City Leadership

Case Study No. Valentino Castellani, Turin Mayor, 1993-2001

1. Overview

Born in 1940, Valentino Castellani was the mayor of Turin for two terms between 1993 and 2001. Subsequently he directed the organisational strategy for the city’s hosting of the 2006 Winter Olympics.

Castellani graduated in electrical engineering in 1963 at the Polytechnic University of Turin, and obtained a masters degree at MIT in 1965. His early career was spent specialising in IT and electronic communications, and after being appointed a professor in 1970, he became director of the Polytechnic’s department of electronics in the mid-1980s. He is the author of about 70 scientific publications, primarily in the field satellite and mobile communications.

Castellani was an active member of political circles on the Christian and Social Left in Turin in the 1970s, and briefly joined the Italian Socialist Party. That said, he had no real institutional experience or political visibility, and had never held any kind of political office prior to 1993.

In 1993, Castellani ran as a candidate for mayor of Turin, fronting a centre-left coalition comprised of post-communists and post-Christian Democrats. The mayoral elections occurred amidst the Tangentopoli corruption scandal that gripped Italy and through the political party structure into disarray. In this climate a civil society movement was created around the Chamber of Commerce, the University and the Catholic voluntary sector with the unitary aim of putting forward a candidate for election, namely Castellani. Castellani won a surprise second-round run-off against Communist ex-Mayor Diego Novelli.

Castellani’s brief was focused on managing Turin’s deep structural transformation from a manufacturing city dominated by FIAT, to a future based on tourism and regional competitiveness, stimulated by urban improvement and renovation that develop a post-industrial heritage. Castellani was at the centre of the decision to bid for the Olympic Games in 1997, and became director of the Games’ organising committee in 2001.

Castellani is widely credited for renewing Turin locals’ faith in local politicians. The people of Torino had expressed their dissatisfaction with the Italian political system and their desire for change by choosing Castellani as their first directly-elected mayor. Castellani’s empowered and non-party-politicised mayoral leadership brought back a refreshing credibility to Torino’s administration.

2. Personal and leadership skills exemplified

Challenge established authority

The theme of internationalisation, in opposition to local patronage, was adopted by Castellani in order to bring the city out of a system dominated by major industry and into a conception of regional positioning. He sought to transform Turin into a milieu with an independent identity formed through its interaction with the world. Castellani’s leadership was most unique in its situating of a particular role for city government; that is, firstly to identify the region’s special characteristics, and secondly...
instituting activity to organise the updating of these characteristics through cultural and political exchange between the city’s key actors. These attributes enabled an ultimately successful bid to be launched for the 2006 Winter Olympics. Despite considerable controversy regarding the destination of public funds for the Games and their distribution among local authorities, Castellani succeeded in uniting oppositional forces behind him. Castellani needed strong personal courage to imagine a different future for the city, proposing a strategy for economic and industrial diversification to a entrenched social elite in Turin.

Participatory strategy-making

The unusual aspect of Castellani’s Turin strategic plan is that it was not a typical city planning process whereby politicians and their hired experts bring peripheral and subordinate actors into the picture in order to grant authority to a predetermined materially substantive strategy. Instead, it sought a more serious mobilisation of urban actors through the processes of consensus. The objective was to “make Turin into an active community” that resolved fundamental and contested issues of Turin’s future trajectory. Castellani was prepared to follow the lead of successful example cities, notably Barcelona, while tailoring the strategy according to Turin’s specific needs. The combination was successful in encouraging inter-acquaintance and mutual recognition between historically antagonistic actors. A network of relations was established that enable the city to act as an organic system for the first time. This network can update and renew the city plan. It is precisely the lack of a preconceived material vision that was the Castellani’s strength, for it has convinced the city’s actors that opportunities for worthwhile exchange can take place.

International perspective

Castellani quickly sized up the scale of the challenge facing Torino, recognising that the city was now operating in a new internationally competitive paradigm that required a very different style of management from that of the industrial era. He saw that the city administration would have neither the expertise, nor the resources to address this challenge alone. In order to recover, it would have to forge new relationships - both internally within the city itself, and externally with the wider region, Europe and indeed the world.

Castellani was strongly inspired by European experience acquired through an active networking policy. It was in fact well known that Castellani had better relations with Brussels than with Rome, and this meant he had a continental standpoint. His themes of internationalisation and facing up to global challenges has allowed the city-region’s identity to be updated and has enabled the discovery that the city’s competitive advantages were historically linked to the density of relations between the city’s actors. Pluralism, as opposed to bureaucratic hierarchy, has been able to flourish in Turin, with new forms of business co-operation and flexibility appearing. Castellani’s strategy has enabled all actors to recognise the benefits of cooperation and social identity, and thus build a consensus around neo-industrial strategies that highlight the region’s competitive advantage. The mayor had to manage both the local economic crisis and the need to give Turin another chance, all the while involving all citizens in a kind of new renaissance process.

Vision

Castellani realised that if Turin was to reinvent itself and to reinvigorate its future, its roots needed to be rebuilt starting from the city’s past. Central to Castellani’s idea was that Turin needed to do “something big, something on a grand scale to serve as the catalyst for what our city would become.” In early 1996, he visited the palatial home of Gianni Agnelli, the honorary chairman and principal shareholder of FIAT, to seek Agnelli’s personal endorsement and FIAT’s support for a bid to host the 2006 Olympic Winter Games. This shows Castellani’s capacity to seek a holistic re-assessment of the city and seek the consent of major city actors. Castellani from the outset was concerned about the need for a city vision that transcended the games themselves, and would leave a strong legacy.

Management
Castellani managed to spearhead two quite separate political coalitions during his two terms. Despite a modified coaltional configuration in his second term (1997-2001), Castellani managed to continue the guidelines laid down in his first term. When reappointed in 1997, Castellani had success in achieving a concrete collaboration with the supra-local level of government, the Piedmont Region, run by a Centre-Right coalition, and the Centre-Left run Province of Turin. This collaboration was based on the common understanding that to programme area development and planning investments in multiple fields (economic, tourism, city promotion, urban regeneration and infrastructure), a joint project had to be implemented.

Peace-making
Turin has experienced significant immigration from North Africa and from Eastern Europe, with settlement mainly focused on the districts of San Salvario and Porta Palazzo, causing much tension. When these problems came to a head in 1995, Castellani emphatically rejected calls from right-wing opponents (including prominent lawyer Mario Berghazio) to provide the police with rubber bullets.

3. Coalitions built and leverage achieved.

Turin’s governance had been historically dominated by a confrontation between FIAT and working class representatives. The hierarchical forms of organisation implemented by the all-powerful Fordist industry had tended to make industrial conflict the basic mode of regulation for social relations in the city. As a result, the power of the municipal government was limited, as it could not intervene substantially in these industrial conflicts and it had little sway over FIAT’s decision-making. The municipal government, historically left wing, had not adequately managed the social consequences of FIAT’s expansion, and stood in opposition to corporate economic power rather than attempting to exert influence over its action and create a long-term project to satisfy both parties. Prior to Castellani, a pragmatic ‘project-by-project’ approach to town planning predominated, with little attention to constructing an overall territorial vision.

Turin Strategic Plan

Castellani and his support team tried to institute a new method of city government around the idea of the ‘city as collective actor’. The central problem in Turin was the absence of transparency in the strategies of the city’s strong economic interests and the difficulty of bringing these interests in as partners in building a collective project. Projects had not been integrated into an overall city planning strategy. FIAT had almost unencumbered control over its massive conversion projects, with almost no input from local government.

The central task of Castellani’s team was to move urban actors from a reticent, conflict-ridden attitude to one of dialogue and interaction, transforming relations between the city’s civil society and the public bureaucracy. Essentially this meant replacing unilateral and hierarchical city relations with plural co-operative interactions based on trust and mutual common identity. Such a transformation has been embodied in the Turin Strategic Plan.

The Turin Strategic Plan, launched in May 1998, was based along two dimensions:

(1) Meta-Project
Common framework produced by different actors through discussion and interpretation, leading to major guidelines for the development of the region. What has been successful about this mega-project has been its simultaneous precision, in that it guides multiple departments according to the same axis, and flexibility, adaptable to context-dependent developments.

(2) Micro-Projects
Projects which enable strategic orientations to be put into operation. As the projects encounter unforeseen conditions, the meta-project is amended, making it a “living, adaptable tool” (Pinson, p.484)
Civil society bodies (universities, research bodies, working groups) were called upon to be centrally involved in defining strategic vision and the more concrete actions, as well as thinking of new ways of improving networks of cooperation and dialogue. 84 substantive and detailed policies were identified by this process, and the plan was signed in February 2000 by all leading political figures and constituent elements of civil society (trade unions, employers, universities etc). Castellani’s recasting the municipal government’s role as a ‘forum’ and facilitator meant he could draw on expertise from civil society to formulate a collective recovery plan for the city’s future. In doing so, he formed a close-knit and committed network of individuals with the expertise and resources to implement it collectively.

Castellani also successfully built coalitions at regional level. He resolved to make the municipal government more outward-looking, working to improve relationships with neighbouring municipalities, the Province of Torino, and particularly the Region of Piedmont, by actively involving them in the debate about Torino’s future. This political collaboration was to prove increasingly important as the Regions gained more powers through the 1990s. The de-radicalised, de-party-politicised character of the city government helped smooth over these traditionally contentious relationships and the differences in political background.

Castellani’s also worked to develop the city’s international relationships. Strong relations with the EU proved particularly useful in terms of access to new learning through their city networking programmes based on the experience of other cities in similar situations. It also brought resources through their urban renewal, economic and social programmes. The expertise that Torino’s civil servants gathered through these networking experiences meant they were able to formulate best practice-inspired recovery projects that were more likely to attract funding from both public and private sources (for example, the administration’s urban renewal programmes applied EU-approved approaches, which improved their prospects of winning competitive-bid EU renewal funding. Thus the new administration drew on learning and resources from many quarters to develop and implement its recovery strategies in partnership with its collaborators.

More recently, Castellani has been extremely adept at building coalitions and partnerships to more effectively manage city development. The success of the 2006 Winter Olympics was widely recognised as attributable to strong collaboration among the Organising Committee, the Italian Olympic Committee (CONI), the central government, national Parliament and local institutions.

Castellani signed numerous partnerships with public bodies to manage most of the operational activities linked to the Games, such as security, transport, cultural and educational programs. Notable institutional linkages include:

- Territorial Advisory Assembly
- City Activities operating plan
- Mountain Activities operating plan
- Environmental Advisory Assembly

4. How he told the story of the city.
Castellani explained that Turin was a historically significant city that could resume its rightful place as an international city that could function as a European economic and cultural capital. Castellani consistently constructed the city as having transcended stagnant politicised bureaucratic struggles and developing along a global trajectory. This co-existed alongside an emphasis on Turin’s idiosyncrasies and cultural endowments that would drive forward a new post-industrial image. Castellani was heavily involved in the Turin Olympics brand campaign that emphasised Turin’s unique passion and emotional vitality. Indeed ‘Passion Lives Here’ (La passione vive qui) was the motto of Turin 2006.

5. Specific problems addressed:

Economic shortfall

The Castellani administration inherited a very difficult economic situation: Turin’s city deficit had risen to 121 billion lira, an unprecedented figure in the city’s history. Castellani immediately focused on rectifying this situation. He sought to reduce costs by streamlining operations of the bureaucracy (2,300 municipal officials lost their jobs) and increasing revenue by tackling tax evasion and improving the system of parking fines. By 1995 he had successfully balanced the municipal budget, and he created a surplus by 1996. Castellani also created revenue from privatising energy and electricity and creating shares in the region’s road system. In addition he transferred some of the city’s major museums to foundations with private partners, who were henceforth in charge of managing them, and he introduced a municipal tax on property, which now accounts for a significant proportion of the municipal budget.

The coalition of civic leaders involved in planning the economic recovery process had access to considerable financial resources, either directly or via their own networks, which Castellani combined creatively in the service of the city’s recovery effort. The ability to raise funds from non-governmental sources was especially important given the city’s budget deficit, and the lack of resources available from national government. Torino’s two major bank foundations, a legacy from the city’s past wealth, became major sponsors of the city’s recovery effort. In Torino, local bank foundations contributed around €300m per year, matching the combined municipal and regional annual spending on large-scale regeneration projects. Castellani’s efforts in developing constructive relationships with other levels of government national and international also yielded financial support for various recovery projects.

Investment

Castellani has been instrumental in enhancing the capacity of the regional public administration to create an investment system and to collaborate, offering companies the best possible conditions. Castellani’s intention was to move away from the city’s dependence on FIAT (‘industrial monoculture’, as he put it) and promote development in other areas, mainly tertiary and cultural activities. In 1997 the City of Turin, the District of Turin and the Piedmontese Regional Authority firmly backed the creation of ITP, Investments in Turin and Piedmont, the first agency in Italy wholly dedicated to attracting foreign investments. By 1999, Castellani had praised the foresight shown by the City and other local organisations from the public and private sectors in setting up the agency, hailing it as an excellent choice. For Castellani, in the growing competition between cities and territorial systems, the ITP “has given Turin a structure that other leading European cities have already set up in the past. This can only represent a positive contribution to the city’s development.”

Castellani made big play of the fact that local companies should be given preferential consideration when technical and maintenance projects for the Olympic Games were commissioned. To this end, 40% of total expenditure was allocated to Turin-based enterprises, amounting to €231m. The projects included venue design and construction, headquarter refurbishment, catering services, travel agency services, cleaning, IT and Logistics. This was a major injection of business vitality for the region. Local businesses were only overlooked if the services were unavailable locally or if the purchase of services was carried out by sponsors or companies with headquarters beyond the region. The main local
beneficiaries included the local food industry (wine, chocolate, cheese), events and communication companies, and logistics specialists. 50% of the construction project expenditures were allocated to Piedmontese companies (Joint participation with the main contractor, sub-contractors, feasibility studies and projects). Almost all project works were developed by local teams of engineers and architects.

Castellani helped found the “Torino Internazionale Project”, which aims to position the city at the European and world level as a tourist destination and as a site for manufacturing activities. He pressed for the launch of the single reference point for companies, believing it would represent a considerable step forward in terms of giving access to foreign businesses.

**Modernisation**

Turin was one of several European cities that experienced problems related to modernisation and technology. In the late 1980s, FIAT employed nearly 80,000 workers. But by the time Castellani became mayor in 1993, the local factory, the engine of Turin’s economy, was in rapid decline. It was losing jobs to international competitors and to cheaper labour elsewhere in Italy. FIAT continued to reduce its workforce in the area, which shrank from 92,000 to 47,000 in the decade between 1986 and 1996. In the mid-90s, Castellani saw his city as more than merely the home of FIAT. He saw its budding hi-tech industry and thought that its culture and history were under-valued.

As early as 1994 Castellani saw the key challenge being to transform “a typical fordist town into a modern, European town.” Turin began to experience deep structural transformation from a manufacturing city, to a new future based on tourism, urban improvement and renovation to provide a suitable post-industrial heritage. Significant results were obtained in the field of urban planning through the adoption of a new land use plan and the start of the recovery of former industrial sites. The process of urban transformation in Turin is one of the largest amongst the major Italian cities.

Castellani recognised that such profound change is a slow and difficult long-term process needing time and the inclusive participation of the whole city, fostering “development and solidarity” rather than atomisation and exclusion.

Criticisms have arisen not of the content but as to the actual scope of these changes, with some modifications judged superficial and unable to solve deeper structural city problems, especially those of crime and illegal immigration.

**Tourism**

As president of TOROC, Castellani set out three central objectives for the Games, one of which was to develop Turin’s tourist infrastructure. The development of a tourism industry had been virtually non-existent; for Castellani an international event such as the Olympic Games was crucial for an initial phase of tourist development as it would facilitate a huge advertising campaign for the city.

**Environment**

Respect for the environment was one of the strongest points in the Torino 2006 bids. Among the commitments, special attention was given to the minimisation of environmental impact due to venue design and construction. The Strategic Environmental Assessment (SEA), a new management tool
applied for the first time to the Torino 2006 Olympics, was so successful that it was implemented nationwide by the Italian government via a new national law.

6. Legacy

Castellani has stressed that for the citizens of his city and the region surrounding Turin, the legacy of the Games was much more important than the actual event.

"The event is important because if you don’t have success, you don’t get a legacy. But the event itself is too short. It starts and it ends up in a minute after years of work, investment, effort, difficulties and so on. The people who remain ask, from the very beginning, to have a legacy."

Castellani’s primary vision was to reposition Torino on the world map, enhancing the visibility of the ‘other side’ of the industrial city. Certainly this has succeeded to an extent. Summer tourism within the Piedmont region grew by 20% in 2007, with international tourists outnumbering Italian tourists for the first time. Turin appears to have successfully capitalised on its Olympic city reputation and will play host to the University Winter Games early next year, as well as other international sporting events. Turin’s increased and upgraded accommodation provision is in a strong position to take advantage of renewed international interest in the city. Castellani set up the Post-Games Management and the Post-Olympic Company, which have the long-term strategic role of acting as an engine for tourism development and attraction. A preliminary study, promoted by RegionePiemonte, identified three possible scenarios of tourism development, with its low-end estimate predicting a 50% increase in tourists every year.

In terms of an economic legacy, there has been a considerable increase in the value added produced by the Games, at the city and regional level. According to a 2006 study made by Torino Unione Industriale and Rome La Sapienza University, the Olympics are expected to generate upwards of €13 billion euro value added between 2005-2009. Regional GDP and employment rates are expected to rise 2.8% and 2.9% respectively each year until 2009. Sergio Chiaramarino, Castellani’s successor as mayor was able to build on the his predecessor’s modernizing strategy by putting emphasis on developing a knowledge economy. There has been strong growth in services and IT jobs, with Telecom Italia and Motorola leading the way. Approximately 70% of the city is now employed in non-industrial work, compared to 30% in the mid-1990s. This represents diversification away from dependence on FIAT; while in 1990 more than 60% of FIAT’s total production was still taking place in its three Turino plants, by 2002 it had fallen to less than 30%.

The Games have also brought about infrastructural improvements. The city is enjoying improved mobility, with the new metro network, improved motorway system and integrated traffic operational system. In terms of urban regeneration, quality of life in some previously neglected areas has improved, with improved accessibility to public places for people with disabilities, and an increased number of public flats for disadvantaged people.

Perhaps most significantly, Castellani’s Olympic project succeeded in demonstrating to the world that Turin is a technological city, economically and emotionally prepared for the future. This has provided renewed self-confidence for the city’s citizens.

7. References

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