21st Annual Conference (2025) of the *Italian Society of Law and Economics*

University of Catania
Dipartimento di Economia e Impresa
Palazzo delle Scienze, Corso Italia 55 - Catania
December 11-13, 2025

Long abstract

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Ph.D. research topic: *Collaborative Agreements as Contractual Models to Govern the Development of Sustainable Regeneration Projects in Large Metropolitan Areas.*

Research carried out within the MUSA – Multilayered Urban Sustainability Action – project, funded by the European Union – NextGenerationEU, under the National Recovery and Resilience Plan (NRRP) Mission 4 Component 2 Investment Line 1.5: Strengthening of research structures and creation of R&D "innovation ecosystems", set up of "territorial leaders in R&D", Spoke 1, research line "Legal engineering for urban regeneration: collaborative frameworks with multilateral approaches."

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THE PLANNING GAME. INCLUSION AND COORDINATION IN THE GOVERNANCE OF URBAN REGENERATION PROJECTS.

La città che sale, Umberto Boccioni (1910-1911). Oil on canvas. The Museum of Modern Art, New York.

Nottola: I know the city is expanding in that direction, because the urban masterplan says so. However, that is precisely why we must divert the city's development here, from there. / Associate 1: And you think that is easy? / Associate 2: So, we change the masterplan? / Associate 3: Change what? / Associate 2: Yeah, now we change the masterplan … / Nottola: There is no need to change the masterplan. The city is moving in that direction, while this is just farmland. What can you pay for this land today, three hundred, five hundred, a thousand lire per square meter? However, tomorrow this same square meter could be worth sixty, seventy thousand, or even more. It all depends on us. A five thousand per cent profit. That is the real gold. And who is going to give you that? Commerce, industry, the South's industrial future? Sure - put your money in a factory: unions, demands, strikes, sick pay funds … those things will give you a heart attack. Whereas here, no fuss, no worries. All profit and no risk. All we have to do is get the municipality to bring the roads, sewers, water, gas, electricity, and telephone lines here.

(*Le mani sulla città*, 1963, YouTube: https://youtu.be/o8X-xS2WEBE?si=LmMbSihy5s58e4HI)[1]

1. Introduction.

Urban regeneration has become the prevailing paradigm of spatial governance. What originated as a support for statutory planning has evolved into an autonomous governance device and a shared framework through which public and private actors conceive of territorial transformation (Stanghellini, 2017; Giusti, 2018, 2021; Tozzi, 2023; Lanzani, 2023; Gregori Ferri, 2024; Urbani, 2024). Large urban transformation projects are now the main arenas where interests converge, and planning agreements regulate land-use changes and distributive outcomes, signalling the shift from unilateral powers to negotiated arrangements. This process interacts with structural drivers, including the ageing of the urbanised fabric, ecological goals that prioritise reuse over land take, and neoliberal governance oriented towards competitiveness and market facilitation. The combined effect is a decision environment where *ad hoc* bargaining tends to displace comprehensive public guidance.

Against this backdrop, the paper reframes the "new urban question" (Secchi, 2010; Urbani, 2024) as fundamentally distributive and spatial in nature. The political economy of land rent reveals how value is generated and appropriated as city development transitions towards financialised dynamics, with the risk that essential public spaces and infrastructures are commodified while redistributive roles erode. In this landscape, the negotiation of planning rights becomes ordinary. Yet, without principled anchors (such as responsibility, reciprocity, adequacy, and consistency; Gaeta,

[1] Rosi, F. (Director). (1963). *Le mani sulla città* [Film]. Galatea Film; Lux Film. Opening scene, original Italian dialogue partially from *Wikiquote Italia*, "Le mani sulla città - Incipit" (retrieved August 29, 2025, from https://it.wikiquote.org/wiki/Le_mani_sulla_citt%C3%A0), and partially transcribed by the author.

2021), such negotiated flexibility in governing space may establish asymmetries of information and power, stabilising case-by-case exceptions to the general regulation of the land-use plan, thus jeopardising the fulfilment of public development strategies. The result is an expanded administrative discretion in approving single projects, continuous amendments to the land-use plan, and a systematic marginalisation of local communities from the stage where duties and obligations are set. This motivates a new allocation of responsibility tied to agency, discretion and causal impact: actors who materially shape territorial outcomes acquire obligations toward affected communities that cannot be reduced to contract performance alone (Sacconi, 2011).

2. Research focus and questions.

The paper models planning agreements as a coordination game (Stag Hunt) between the Municipality (M) and the Developer (D), with the local Community (C) serving as a passive ("dummy") third player whose welfare depends on the choices of the other two strategic players. Two pure-strategy Nash equilibria exist: (HC, HC), which is payoff-dominant and socially optimal, and (LC, LC), which is risk-dominant and individually safer (Skyrms, 2004). Because implementation is sequential, both strategic players also face *ex-post* incentives to downgrade commitments. The core difficulty is thus coordination under risk. This setting raises three questions: *i)* how M and D can coordinate on the socially optimal outcome (RQ1); *ii)* whether inclusion of the community in the negotiation process supports coordination (RQ2); and *iii)* which institutional conditions sustain the fair equilibrium over time (RQ3).

3. Bounded rationality, frames and institutions.

Players do not optimise over full payoff matrices; they rely on frames and focal points that compress complexity (Schelling, 1960). Bilateral agreements institutionalise a private, defensive frame that marginalises community welfare and normalises low-commitment profiles. Institutions, understood as self-sustaining systems of shared beliefs (Aoki, 2001), stabilise expectations: once a defensive convention is entrenched, (LC, LC), it becomes the "natural" solution even when (HC, HC) is materially superior. Public signals (norms, plans, procedures) matter insofar as they are credible and consistent; crossed signals quickly unravel cooperation (Duffy & Feltovich, 2005).

4. The *ex-ante* social contract as a framing device.

To alter this course of action, the paper introduces a social contract agreed upon *ex-ante* (behind a veil of ignorance) among all parties as a cognitive device that aligns mental models and

makes (HC, HC) cognitively focal and normatively justified (Rawls, 1971; Binmore, 2005; Cecchini Manara & Sacconi, 2019). For this mechanism to work, the social contract requires the structural inclusion of the local community as a party to the agreement, not merely a participant, so that the veil is impartial and the collective agency unit ("We-frame") is representative of all stakeholders involved (Bacharach, 2006; Sacconi, 2011). Without C's inclusion, endorsed principles mirror bilateral interests and cannot activate the mechanism described above. Empirical evidence from coordination experiments confirms that consistency of signals (not their number) and pre-play impartial agreement affect behaviour in Stag Hunt-like settings (Duffy & Feltovich, 2005).

5. Conformity preferences as a motivational mechanism.

Framing explains selection at stipulation; sustaining cooperation during implementation requires a motivational layer *ex-post*. The paper deploys conformity preferences (λ): once a fair rule is jointly endorsed *ex-ante*, each player derives intrinsic utility from complying, conditional on the expectation that the other will also comply. This transforms the material Stag Hunt into a psychological Stag Hunt in which (HC, HC) becomes not only payoff-dominant but psychologically focal; if expectations of conformity collapse, (LC, LC) remains possible, underlining fragility and the need for credible signals over time (Grimalda & Sacconi, 2005; Grimalda & Sacconi, 2007; Sacconi & Faillo, 2010; Faillo, Ottone, & Sacconi, 2015).

6. Ordering heterogeneous claims.

The paper then addresses how the We-frame can be embedded in practice by ordering the different claims that arise in planning settings. It distinguishes three categories (Sacconi, 2011). *Need-based claims* correspond to foundational urban goods (housing, services, environmental quality), and are non-negotiable: they represent primary entitlements that the territory owes its inhabitants. *Merit-based claims* recognise the contributions of specific actors, such as the developer's investments or innovations, and are legitimate only after basic needs are secured. *Externality-based claims* emerge when harm occurs (such as population displacement or environmental impacts) and trigger compensatory obligations. Sequencing these claims supplies a public baseline that reduces perceived coordination risk, limits renegotiation drift, and renders cooperative strategies salient.

This reasoning also clarifies the role of statutory instruments. The municipal land-use plan can function as a territorial social contract when it articulates this baseline, provides enforceable standards, and disciplines downstream project agreements. Negotiation should then focus on project implementation and additional contributions, rather than the erosion of foundational needs. By

contrast, where baselines are weak or continuously reopened, "planning by exception" prevails and (LC, LC) re-emerges as the default outcome (Stanghellini, 2017; Gaeta, 2021).

7. Policy implications (and answers to RQ1–RQ3).

The analysis yields three sets of implications:

a. Community inclusion as a structural condition (RQ1–RQ2). Community inclusion at the *ex-ante* framing stage compels actors to adopt an impartial stance, makes fairness cognitively salient, activates conformity preferences, and lowers the threshold for mutual commitment. Without this structural inclusion, fairness remains external to the bargaining process and cannot stabilise cooperation.

b. Institutional reinforcement to sustain cooperation (RQ3). Because planning agreements unfold sequentially, inclusive framing must be complemented by credible instruments that stabilise expectations over time. These include clear baseline obligations embedded in plans, as well as transparent monitoring and reporting.

c. Locating the inclusive agreement within a three-level architecture planning. The paper argues that fair and stable cooperation does not arise from *ad hoc* bargaining alone, but also from situating inclusive agreements within a structured planning architecture composed of three interconnected levels:

- A structural level (programmatic planning). This is where long-term and general principles are fixed. At this level, the municipality defines the fairness baseline, which encompasses the non-negotiable needs of the community. These provisions may function as a "territorial social contract" that orients all downstream decisions. If this level is weak or constantly reopened, players perceive uncertainty, and defensive low-commitment strategies dominate.
- An operational level (strategic/implementing planning). This is the level at which major urban regeneration projects and planning agreements are negotiated and finalised. Here, the rules are more detailed and time-sensitive, adapting the fairness baseline to specific sites and projects. This is also the place where a community-inclusive agreement can operate as a framing compact: by including the community in *ex-ante* negotiations, the agreement translates the fairness principles of the structural level into concrete obligations and distributive arrangements for a given transformation. The operational level thus connects general principles to project-specific commitments.

– A regulatory level (technical regulation and control). At this level, building codes, technical standards, and detailed regulatory prescriptions govern how physical transformations are carried out. This level ensures that commitments agreed upstream are respected in practice and that deviations can be sanctioned. It provides the monitoring and enforcement backbone that sustains conformity preferences during implementation.

8. Contribution.

The paper integrates a diagnosis of contemporary urban governance (rent dynamics, negotiated discretion, and exclusion) with a formal planning game that explains the persistent convergence on low-commitment strategies. It then unifies cognitive (framing and institutions) and motivational (conformity preferences) mechanisms to demonstrate how fair, high-commitment cooperation can be selected *ex ante* and sustained *ex post*, provided that the local community is structurally included and a public baseline order is established upstream. This yields a coherent design logic that links framing, baseline standards, and implementation safeguards to the selection and preservation of cooperative strategies in urban regeneration governance.

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