>10</td>
<td>671</td>
<td>6.786</td>
<td>3.263</td>
</tr>
<tr>
<td>Massanzago</td>
<td>13</td>
<td>444</td>
<td>5.872</td>
<td>1.850</td>
</tr>
</tbody>
</table>

Note: As far as the municipalities of Venice, Chioggia, Mira, Cavallino-Treporti, Campagna Lupia are concerned the term ‘surface’ refers to the territory that comprises coastal lagoons and wetlands, whereas population densities are calculated on land without coastal lagoons and wetlands.

Source: OECD calculations based on data from ISTAT.

One of the spatial features of the LLS of Venice is a specific form of conurbation that stretches from the central area of the municipality of Venice – the suburb of Mestre – along most of the municipalities located both in the I and II ring. This conurbation is not as dense and continuous as in other Italian metropolitan cities like Naples or Milan, for example. Instead, beside the high-density areas – the settlements of the various municipalities that are a seat of local government – the presence of low-density areas and open spaces functioning as connective tissue among settlements gives a distinctive feature to this territory (Munarin & Tosi, 2002).

One may also detect some discontinuities in Figure 15 in the conurbation between the territory of Venice and its neighbouring municipalities. First, the specific geographic position of the municipalities of Chioggia, Cavallino-Treporti and Campagna Lupia – three municipalities with a significant portion of coastal lagoon and wetlands that constitute the boundaries with Venice – make separates them physically from Venice’s conurbation. Chioggia and Cavallino-Treporti are isolated settlements, whereas Campagna Lupia is spatially connected to the territorial sub-system composed by Camponogara and Fossò – the main travel-to-work outflows from Campagna Lupia are to Venice (471), Dolo (151), Padua (138), Mira (129) and Camponogara (102). The same feature can be observed as regards the municipalities of Quarto d’Altino and Marcon, which are spatially connected to Mogliano Veneto (a municipality located in the Province of Treviso but functionally connected to the LLS of Venice).

When analysing population density in the municipalities in the Veneto Region whose territories comprise coastal lagoons and wetlands, a distinction has to be drawn between total land and land without coastal lagoons and wetlands (Table 5). With regard to Venice, the exclusion of coastal lagoons and wetlands (258 km²) from the total surface (415 km²) leaves a territory of just 157 km². In this case, population density rises from 630 inhabitants per km² to 1665. The same distinction has to be applied to...
the other municipalities that possess coastal lagoons and wetlands. In these cases, too, population densities reach much higher values.

### Table 5. Density in and around Venice

<table>
<thead>
<tr>
<th>Municipalities</th>
<th>Total surface (sq km)</th>
<th>Wetlands* (sq km)</th>
<th>Coastal lagoons (sq km)</th>
<th>Surface excluding coastal lagoons and wetlands (sq km)</th>
<th>Population density on the surface excluding lagoons</th>
<th>Population density on the total surface</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venezia</td>
<td>415</td>
<td>44</td>
<td>214</td>
<td>157</td>
<td>1,665</td>
<td>630</td>
</tr>
<tr>
<td>Chioggia</td>
<td>185</td>
<td>11</td>
<td>81</td>
<td>92</td>
<td>539</td>
<td>269</td>
</tr>
<tr>
<td>Codivigo</td>
<td>70</td>
<td>11</td>
<td>17</td>
<td>42</td>
<td>152</td>
<td>92</td>
</tr>
<tr>
<td>Campagna Lupia</td>
<td>87</td>
<td>32</td>
<td>30</td>
<td>25</td>
<td>279</td>
<td>80</td>
</tr>
<tr>
<td>Mira</td>
<td>99</td>
<td>23</td>
<td>18</td>
<td>58</td>
<td>682</td>
<td>389</td>
</tr>
<tr>
<td>Cavallino-Treporti</td>
<td>44</td>
<td>7</td>
<td>9</td>
<td>27</td>
<td>479</td>
<td>299</td>
</tr>
</tbody>
</table>

* Wetlands includes: salt marshes, inland marshes, salines

Source: OECD calculations based on data from ISTAT.

The città metropolitana of Venice

Law n. 56/2014 has defined the procedure that should lead to the transformation of ten Italian Provinces – including the Province of Venice – into metropolitan cities by 31 December 2014 (Box 4). The mayors of the capital cities of the Provinces affected now have the power to take the initiative and start the process according to the established procedure. This law raises fundamental questions that have to be addressed at local level: first, the question of the size of the Province in terms of population and the administrative units involved needs to be addressed, since it has straightforward implications for the feasibility and efficacy of the institutional integration; secondly, the question of how significant the provincial boundaries are from a functional perspective; and thirdly, the fundamental issue of metropolitan cities’ policy agendas.

As to the size the Venice Metropolitan City is the smallest both in terms of population, number of municipalities and surface area (not considering the lagoon). This feature should be understood as an advantage. Given the procedure to turn Provinces into metropolitan cities, the fact that only a limited number of municipalities are involved and that most of them are relatively small and close to each other makes it possible to smooth contrasts and speed up the process; in particular, the elections and the drafting of the statute may prove to be easier in the case of Venice rather than in the cases of Naples or Turin or Milan, where the number of actors involved is much higher.

As to the issue of the “functional dimension”, as already noted, part of the provincial territory is outside the functional urban area of Venice on both ISTAT and OECD methods. Indeed, the Province of Venice (44 municipalities) includes 20 contiguous municipalities in the north-east that are not functionally linked to Venice in terms of commuting flows. These communes belong to the LLS of Portogruaro (ten), San Donà di Piave (nine) and Latisana (one), respectively. Although these municipalities together account for 43.1% of total territory of the Province of Venice, they are home to only 25.2% of its population and 22.4% of total employment. In addition, three municipalities of the Province belong to the LLS of Padua and two to the LLS of Adria (Province of Rovigo). Thus, out of 44 municipalities that make up the Province of Venice at least 25 do not belong to the LLS (Table 5) – and several more do not belong to the OECD-defined FUA of Venice. Altogether they account for 30.6% of the provincial population, 26% of total employment and 33% of manufacturing employment. The profound heterogeneity in the pattern of territorial interdependence within the boundaries of the Province must be addressed in the design of the coordination mechanisms for the metropolitan city.
Venice is not unique. In a number of the Provinces to be turned into metropolitan cities, one can observe that only part of the territory is functionally linked to the pivot municipalities. This need not imply that there is no case for metropolitan integration – in some parts of Italy there are clear links – and a definite need to co-ordinate some aspects of policy – among LLS/FUAs at a larger scale. Venice, Padua and Treviso arguably constitute such a larger urban region. However, it is critical one way or another for the metropolitan cities to reflect some clearly functional-economic rationale and that the design of institutions and co-ordination mechanisms, as well as the policy agendas of the new metropolitan cities take that rationale into account. In the case of a number of provinces, including that of Venice, the functional logic of the provincial boundaries is simply not clear.

The legislation reflects an awareness of the negative implications of this feature and has introduced the possibility to change the boundaries of the provinces-metropolitan cities (see Box 3). However, changing the boundaries of the provinces (and hence of the emerging metropolitan cities) is a very difficult political-administrative process in the current institutional framework and it is not to be taken into consideration in the initial phase of the formation of metropolitan cities. However, this fact has to be acknowledged to frame and govern the process that will lead to the statute and to the election of the Metropolitan Council and the Metropolitan Board.

Related to the issue of the functional dimension of the Province of Venice is the fundamental question that is the focus of much of this report – the high degree of territorial interdependence among the future Metropolitan City of Venice and the contiguous territories. This is a question relevant not only for Venice but for other metropolitan cities, as well, particularly for Milan, Naples and Florence. Yet, as already stressed, the case of Venice has a specific dimension that cannot be avoided. Indeed, Venice is perhaps the one case among Italian provinces in which the difference between the provincial territory and the metropolitan area, as generally understood, is the greatest. This feature does not diminish the urgency and relevance of moving forward to establish the Venice Metropolitan City as soon as possible. Yet it requires addressing the question with a clear awareness of the limitations and potentials.

Box 4. Law n. 56/2014: From provinces to metropolitan cities

The law that has instituted the metropolitan cities (Law n. 56/2014 Disposizioni sulle città metropolitane, sulle province, sulle unioni e fusioni di comuni) is entered into force on 8 April 2014. For ten Italian Provinces – Turin, Milan, Venice, Genoa, Bologna, Florence, Rome, Naples, Bari and Reggio Calabria – the complex transition phase to become metropolitan cities, which is expected to be completed by 31 December 2014 with the approval of the “Statute” of each metropolitan city, has already begun with the mayors of the provincial capitals becoming by default the “metropolitan mayors”.

The Statute for each metropolitan city will be approved by a “Metropolitan Council”, made up of all the mayors of the municipalities in the Province (art. 1, sub-section 42). The Metropolitan Council ought to be installed by 30 September 2014. By the same date, the “Metropolitan Board” – which is a second-order political body – is to be elected (art. 1, sub-section 15). Only mayors and local council members in office are eligible to join the Metropolitan Board and only incumbent mayors and local council members have the right to vote to elect the Metropolitan Board (art. 1, sub-section 25).

In the meantime, the metropolitan mayor (art.1, sub-section 13) is expected to hold the election, with the same procedures indicated above, to a transitory Metropolitan Board, which will be in charge of drafting a proposed Statute by 30 September 2014 – and by the same date to end its activity.

The scope and depth of the co-ordination powers of the metropolitan city will depend entirely on the Statute approved, since the Law n. 56/2014 does not put any constraint on the substantive political power of metropolitan cities.

The Statute can also introduce radical changes in the political nature of metropolitan cities by establishing direct election of the metropolitan mayor and of the metropolitan Council (art. 1, sub-section 22). Yet the election procedures have to be established through a national law.
Box 4. Law n. 56/2014: From provinces to metropolitan cities (cont.)

The possibility to change the boundaries of the Provinces to be turned into metropolitan cities is also considered (art. 1, sub-section 6). However, changes have to be implemented under the constraint of art. 133 of the Constitution, which requires a national law and the involvement of the concerned Region in this process.

Implementation of the law depends on changes in parts of the Italian Constitution (art. 1, sub-section 5), currently under discussion in the Italian Parliament.

The emergence of the metropolitan area of Venice as a territorial fact began to be widely acknowledged in the scientific and political debate in the 1980s. As noted above, the case of the Venice metropolitan area has been one of the most studied and discussed. When the OECD conducted a Territorial Review in 2010, it found an already well-articulated “metropolitan agenda”: a constellation of economic, social, spatial and environmental issues that had already been identified in the political debate as issues to be addressed most effectively at the metropolitan scale. Yet given the specific feature of the form that territorial interdependence had taken in this area, OECD (2010) pointed to the need for a multi-scalar governance mechanism. The metropolitan agenda was indeed made up by questions to be addressed at specific territorial scales within the Venice city-region. In the 2010 OECD Territorial Review, one also finds the awareness that forms of institutional co-operation were already emerging within the boundaries of the Venice city-region, although what was to be observed was largely insufficient to tackle the most important imbalances. Nevertheless, the institutional setting in the area was evolving.

From the perspective proposed in OECD (2010), it seems necessary to draw a distinction between the policy agenda of the emerging città metropolitana di Venezia and the metropolitan agenda that had emerged from the political debate over the past two decades. This does not necessarily imply that some issues have to be addressed at the scale of the city-region whereas others have to be addressed at the scale of the metropolitan city. There might be such issues, but it is more important to recognise that some issues can be addressed only partially but still significantly at the scale of the metropolitan city. A further point to be mentioned is that, once instituted, the Venice Metropolitan City will be a powerful and effective instrument to speed up the metropolitanisation of the entire city-region. Indeed, this role may be regarded as its key mission.

In the light of the metropolitan agenda discussed in OECD (2010), one issue can be addressed by the Venice Metropolitan City effectively: land-use planning. This is possibly the most important policy issue for all Italian metropolitan areas and, as three decades of debate have shown, it is a key question in the Venice city-region in general and in the functional urban area of Venice, too. At the provincial scale this has been a question widely discussed in recent years, which led to the formulation of an articulated plan at provincial scale (the Piano Territoriale di Co-ordinamento), the development of which involved significant technical and political challenges. The establishment of the Venice Metropolitan City may greatly facilitate the adoption and enactment of this spatial planning instrument at inter-municipal level.

The diffused city is a kind of territorial system that cannot be thought of as reversible in the foreseeable future. Therefore, re-use of the existing stock of residential and productive buildings has to be accepted as a constraint in order to put a halt to urban sprawl and achieve a more efficient and environmentally sustainable spatial organisation. Yet once effectively and appropriately governed, the diffused cities can generate relevant social benefits. The concept of spatial welfare as proposed in recent research based on field studies of the Venice city-region (Munarin & Tosi, 2002; Munarin & Tosi, 2014) may be very useful in identifying a key policy priority for the Venice Metropolitan City.
As governments in the developed world have shifted from a narrowly economic paradigm for policy-making to one focused on well-being (Box 5), the spatial distribution of collective goods and the social accessibility to them become key factors to increase territorial performances. To enhance the quality of the landscape and improve the spatial distribution of collective and public capital for recreation, socialisation and “soft mobility” (on foot, by bicycle) seem to be key policy fields for the Venice Metropolitan City – given the specific diffused organisation of its territory. Recent OECD work has been focused increasingly on the regional/local dimensions of well-being and the degree to which key aspects of well-being, such as access to essential services (and their quality), as well as landscape and other environmental goods, cannot be delivered by central governments alone. Cities and regions have a critical role to play here, and this role often requires co-ordination at the level of metropolitan areas or city-regions, owing to the positive and negative externalities involved in much local decision-making. There would thus seem to be a natural role for the metropolitan city in defining a framework for well-being and helping to co-ordinate efforts to improve various dimensions of the quality of life identified as important by its citizens.

Box 5. Changing approaches to the measurement of social progress

Recent years have seen an increasing awareness that macroeconomic statistics, such as GDP, do not provide policy-makers with a sufficiently detailed picture of the living conditions that ordinary people experience. While this awareness was already evident during the years of strong growth and “good” economic performance that characterised the early 2000s, the financial and economic crisis of the past few years has further amplified this sentiment – because indicators like GDP alone cannot show the full human costs of the crisis. Developing statistics that can better reflect the wide range of factors that matter to people and their well-being (the so-called “household perspective”) is of crucial importance for the credibility and accountability of public policies and for the very functioning of democracy.

What is progress? An OECD perspective

Progress is about improvements in the well-being of people and households. Assessing such progress requires looking not only at the functioning of the economic system but also at the diverse experiences and living conditions of people. The OECD Framework for Measuring Well-Being and Progress is based on the recommendations made in 2009 by the Commission on the Measurement of Economic Performance and Social Progress convened by the President of the French Republic, to which the OECD contributed significantly. It also reflects earlier OECD work and various national initiatives in the field. This Framework is built around three distinct domains: material conditions, quality of life and sustainability. Each of these domains includes a number of relevant dimensions. While the well-being of each person can be described in terms of a number of separate outcomes, the assessment of conditions for society as a whole requires aggregating these outcomes for broader communities, and considering both population averages and inequalities, based on the preferences and value judgments of each community.

Recent national initiatives on measuring well-being and progress

While work on well-being and progress originated in academic or policy circles (e.g. Club of Rome, the OECD Global Project, etc.), the notion of well-being is now prominent on the agenda of many National Statistical Offices (NSOs). Selected recent projects undertaken by NSOs or governments include:

- **Australia.** The Australian Bureau of Statistics (ABS) published its first Measures of Australia’s Progress (MAP) in 2002, with updates in 2010 and 2012. In 2011, ABS carried out an extensive community consultation (MAP 2.0) to improve MAP. This consultation involved individuals, community leaders and experts to provide guidance on the goals and aspirations of Australians. The feedback collected through a series of conferences, web-consultations and panels exposed some of the gaps in the picture provided by the indicators previously used in the MAP initiative, and led to the identification of “governance” as a new domain of progress.

- **Austria.** In 2012, Statistik Austria launched a new dataset (“How’s Austria?”) comprising 30 headline indicators in three areas: material wealth, quality of life and environmental sustainability. In the same year, the Economy Ministry together with the Austrian Research Institute WIFO published a study (*Mehr als Wachstum*, "More than Growth"), which complemented the OECD “How’s Life?” indicators with additional indicators on domains identified as especially relevant by Austrian people. In interviews, Austrians were asked to rate the importance of indicators and dimensions for their own well-being, with the indicators aggregated accordingly to derive a composite index of Austrian well-being.
Box 5. Changing approaches to the measurement of social progress (cont.)

- **France.** The French national statistical office *(Institut national de la statistique et des études économiques, INSEE)* has introduced quality-of-life variables into existing household surveys and has introduced a specific multi-modal survey on quality of life.

- **Italy.** In 2011, ISTAT and the National Council on the Economy and Labour (CNEU) established a joint “Steering Group on the Measurement of Progress in Italian Society”, including representatives from firms, trade unions and civil society. The Group developed a multi-dimensional framework for measuring “equitable and sustainable well-being” *(bensere equo e sostenibile)*, building on an open consultation with experts, civil society and citizens (through surveys and on-line) to identify the dimensions of well-being that are most relevant for Italian society. The Group published its report in 2013 and indicators will be systematically updated by ISTAT.


A further policy field in which the Venice Metropolitan City may be very effective is the rationalisation of industrial sites. Once the functional urban area of Venice is conceptualised and governed as a single (diffused) city, the spatial distribution of residential and productive functions can be revised to increase positive externalities and reduce social costs. The future of Porto Marghera, in particular, is of particular importance, as it is an infrastructure platform of extraordinary importance. Given the potential economic, environmental and social externalities involved, this is an issue that demands to be addressed at a metropolitan scale (at least).

As far as transport and waste and water management services are concerned, the Venice Metropolitan City can count on to two public enterprises that already operate at the provincial scale and beyond. The emergence of these two inter-municipal entities was stimulated by the economic logic of returns to scale. Yet they have operated long enough to consolidate a practice of inter-municipal co-operation that will prove very useful in the next months while building the institutions for the Venice Metropolitan City.

The formation of the Venice Metropolitan City will also radically alter the governance system of the area, introducing more balanced power relations among four fundamental players: the future Venice Metropolitan City, the Port Authority, the Watershed Authority and the Venice Airport (a private enterprise today). The role of the port, the management of the water basin and the spatial development strategy of the Venice airport are issues that have been extensively analysed and discussed with regard to the opportunity to find appropriate governance mechanisms in different contexts. The management of the water basin and the lagoon was extensively discussed in OECD (2010), whereas the role of the port and airport was extensively addressed in the context of the Provincial Co-ordination Plan *(Piano di Coordinamento Provinciale*, see Fondazione Venezia 2000, 2011). Once the Venice Metropolitan City is working, it will be easier to attain advanced forms of co-ordination among the strategies of the above-mentioned players.

The transformation of the Province of Venice into a metropolitan city is clearly well grounded in the territorial organisation of the area. The provincial boundaries comprise a relational density that seems to require specific trans-municipal institutions. The formation of the Venice Metropolitan City may prove to be a fundamental step to improve the effectiveness of the policy-making process. Yet with the creation of Venice Metropolitan Region, only a part of the Venice city-region will up-grade co-ordination mechanisms. This is not a question that can be left open.
Beyond the Venice Metropolitan City

If the Province of Venice is, for some purposes, too large for the metropolitan city (much of the Province lies outside the FUA of Venice and has stronger economic links to other places), it is in other respects too small. The institutionalisation of the Venice Metropolitan City is not a response that can address the co-ordination issues emerging at the territorial scale of the larger Venice city-region. From the perspective of the wider Venice city-region, then, the metropolitanisation of the Province of Venice is less than satisfactory as a governance solution. Moreover, in the absence of a co-ordination framework at the scale of the city-region, the social and economic advantages of the metropolitan city will be greatly diminished. This tension emerges as a key question. In reviewing and discussing the main co-ordination issues related to territorial integration in the Venice city-region, OECD (2010) highlighted this question clearly. This final section of the report therefore considers two issues:

• the potential agenda for a larger city-region characterised by a kind of “interconnected dispersion” (Munarin and Tosi, 2014) and centred on the three principal cities of the Central Veneto Plain – Venice, Padua and Treviso; and
• the possible pathways that might lead to greater institutional integration at the scale of the city-region.

An agenda for integration at the level of the city-region

The limitations of focusing only on the Province are clear enough if one considers three of the key issues discussed above: public transport; the territorial impact of the spatial development strategies of the Venice Marco Polo Airport and of the Port of Venice, the main premises of which fall within the boundaries of the functional urban area of Venice; and the management of the Venice water basin (the lagoon included). As noted above, these issues can only partially be addressed at the scale of the Venice Metropolitan City. Moreover, as OECD (2010) observes, the overall development strategy of the area seems to require taking the city-region as the appropriate territorial unit.

Recent OECD work on metropolitan governance (OECD, 2014) points to the salience of public transport as an issue for the citizens of large conurbations. Well co-ordinated policies can deliver economic, environmental and quality-of-life benefits – a rare “triple dividend” policy. The responses to the OECD Metropolitan Governance Survey suggest that improved public transport is a benefit that voters appreciate and that can help build trust in, and the legitimacy of, metropolitan institutions. In a majority of metropolitan areas, providing a strategic response to external accessibility and internal mobility is considered a key objective, particularly for polycentric metropolitan areas. In France, for example, Aix-Marseille is one of the few French metropolitan areas without an integrated public transport system, both in terms of the fares it charges and the physical network linking the different urban cores. As a result, the roadways leading to the main urban cores of the metropolitan area are increasingly congested, which contributes to significant urban and environmental problems. Weaknesses in the public transport system also reduce resident mobility and limit the de facto perimeter of their potential job market, thus increasing inequalities in access to employment. This is why transport policy has been put at the forefront of priority actions to be implemented within the framework of the metropolitan project supported by the French government (OECD, 2013c).

Rethinking public transport systems has also been decisive in a number of other OECD metropolitan areas (Barcelona, Copenhagen, Vancouver, US metropolitan areas, etc.). Arguably, the most successful example is Germany’s “communities of transport” (Verkehrsverbund), particularly the transport authority in Frankfurt. It sets transport policy, is in charge of planning, makes investment decisions, sets rates and co-ordinates 153 public and private operators. In Stuttgart, the Verband Region Stuttgart has implemented a ticket to travel with a single tariff on all urban transport in the metropolitan area (Metropoliticket). The
OECD Territorial Review of Venice (OECD, 2010) also focused very much on issues of mobility (Box 6). There is a widespread awareness of the need for better integration of both road infrastructure and public transport systems across the wider city-region, but there is much still to be done – the creation of a single, integrated ticketing system has been under discussion for decades but has yet to be realised. The authorities in all three major cities have expressed a desire to move faster in this direction than current legal and institutional arrangements allow. In addition to streamlining the operation of public transport, which is particularly fragmented in and around Treviso, such co-operation could accelerate progress with respect to other forms of sustainability mobility (secure cycle paths, infrastructure for electric vehicles, etc.).

Box 6. Infrastructure dilemmas in a polycentric city-region

The OECD Territorial Review argued that one of the key challenges facing the Venice city-region was to adapt the existing infrastructure network so as to exploit potential synergies and agglomeration economies, given that the nodes were relatively unconnected. The low-density growth model associated with the città diffusa had led, over time, to traffic congestion, higher infrastructure expenditure and a less dynamic urban core. Though the Venice city-region is endowed with more and better connective infrastructure than the regional average in Italy, the Review identified significant problems:

- A rail system that does not fully support intra-metropolitan connectivity. The Veneto’s road systems principally provide connections to their main cities, as opposed to an integrated metropolitan network. The metropolitan region lacks a unified fare system and adequate junctions between road and rail transit.

- A railway system disconnected from the north-west Italian and European urban systems. The Venice metropolitan region has no high-speed rail connection to Milan, and in addition, only a small proportion of the goods produced in north-eastern Italy pass through Venice’s port.

- Increasing road traffic and congestion. Though several infrastructure improvements have broken ground, the road network is operating far beyond its capacity.

- Insufficient connections between airports and railways. Passenger traffic has increased at the two airports, one in Venice and the other in Treviso, but they remain disconnected from the railways, which has constrained growth in their handling of freight.

- Lack of connections from the Port of Venice to the hinterland. Although Venice’s port scores reasonably well on several port performance indicators, the decline of the railways has resulted in traffic congestion, which has complicated road access from the hinterland and limited the region’s competitiveness.


The emergence of one or more metropolitan cities, along with efforts to enhance co-ordination across the city-region, will also have implications for the relationships between local communities and the port and airport. The port, it must be stressed, remains under the authority of the central state: it is, strictly speaking, the port in Venice rather than the port of Venice. It is to be operated in the national interest. Nevertheless, its activities directly affect the surrounding comuni in many ways, and its longer-term prospects are linked to improvements in the infrastructure linking it to the hinterland, which extends far beyond the jurisdiction of the port itself and points to the need for co-ordination across local, regional and national levels of public authority. The future of the industrial zone of Marghera is a further issue to be
resolved involving the port and the surrounding local authorities. Several port cities have faced the same difficulties with a development of the port conducted in an isolated manner with little integration. For example, port-city development in Marseille takes place in a context of highly fragmented and polarised metropolitan relations. It is also managed by the state, which is the sole shareholder, and is not sufficiently integrated in its local community or its hinterland (OECD, 2013). City-port interfaces are often strained. Nevertheless, efforts have been made in recent years to connect the port and its surroundings and to implement more integrated development policies. The municipalities strive to take back and revitalise the areas connecting the city and the port. In Marseille, several projects have been undertaken to accomplish this goal, notably the Euroméditerranée initiative and the “City-Port Charter” (Merk and Comtois, 2012).

There today two main challenges: to strengthen metropolitan government in Marseille to the benefit of port and port-city development, not only to resolve port-related bottlenecks, but also to improve the articulation of port interest’s vis-à-vis local authorities; to build progressively a shared port governance between the State and local governments. This can be illustrated by the case of Auckland in New Zealand: by linking the interests of the port to the interests of the city as a metropolis, the governance reforms of the port city of Auckland led to a concentration of commercial operations in the eastern port area, while facilitating a revitalisation of the central port area and a conversion of the western port area (Merk and Comtois, 2012).

The airport, by contrast, is managed by SAVE S.p.A., a company partially owned by local authorities which also controls the smaller Treviso Airport. Its relationship with the city of Venice, in particular, has been difficult, but its further development is critical to the wider region and its ability to work with the surrounding comuni will be important in improving its connections to surface infrastructure, in particular. Better co-ordination of these and other transport infrastructure challenges should help Padua-Treviso-Venice (Pa-Tre-Ve) strengthen its position as one of the key nodes in the evolving network of European transport corridors, particularly on north-south routes but also for east-west trade and transit.

Environmental issues loom large in discussions of the need for deeper, more institutionalised co-operation across the Central Veneto Plain, particularly air and water quality, water resources management, waste-water treatment, waste disposal, as well as the management of green areas and natural resources under pressure within the metropolitan area (OECD, 2010). Water governance is seriously fragmented in Italy as a whole (Table 6; OECD, 2013b), and the issue is especially urgent in and around Venice. The challenges of water cycle and flood risk management clearly need to be addressed at a scale beyond either the Comune or the Province of Venice: the drainage basin of the Lagoon extends far beyond provincial boundaries. Both economic and environmental concerns point to the need for repairing the intricate network of waterways and ditches as a fundamental step in managing flood risks, as well as improving and linking the ecological corridors along the waterways that connected protected areas and parks (Munarin and Tosi, 2014). Competence over the lagoon is fractured at present, among the state, the various comuni, the port, the region, etc., and management of the lagoon is critical to Venice’s economic and environmental future, as is highlighted by the on-going controversy over large cruise ships visiting Venice. Even such a banal problem as the regulation of water taxis is problematic: taxis in Venice, as elsewhere in Italy, are licensed by the comune but the big canals fall under the state’s jurisdiction and are overseen by the port. The result is that it can be easy to evade effective city management of the sector, creating congestion problems. In the OECD, several metropolitan governance bodies have put environmental issues at the heart of their responsibilities: Metro Vancouver (water, sewerage and drainage, solid waste management, air quality, regional parks, water activities representing 65% of its budget), Portland (waste, management of parks and green areas, environmental protection, including the balanced management of urban, agricultural and natural areas in the framework of the Urban Growth Boundary) or Barcelona (water and sewerage, waste management, beaches, parks, natural areas and rivers).
Table 6. Vertical governance of water management in Italy

<table>
<thead>
<tr>
<th>Government level</th>
<th>Responsibilities for the water sector</th>
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<tbody>
<tr>
<td>Central</td>
<td>Co-ordination; planning; development of guidelines; implementation of European Directives; approval of regional plans; COVIRI (watchdog)</td>
</tr>
<tr>
<td>Regional</td>
<td>Formulate regional water and environmental protection plans; monitoring of water resources; control of implementation of legislation; pollution control; data collection for surface and drinking waters; release of concessions on water use; collection of abstraction fees.</td>
</tr>
<tr>
<td>Provincial</td>
<td>Inventory of discharges; permitting and enforcement; concessions for small water sources (e.g. wells), organisation of the integrated water system and its management (ATO).</td>
</tr>
<tr>
<td>Municipalities</td>
<td>Delivery of water supply and waste water treatment services; permitting of discharges into sewer systems;</td>
</tr>
</tbody>
</table>


Another challenge concerns higher education, research and innovation. Today, these activities are highly fragmented between Padua and Venice: the University of Padua, with its nearly 800-year old university of 63 000 students and nearly 5 000 researchers, is a national leader in higher education and in scientific and technological research and a growing number of firms have been incubated by the university, especially in the fields of life sciences and nanotechnology. Ca’ Foscari University of Venice teaches approximately 20 000 students and covers four large scientific and cultural areas (Economics, Foreign Languages and Literatures, Humanities and Sciences). Università Iuav di Venezia counts around 5 000 students. The only university to be ranked in the global 500 by the Shanghai Jiao Tong 2013 Universities ranking is the University of Padua. Although it received the fourth-highest ranking in Italy, its global ranking is in the 151-200 category and it ranked 68th in Europe. The University of Padua scored lower (301-350 category) in the Times Higher Education World University 2013-2014 Ranking.

As already underlined in OECD (2010), few synergistic initiatives have been implemented to link the city-region’s university system. The universities are generally disconnected from one another and instead specialise on a particular profile and compete with each other. There is no tradition in the region of entrepreneurs endowing chairs or creating fellowship programmes for students, and not much of private business and university laboratories partnering in the development of products and services. The same apply for science parks or incubators, which do not co-operate. Educational research institutions and business remain two largely separate worlds. Closer co-operation and synergies between these entities at the city-region scale, or even merger, would make it possible to strengthen the whole university and research system as a university metropolitan city and a centre for advanced technology and research. The merger of the three main universities in Aix and Marseille on 1 January 2012 enable them to form Aix Marseille University, the biggest university in France in terms of enrolment. The merger has streamlined training provision, eliminating duplication. It also helped to initiate a policy of rationalisation of university assets and sites and gave a new international visibility to the university. Finally, this merger has helped build support for the metropolitan process.

In terms of economic development, there is a strong interdependence between the three nodes of the city-region. But in terms of economic governance, it is still fragmented, despite several initiatives taken by the three main cities and chambers of commerce to favour closer collaboration, building on the logic of their economic complementarities and expanding functional connections (OECD, 2010). In conversation with the OECD team, local actors particularly drew attention to the need for collaboration on the development of broadband and the region’s energy sector. Economic actors suffer from the absence of
share vision for economic development of the city area and lack of co-ordination of economic policies. There are multiple help desks in terms of support to business development and assistance. In terms of international promotion, there is not common “brand” for the entire area able to attract international investments or a metropolitan structure able to promote the different assets of the city-region such as those in Montreal, Lyon, Busan, Manchester, London or Copenhagen. Busan for example has succeeded in developing an economic development strategy based on port development, innovation and tourism. Thanks to an integrated strategy in terms of trademark image. On its side, Venice remains confined to its image of touristic city while the city-region benefits from other diversified and complementary assets.

A metropolitan approach could provide clear benefits in the cultural and touristic sector. Few actions have been done since recommendations made in the OECD 2010 report and regional co-ordination of cultural infrastructure, events, services and tourism is still needed. In the area of culture, selection of Marseille-Provence as the European Capital of Culture in 2013 has paved the way for wider co-operation efforts between different economic, cultural and political actors that have pooled together their strengths to make the event a success. Such processes also occurred with other international events such as the Olympic Games in Barcelona or Turin or world expositions (Daejon, Genoa) because these events have been a crucial vehicle of cultural and urban transformation and fostered co-operation between a wide range of stakeholders.

Finally, it appears that there is still little awareness of the civil society and private sector – except the chambers of commerce or initiative such as Fondazione Venezia 2000 - concerning the metropolitan process. In the case of Venice, citizens and companies are not enough involved while they can be a driven force in spearheading co-operation at the metropolitan level. These initiatives are fairly common in OECD metropolitan areas and are usually led by private sector actors that are keen to see policies that address the relevant (metropolitan) scale. In Aix-Marseille for example, one of the very first initiatives was “Top 20”, led by entrepreneurs, which strives to bring Aix-Marseille-Provence into the top 20 metropolitan areas in Europe. London and Barcelona are also examples of metropolitan areas that have been able to build alliances between different actors that support a reform of metropolitan governance over the long term.

The agenda presented here is illustrative rather than exhaustive. Many of the challenges addressed at length in OECD (2010) still await resolution. A stronger city-region could also support efforts to brand the region internationally, strengthening a sense of identity among its citizens while raising its profile in the eyes of potential investors and visitors. That, in turn, could help to make more of some of the region’s largely unrealised opportunities, such as the tourism potential of Padua.

A possible way forward for Pa-Tre-Ve

The next question to address is: how to scale up the institutional integration that will be achieved with the creation of the Venice Metropolitan City on the basis of the former province. This is very much a local political issue, a decision that is completely in the hands of the voters and local political elites in the city-region. There is no mechanism to force a decision to scale up the institutional integration of Italian metropolitan areas beyond the current provincial boundaries. In theory, the Region of Veneto could act to foster such integration, but it has shown little inclination to do so and appears to view the Pa-Tre-Ve city-region as a reality that needs to be taken into account when making policy but not as something that requires an institutional expression or identity of its own. Article 14 of the Regional Statute envisages metropolitan areas as a target for policy and this is stressed again in legislation adopted in 2012, but the region does not see the Pa-Tre-Ve city-region as any kind of future governance body, except perhaps as a framework for consultation between mayors and the region.

What is to be noted is that the transformation of the Province of Venice into a metropolitan city – as well as that of all the other provinces affected – is supposed to take place by the end of 2014, under the
procedure established in Law n. 56/2014. Yet the new law is only part of a much larger legal framework, which in Italy can be relied on by local communities to create and institutionalise inter-municipal co-ordination mechanisms. Independently of the law that will generate metropolitan cities, the extant legal framework allows a variety of forms of institutional integration among contiguous municipalities. Taking advantage of the existing legal framework, different routes are available to scale up the institutional integration in the Venice city-region.

Law n. 56/2014 envisages the possibility of changing the provincial boundaries – and also the possibility of striking specific agreements between the metropolitan cities and individual contiguous municipalities or clusters of municipalities. In trying to meet the objective of scaling up policy co-ordination in the Venice city-region, it may be worthwhile to consider extending the boundaries of the metropolitan city beyond the current borders of the province. However, the complex political-administrative procedure required in order to expand the boundaries of metropolitan cities may be regarded as a difficult obstacle, discouraging this option. Moreover, in the case of Venice there are other, more compelling reasons to doubt the desirability of this solution.

- The exceptional administrative fragmentation of the territory may turn the expansion procedure into a particularly difficult process. The Venice city-region comprises 243 municipalities. Even if the expansion of the boundaries of the province/metropolitan city is limited to a subset of them, the number would be sufficient to entail substantial transaction costs and possibly to block the process.

- In terms of functional organisation the territories of the three provinces making up the Venice city-region are profoundly different. The Provinces of Padua and Treviso are territorially much more articulated than that of Venice. In particular, one should note that the degree of interdependence among the LLS of the Venice city-region and the Venice Metropolitan City differ greatly. The LLS of Treviso and Padua are contiguous and are territorially highly integrated with that of Venice. However, the same cannot be said for the LLS of Montebelluna, Conegliano or Castelfranco Veneto, just to make three notable examples.

- A strong polycentric organisation characterises the territory of the Venice city-region. Its gravitational nodes are more than those of Venice, Padua and Treviso. As a matter of fact, each LLS corresponds to a gravitational area with its proper and clearly detectable territorial organisation. To envisage a linear expansion of the Venice Metropolitan City is at odds with the polycentric organisation of the territory, even if one can finesse the procedural obstacles and the implications of the number of the municipalities involved.

An alternative to the linear expansion of the Venice Metropolitan City would be the emergence of co-ordination institution for each FUA making up the Venice city-region. In particular, Padua and Treviso, as well as the other LLS, could follow the same direction, starting a process of institutional integration relying on the extant legal instruments. They could start this process right now, achieving in due time a degree of institutional integration similar to that that will be reached in the case of the Venice Metropolitan City. The simultaneous emergence of three areas of territorial integration – centred respectively in Venice, Padua and Treviso – could subsequently lead to the emergence of a higher level of co-ordination at the territorial scale of the Venice city-region. This strategy may prove more efficient and easy to accomplish than the linear expansion of the boundaries of Venice Metropolitan City. This strategy has the advantage of acknowledging the polycentric character of the Venice city-region and the necessary ensuing differentiation of the co-ordination mechanisms.

Ultimately, identifying the most relevant arrangement for individual metropolitan areas remains a matter of political and social choice, conditioned by factors that vary from one country to another, and sometimes across metropolitan areas within the same country. Nevertheless, OECD experience suggests that each type of arrangement carries its own set of strengths and challenges to be traded off amongst one
another. When designing institutions and mechanisms for co-ordination across the larger city-region around Venice, Padua and Treviso, policy-makers are likely to make more informed choices if they assess how fit different instruments are to meet the following three challenges at hand:

- to co-ordinate policies, both horizontally between municipalities and across policy sectors, and vertically with upper levels of government and supranational institutions;
- to act institutionally and financially, in terms of staff, budget and financing structure, power; and
- to be perceived as legitimate and to generate trust among citizens and NGOs, other levels of government, the private sector, etc.

To some extent, these three challenges reflect how the different types of governance arrangements meet their objectives, what tools they use, and how they are received by citizens and other stakeholders. Table 7 suggests how different models of co-operative governance (those defined in Table 1 above) might serve or impede attainment of these objectives. None of the models is perfect and none is ready “off-the-shelf” for installation in the vicinity of the Central Veneto Plain, but reflection on the implications of the different options may help actors in the city-region understand the potential implications of different choices.

<table>
<thead>
<tr>
<th>Types of metropolitan governance arrangements</th>
<th>Relationship to the challenge of</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-ordination (both horizontal across municipalities and policy sectors, and vertical with upper levels of government)</td>
<td>Action (i.e. staff, budget, financing structure, binding power)</td>
<td>Trust (i.e. accountability, legitimacy)</td>
</tr>
<tr>
<td>From the lightest to the most stringent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Informal/soft co-ordination</td>
<td>High degree of flexibility, low level of constraint. Low leverage capacity on upper levels of government.</td>
<td>Lack of enforcement tools.</td>
</tr>
<tr>
<td>ii) Inter-municipal joint authorities</td>
<td>Co-operation and cost saving on a specific service. No integrated multi-sectoral metropolitan development vision.</td>
<td>Sharing existing resources.</td>
</tr>
<tr>
<td>ii.1) Single purpose</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii.2) Multi-purpose</td>
<td>Co-operation and cost saving on selected specific services. Might provide impetus for further co-operation.</td>
<td>Varying degree of resources and responsibilities.</td>
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</tr>
<tr>
<td>iii) Supra-municipal authorities</td>
<td>iii.1) Non-elected supra-municipal authority</td>
<td>Objective of achieving horizontal co-ordination. Sometimes encouraged by the central government. Not necessarily strong – conditioned by existence of executive power and budget.</td>
</tr>
</tbody>
</table>
Table 7. Typology of metropolitan governance arrangements across OECD countries (cont.)

| iii.2) Elected supra-municipal metropolitan government | De facto co-ordination – although sometimes does not cover the entire economic area. May produce a long-term strategic vision for metropolitan development. | Not necessarily strong – conditioned by existence of executive power and budget. | Strong political legitimacy. Additional layer of government. | Verband Regio Stuttgart (VRS): created in 1994, covers 179 municipalities and five Kreise, 2.7 million inhabitants. Headed by a council of 91 directly elected members. Very small budget of around EUR 300 million in 2013, of which about 85% goes to public transport and the rest to waste management and planning. Around 50 employees. Portland Metro (US): set up by the State of Oregon’s State Bill 100 in 1973, covers 3 counties and 24 municipalities. Headed by a directly elected government composed of a president and six counselors, it harmonises policies mainly related with land use, waste management, transport planning, and urban growth boundary. |
| iv) Special status of metropolitan cities | De facto co-ordination. Own budget and staff. | Strong political legitimacy. | Daejeon* (Korea): split from the province of South Chungcheong in 1989, upgraded into a metropolitan city in 1995, hosts a central government complex since 1997. Other examples: 29 Metropolitan Municipalities (büyükşehir belediyesi, BB) in Turkey since their initial creation by a 2004 law; discussion to create metropolitan municipalities in Lisbon and Porto (Portugal). |

Note: For the purpose of presenting different metropolitan experiences in a rapidly comparable format, this Table contains some inevitable simplification. OECD Territorial Reviews and/or other OECD reports offer more elaborate discussion on each model.

Due to data availability constraints, the data corresponding to inter-municipal authorities in this paper only refer to inter-municipal multi-purpose authorities (type b.1). For more detailed information on the methodology used to collect the data, see Ahrend, Gamper and Schumann (2014), “The OECD Metropolitan Governance Survey: A Quantitative Description of Governance Structures in Large Urban Agglomerations”.

* Indicates regions that are included as case studies in the ongoing Urban Trends and Governance project (2013-2014).


Making reform happen: Lessons from OECD countries

Once the destination is more or less clear, there remains the challenge of getting there. Recent OECD work on the governance reforms in large urban areas points to a number of lessons concerning the reform process that can guide policymakers in the Venice, Padua and Treviso who are engaged in a similar path of reform – even where the ultimate objective turns out to a different arrangement. Effective processes for metropolitan governance reform typically proceed through the following steps (summarised in Table 7):
• **Create a strategic vision for the metropolitan area.** This is probably the most important initiative in the long term, as it must be forged from concrete objectives and public policies to be carried out. The metropolitan approach must involve public debate and local society (such as that which took place in Barcelona and Turin).

• **Identify a common cause for collaboration and build on (as well as communicate) successful collaboration outcomes.** Starting with concrete projects can sometimes help build support, particularly if there are tangible benefits to voters relatively quickly. This can lead gradually to setting a “big picture”, as success breeds success and trust. For example, in Barcelona, three sectoral inter-municipal authorities (transport, environment, and planning) were created in 1987. After participating in the elaboration of a metropolitan strategic plan with the municipality of Barcelona in 1999, a metropolitan authority of Barcelona was set up in 2011. The actors in the Venice city-region may want to focus on, for example, a specific public transport challenge in order to ensure tangible results of their efforts and build support for more institutionalised and consistent co-ordination.

• **Develop metropolitan leadership and/or ownership.** A relevant personality and/or institution often plays a pivotal role in steering change and creating and maintaining momentum for reform. The reform needs a strong advocate as the engine of the process. Such clear demand for reform may stem from different constituencies. In France, for instance, impetus towards governance reforms in the three largest metropolitan areas has been largely (albeit not exclusively) driven by the central government in Paris Île de France; local governments in Lyon (municipalities and the Département); and the private sector as well as the central government in Marseille. It is striking that Lyon’s reform has been the smoothest of the three, while the process elsewhere has been strongly contested. This suggests the importance of local political leadership – leadership from higher levels can be critical, but a very top-down reform runs a greater risk of failure and is likely, at the least, to involve higher transaction costs. In this respect, the city-region of Venice is well served, in that the major political forces have expressed a desire for deeper integration and a readiness to work towards that end.

• **Engage a wide range of stakeholders at an early stage, and ensure accountability, transparency and seek legitimacy.** While political leadership is critical, citizens, businesses, universities and other societal stakeholders need to be brought on board early in the process; if politicians get too far ahead of their constituencies, trust is eroded. Policymakers, citizens and relevant parties require clear information both on short-term and long-term gains/losses. For example, the Montreal Metropolitan Community created a mixed committee of elected officials and citizens to jointly organise a biennial set of debates among elected officials and civil society to discuss the implementation of the strategic metropolitan plan (the Metropolitan Agora). Another innovative case study is that of Stuttgart where several metropolitan fora were created and served as an inclusive process to build a sense of belonging in the metropolitan area (metropolitan identity). Here, too, Pa-Tre-Ve seems to be in a good position to move forward by creating a forum of stakeholders inasmuch as the business sector is strongly supportive, much of the local expert community (economists, planners and architects) have been arguing the case for some time and organised labour wishes to see more co-operation. The idea of building a large city-region has legitimacy and respects citizens’ deep local attachments to their cities and towns but brings added-value in their daily life.

• **Strengthen the evidence base and track progress.** Solid background research and scrutiny from unbiased experts can help create and sustain credibility for the reform. Strong, reliable instruments for monitoring and evaluation contribute to fostering continuous improvement. In the case of Canada, the Greater Toronto CivicAction Alliance convened all three levels of government with business, labour, academic and non-profit sectors since its diagnostic report “Enough Talk: An Action Plan for the Toronto Region” (2003). It convenes a Greater Toronto Summit every four years to drive collective action on pressing issues such as transportation, energy and socioeconomic inclusion. As noted above, the larger city-region around Venice has
been the subject of official and academic interest for decades. The present study is but the latest step in a long process of study and reflection.

- **Provide (or secure) sources of financing and provide financial added-value.** Metropolitan public finance is often the nexus of political resistance as governments are torn between the search for fiscal autonomy and dissuasive taxation. Securing an appropriate stream of financial resources helps to avoid unfunded mandates and often determines effective collaboration. The metropolitan area governance must also provide added value in terms of new financial resources or financial solidarity as it is the case for example in Stockholm, Korean metropolitan cities, Minneapolis St-Paul where equalization mechanisms have been implemented at the metropolitan level. It must also improve efficiency, such as by reducing unnecessary duplication in public spending or generating economies of scale. In addition to traditional fiscal tools (e.g. own taxes, grants and transfers, fees), strategic partnerships with the business and financial community can be instrumental in gathering additional resources for public investment. For instance, former mayor of London Ken Livingstone built a close relationship with the London Chamber of Commerce and Industry, the local branch of the Confederation of Business Industry and London First; he then invited them to sit on the newly created London Business Board (2000) and convened them frequently.

- **Balance clear time frames and flexibility.** Providing visibility on the short and long terms will allow actors to anticipate next steps of the process while leaving room for trial and error as well as midway adjustments. In Sweden, for example, governance reforms have first been tested in a few pilot regions (Västra Götaland around Gothenburg, and Skåne around Malmö) with a multiannual timeline and evaluation mechanisms, before extending the possibility to other interested regions.

- **Build win-win relationships with the region** and not a relation based on competition and mistrust. The future metropolitan city should find way to better co-ordinate with the region. This is an important issue, as the regional-level reluctance (or even opposition) has contributed to the failure of past metropolitan initiatives in many places across the OECD, including, arguably. Bologna, Rome and Turin. Relations between Dutch city-regions and provinces are often tense, and French regions sometimes fear losing powers to metropolitan cities.

### Table 8. Effective metropolitan governance reforms: lessons from OECD countries

<table>
<thead>
<tr>
<th>Key lessons</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify a common cause for collaboration and build on (as well as communicate) successful collaboration outcomes.</td>
<td>Starting with small-scale and concrete projects can sometimes help rally forces and progressively lead to setting a ‘big picture’, as success breeds success and trust (Barcelona).</td>
</tr>
<tr>
<td>Develop metropolitan leadership and/or ownership.</td>
<td>A relevant personality and/or institution often plays a pivotal role in steering change and creating and maintaining momentum for reform. The reform needs a strong advocate as the engine of the process. Such clear demand for reform may stem from different constituencies (Paris, Lyon and Marseille in France).</td>
</tr>
<tr>
<td>Empower and engage stakeholders at an early stage, and ensure accountability and transparency.</td>
<td>Those who are the ultimate recipients of governance/policy (and have the continuity that political bodies do not), such as citizens, businesses, and universities, need to be brought on board at the very beginning of the process (Montreal).</td>
</tr>
<tr>
<td>Strengthen the evidence base and track progress.</td>
<td>Solid background research and scrutiny from unbiased experts can help create and sustain credibility for the reform (Greater Toronto). Strong, reliable instruments for monitoring and evaluation contribute to fostering continuous improvement.</td>
</tr>
<tr>
<td>Provide (or secure) sources of financing.</td>
<td>Securing an appropriate stream of financial resources helps to avoid unfunded mandates and often determines effective collaboration. In addition to traditional fiscal tools (e.g. own taxes, grants and transfers, fees), strategic partnerships with the business and financial community can be instrumental in gathering additional resources for public investment (London).</td>
</tr>
<tr>
<td>Balance clear time frames and flexibility.</td>
<td>Providing visibility on the short and long term will allow actors to anticipate next steps of the process while leaving room for trial and error as well as midway adjustments (Sweden).</td>
</tr>
</tbody>
</table>
NOTES

1. Sub-section five of the law lists nine cities (Turin, Milan, Venice, Genoa, Bologna, Florence, Bari, Naples and Reggio Calabria); the città metropolitana di Roma is instituted in sub-section 101. The city of Rome was already given different competences from all other Italian communes in the law n. 42/2009, art. 24 (Roma capitale). In fact, Roma capitale has more extensive powers than the new città metropolitane, which is treated separately in the new law.

2. Governance structures that result in lack of transport infrastructure and congestion would also be expected to contribute to fragmented labour markets, thereby harming economic efficiency and increasing unemployment. Maybe even more importantly, longer commutes have a direct negative impact on well-being, and leave less time for parents to take care of their kids or for community tasks, which can endanger education outcomes and decrease the social cohesion and resilience of neighbourhoods.

3. In France, the départements were themselves defined after the Revolution of 1789 on the general principle that an individual should be able to reach the central administrative city (chef-lieu) by horseback and return home on the same day from every corner of territory.

4. The number grew regularly following new annexations as the Kingdom of Italy expanded (Veneto, Friuli, Mantua, Rome, etc.). Moreover a Royal charter created 19 new provinces in 1927, and since 2000, the Republic has established seven new provinces, including four in Sardinia for a total of 110 provinces today.
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