ABSTRACT: The note aims to describe the management of the Nimby resistance concerning the Trans-Adriatic Pipeline project through administrative compensatory measures. The Trans-Adriatic Pipeline case offers a privileged point of view to examine efficiency of administrative compensations in solving local conflicts. After the examination of interpretation theories on the Nimby syndrome, the note focuses on the administrative compensation-based strategy usually deployed to solve territorial conflicts. The compensation pattern used in relation to the Trans-Adriatic Pipeline is also discussed. The analysis will allow general reflections on the use of administrative compensations to overcome Nimby.


1. Introduction: the Trans-Adriatic Pipeline in Italy

In 1999 some international oil corporations found a giant gas field in Caspian Sea, in front of the coast of Azerbaijan. It was one of the most important discoveries of the last decades for the production of gas and the European Union Commission decided to promote the “Southern Gas Corridor” project, which aimed to bring gas to Europe thanks to a pipeline from Azerbaijan to Italy. The “Southern Gas Corridor” is divided into three parts: the first part is the “South Caucasus Pipeline” (SCP), which is the pipeline between Azerbaijan and Georgia; the second part is the “Trans-Anatolian Pipeline” (TANAP), which is the pipeline in Tur-
The TAP project represents a good example of the ways deployed to manage territorial conflicts. In fact, in many legal systems, when it is necessary to build a power plant, a landfill, a gas pipeline, or other noxious facilities, it is often required to compensate for the negative impacts, both environmental and economic, on the local communities that host the infrastructures. It is also provided that local communities should take part in the decision-making process related to the infrastructural projects and programs, in order to give an active role to citizens in shaping plans that affect them. The purpose of the note is to verify if the management of the Nimby syndrome concerning the TAP project has been efficient and if the administrative compensatory measures have been able to overcome the Nimby resistance. Indeed, the TAP case offers a privileged point of view to examine the efficiency of administrative compensations in solving local conflicts.

The rest of this article is thus divided into three main parts. In part 2, the Nimby phenomenon is examined in broad terms, taking into account the interpretative

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1 "Nimby" stands for "not in my backyard". This concept will be examined in par. 2.
theories of this “syndrome”. In part 3, the administrative compensation-based strategy usually deployed to solve territorial conflicts is considered. The compensation pattern used in relation to the TAP is also discussed. In part 4, the limits of the efficiency of the administrative compensatory measures are analyzed. In the end, some overall reflections on the relations between Nimby and administrative procedures are proposed.

2. The Nimby phenomenon and the public negotiations

Before examining the TAP case, the nature of the citizens’ protests against the pipeline, and the Italian administrative framework used to manage the Nimby crisis, it is useful clarify the concept of Nimby. The “syndrome” is an attitude of protest organized by groups of citizens who do not accept the location of a facility in their territory.2 Nimby is the “inverse tragedy of the commons”, because holders of public opinion consider the Nimby projects necessary and indispensable, but does not accept them in their own backyard.3

Those territorial conflicts happen everywhere in the world, both in industrialized countries and in less developed ones, in both democratic regimes and authoritarian ones. Undesirable projects are: large facilities such as highways, railways, ports, airports, telecommunication antennas, and hazardous facilities such as power plants and nuclear power plants, onshore and offshore oil wells, incinicators, landfills and pipelines.4 Those conflicts are caused by a combination of emotional factors affecting local communities, which believe that public or private developers only think of maximizing their interests.5

In broader terms, two approaches to the Nimby can be distinguished. First of all, the position of those who believe that territorial conflicts pose obstacles to the

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2 On the Nimby phenomenon see D. Van Der Horst, NIMBY or not? Exploring the Relevance of Location and the Politics of Voiced Opinions in Renewable Energy Siting Controversies, in Energy Policy, 35, 2007, p. 2705


construction of any projects: in this sense, Nimby is considered a “syndrome”, an irrational phenomenon, derived from selfish motivations and extremely expensive to the society. In fact, Nimby reactions often affect strategic infrastructure of a country, with extremely negative effects on services that depend on those infrastructures: think of the disadvantages of users who cannot rely on new power plants, of motorists who cannot use modern highways, of travelers who cannot use high-speed rail, and so on. Then, the participation of citizens in the process of localization of facilities should be reduced; only state authorities must decide on siting facilities, because they are less influenced by local pressures. According to a different approach, on the contrary, Nimby is not necessarily a negative phenomenon. In fact, it may be positive because, through their opposition, citizens have the opportunity to highlight aspects that developers may have underestimated and this allows to achieve a better overall satisfaction of the various public interests. Nimby protests can represent an opportunity to conceive new procedural mechanisms that can foster public participation and ensure a more transparent composition of conflicting interests, with a view to greater collaborative governance. According to this approach Nimby reactions constitute, in economic and sociological terms, a social dilemma where citizens, rather than cooperating with public authorities or private developers, want to maximize their interests with a net suboptimal result.

3. The compensation-based strategy to overcome Nimby

The Nimby phenomenon can be seen as a moment of impasse in territorial

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negotiation that should lead to the realization of the infrastructure.\textsuperscript{13} Since a Nimby project produces benefits beyond the burdens that the local community has to face, an adequate pattern of compensatory measures can neutralize negative externalities and overcome the resistance of citizens by redistributing benefits and burdens.\textsuperscript{14} In order to make effective the compensation-based strategy, it is necessary, first and foremost, to abandon the traditional localization mechanisms of the projects, better known by the “DAD” acronym, i.e., “decide-announce-defend”: developers choose where to build the infrastructure, then inform the political authorities and public administrations, and finally defend their decision against any local protest groups.\textsuperscript{15} The basic idea is that any discussion of compensatory measures for hazardous facilities can be made through administrative procedures guaranteeing public participation,\textsuperscript{16} allowing citizens to identify their needs and to overcome their doubts and fears related to the building of the infrastructure.\textsuperscript{17}

The participation of local public authorities and citizens to the development of the TAP project was limited, because in the Italian legal system only the environmental impact assessment procedure may involve those who are affected by an economic or infrastructural project. Under the Environmental Code (Law no. 152/2006), every facility that can have significant environmental impact may be subjected to an environmental impact assessment, where every citizen is entitled to give information and to express comments and remarks on the project. However, the participation set up by the Italian Environmental Code is not sufficient to guarantee a satisfactory and abundant participation, especially when projects of big infrastructures are at stake and it is necessary to manage Nimby protests. Today, in case of projects relating to very strategic facilities, the Italian Code of Public Contracts (Law no. 50/2016) ensures

\begin{thebibliography}{99}
\bibitem{13} O.E. Williamson, \textit{The Mechanism of Governance}, New York, 1996.
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public participation and a discussion about administrative compensations through the new instrument of “public debate” may be useful to provide a large public participation on major infrastructural projects. Public debate, which comes from the French legal system, is not in force, because the Italian executive has to adopt the necessary secondary regulations, but it may be useful to provide a large public participation on major infrastructural projects. In any case, it is necessary to define negotiating procedures that are open to public participation and representation of all interests, avoiding that the administrative process is excessively heavy and inconclusive.\(^18\)

As a matter of fact, in the negotiating procedures on major projects and administrative compensatory measures there are some contracting risks that, if not taken into account, could lead to an impasse. First, it is appropriate to determine how to select the representatives of the local communities: negotiators may be appointed by the municipal commissions; they may be environmental associations; they could be other individuals.\(^19\)

Second, there may be different opinions on the environmental impact assessment of a project, so it is necessary to rely on experts,\(^20\) to prevent unreasonable or excessive claims of the parties regarding the compensations.\(^21\)

Thirdly, behind the localization of the Nimby project there are strategic evaluations by the developers, so that the infrastructure can serve users at an optimal level or can represent the best choice in terms of profits for the developers. This provides a great negotiating power, similar to a veto power, to local communities.\(^22\)

Last, there can be the opportunism of local political representatives who could use the Nimby protests to obtain popular consensus.

The problem is also to understand which public administrations should direct

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and guide the negotiation process.\textsuperscript{23} for this reason, the intervention of administrations with high technical expertise, \textit{ad hoc} agencies, or independent authorities, could be particularly useful.\textsuperscript{24}

Another problem is the extension and the size of the backyard: if the proximity of the project is a condition for participation in the negotiating procedure, it is necessary to understand how close the facility should be to identify stakeholders.\textsuperscript{25}

A question may arise regarding the possible structure of the negotiating procedure: is an administrative one-size-fits-all solution effective to deal with any Nimby project or is it necessary to define administrative negotiating procedures on a case-by-case basis?\textsuperscript{26}

Another issue regards the fact that any public or private entrepreneur who decides to make investments in some facilities wants to rely on a clear legislation.\textsuperscript{27} Any delays in the negotiations with local communities become a business loss, both in terms of costs and lack of earnings due to delay of the implementation of planned business plan.\textsuperscript{28}

It is also fundamental to determine when negotiations should take place and what should be negotiated. The question is whether public participation must be ensured both in the planning and location of facilities as well as in the definition of compensatory measures, or whether the involvement of local communities can be limited to the compensatory measures.\textsuperscript{29}

Finally, there are “institutional hazards”, such as the excessive fragmentation of competences between the administrations during the negotiation process or the

\begin{itemize}
  \item \textsuperscript{24} F. Costantino, \textit{La disciplina del nucleare nella prospettiva del consenso}, in \textit{Foro amministrativo – Consiglio di Stato}, 2010, p. 2941.
  \item \textsuperscript{26} B. D. Richman - C. Boerner, \textit{A Transaction Cost Economizing Approach to Regulation: Understanding the NIMBY Problem and Improving Regulatory Responses}, in \textit{Yale Journal on Regulation}, 23, 2006, p. 33.
  \item \textsuperscript{29} C. Hunold - I. M. Young, \textit{Justice, Democracy, and Hazardous Siting}, in \textit{Political Studies}, 46, 1998, p. 82.
\end{itemize}
conflicts between horizontal and vertical administrations or between local and central authorities.30

Even though the mechanism of compensation introduced in a coherent procedural negotiating framework has a clear advantage, because consensus-based solutions to the Nimby may emerge from the discussion,31 the administrative procedures have to reduce the contractual risks of the participation.32

4. The limits of the efficiency of the compensatory measure

The Nimby syndrome allows distinguishing between two kinds of local opposition33: on the one hand, there are “hardcore protesters”, i.e., private individuals and associations, who not only do not accept compensatory measures, but also consider useless the infrastructural projects, claiming to defend common goods and universal values, such as environment and health;34 on the other hand, there are “switcher protesters”, i.e., citizens whose opposition to the projects entails analysis on the qualitative and quantitative levels of compensatory measures.35

To overcome the opposition of hardcore and switcher protesters, the same tools cannot be used. In order to contrast the skepticism of the former, it is useless to point out the advantages of the compensatory measures, since it is much more important to initiate consensual localization procedures, such as public debate, to explain the strategic interest of a particular infrastructure.36 Nonetheless, the normative and procedural approaches to widening participation may not neutralize the dissent of the hardcore protesters: in this case, the opposition becomes so radical that it can no longer be

qualified as Nimby, but rather as Banana (“build absolutely nothing anywhere near anything”), Nope (“not on Planet Earth”), Niaby (“not in any backyard”) or Cave (“citizen against virtually everything”). To convince the latter, on the contrary, it is crucial that “right” compensations are proposed, i.e., compensatory measures that are able to generate a broad consensus on the infrastructure project. As a consequence, the idea is that there are inappropriate kinds of compensations, whose proposal, rather than soliciting approval, raises level of the rejection of the projects.

First of all, it must be considered that the challenge of hazardous facilities can derive from reasons of equity: when these projects are located in economically low developed territories, the widespread perception is that the choice is not random, but determined by the will to segregate some local communities. Some local communities do not trust in the government and other public institutions, because they believe to be peripheral for the central government.

The socio-economic conditions of a community can influence the resistance to an infrastructure in other ways. If a municipality enjoys widespread well-being and ensures to its residents a medium-high standard of living, the compensatory measures may be more expensive in order to maintain the level of well-being threatened by the project. On the contrary, compensations to poorer communities can be quantitatively and qualitatively lower, but greater opposition to the project and compensations must be expected, since the poor citizens have no means to escape, for example moving to another city. Local protests against a noxious facility can also result from moral reasons: it is intended to prevent the territory from suffering the negative consequences

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41 L. Bobbio, Conflitti territoriali: sei interpretazioni, in Territorio, mobilità e ambiente, 4, 2011, p. 79.
and disadvantages caused by the presence of a facility that could damage the health or the environment. In this perspective, the objective is to protect not only the territory, but also the interests of the future generations. If the moral reasons behind the opposition of a community are not clear, there is the risk of a complete failure of the negotiations regarding the facility siting, especially when compensatory measures are based on monetary payments. In fact, it has been shown that the monetary compensations trigger a strong local resistance, since the exchange of money against health or the environment is considered morally unacceptable. It is a case of tragic or impossible choice, where the local community faces the ethical dilemma of opting for a sacred value, such as the environment and health, or for a secular value such as money. In particular, the proposal of monetary compensations for the creation of a noxious facility produce two adverse effects, which will strengthen the opposition to the infrastructure. The first one is the “bribe effect”: the supply of economic contributions is misunderstood and welcomed as an attempt to buy the consent of the local community. The second is represented by the “crowding-out of public spirit”: monetary compensatory measures will put in the background much more persuasive arguments in favor of the project, for example its importance for the needs of the entire national community.

As a consequence, if the offer of monetary compensations in relation to the location of non-hazardous public facilities can be useful to find a synthesis between different interests, the same compensatory measures in relation to noxious facilities produce negative effects. Then the challenge is to find more effective compensatory measures for


hazardous facilities. Since the aim is to prevent a “taboo trade off,” useful compensatory measures should be presented and viewed as public goods for the benefit of the community which host the facilities. In some cases, monetary compensations may be useful, but they must be tied to public goods: for example, in the case of an incinerator, the responsible enterprise may pay for the construction of a hospital. In this way, it is impossible that money is spent improperly. However, even if compensatory measures in the form of public goods are more useful than monetary compensations, the concrete choice of compensatory goods is not easy.

The level of the compensations can be established by the size of the facility and by other factors, for instance: the “facility ownership”, since a public developer may be more generous to compensate, for political consensus; the “facility type”, because invasive infrastructures require higher compensation; the “regional use of facility”, because higher compensations are assigned to infrastructures of regional or national importance; the “host community use of facility”, because the compensations may be lower if the infrastructure serves the local community and the “expansion status”, since the compensations are lower if the project provides to extend an existing infrastructure.

5. Conclusion

Administrative compensatory measures represent a tool to balance private and public interests in the field of environmental protection and urban planning. They emerge as an efficient solution for the Nimby syndrome. Only if negotiated between developers and local communities, the administrative compensations can be effective to solve Nimby conflicts. The problem is to find a balance between public and demo-

cratic participation and the necessity to build hazardous facilities that are fundamental for the whole society.

The negotiations of the compensations show some contractual and institutional hazards and then a clear governance of the negotiation procedure becomes fundamental. Compensations are not a panacea for all environmental or Nimby conflicts, but they can be useful to re-consider the relationships between public authorities and private individuals or companies in terms of equity. Public interests can be protected in a more effective way through a dialogue of public administrations with the stakeholders. Administrative compensations should be the result of that dialogue.

In the TAP case, the project of the pipeline was not discussed with local authorities and communities. They did not have the chance to make observations about the project and administrative compensatory measures were not negotiated in a transparent way: so they were not perceived as really useful to limit the environmental and economic impacts of the project. This is the original sin of the use of compensatory measures for the Trans-Adriatic Pipeline.