Public–Private–People Partnerships in Urban Planning

Working paper (Deliverable 2.3.1 Potential and challenges of applying Public–Private–People partnership approach in urban planning)

Nordregio
Authors: Liisa Perjo, Christian Fredricsson & Sandra Oliveira e Costa
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Executive summary

This Working Paper is one of the deliverables of the Baltic Urban Lab project (Central Baltic INTERREG), and it discusses the potentials and challenges in Public-private-people partnerships and presents examples of methods for partnership and participation.

The “Baltic Urban Lab – Integrated Planning and Partnership Model for Brownfield development” project aims at improving urban planning by developing and testing new integrated models for brownfield regeneration. New planning tools and models promoting integrated management and co-creative urban planning are developed and tested on selected brownfield sites in the four project cities of Norrköping, Riga, Tallinn and Turku.

This Working Paper aims to provide a theoretical background for all Baltic Urban Lab partners to improve their understanding of the concept of public-private-people partnerships (4Ps), as well as to give inspiration for the city partners when they develop and test 4P approaches in their brownfield regeneration processes. The Working Paper consists of theoretical discussion focusing on the potentials and challenges of 4P approaches based on a research review, as well as on practical examples of how cities can involve various actors in their planning processes.

4P approaches are part of a general transition whereby the importance of actors outside the public planning authorities is increasing in planning. In an age of decreasing public finances, it is necessary for municipalities and regions to partner with private actors. At the same time, there is increased call for public participation. We consider that in this situation, the 4P concept may provide a way to address both the issues of increased efficiency and economic sustainability and the issues of broad public participation.

Based on the research overview, we conclude with a discussion of issues that should be considered when planning 4P approaches. There are no one-size-fits-all solutions on how 4Ps should be designed, but research identifies some key issues.

- When designing 4P approaches, it is important to be aware of, and to address the differences in, resources and influence between actors. Continual reflection on the types of actors, their resources and formal and informal roles in the planning process is necessary when designing 4P approaches.
- Involvement of actors usually takes place through both partnerships (usually with private actors such as developers) and participation (with the general public). However, partnerships and participation imply very different positions in terms of influencing the planning process, and the public planning authority should be aware of, and aim to balance, this situation if aiming at implementing 4P approaches that properly involve both the private sector and the general public.
- 4P approaches may make conflicting visions and goals between the involved actors particularly visible and handling the conflicts and strife can be a challenge. Research suggests that it is important to recognize and to address openly the conflicts instead of hiding them, and to be aware of, and to accept, the different understandings that the involved actors may have.
This Working Paper is one of the first steps of the Baltic Urban Lab project and it will be followed by practical city pilots in 2016–2018. During the project period, Nordregio will observe and analyse the pilot actions from the perspective of the main questions that arose in this Working Paper related to, for example, what can be done to successfully involve private actors and residents in planning processes, what are the challenges, and what can be gained from successful 4P approaches. A final report on the lessons learned from the project will be available in 2018.
1. Introduction

This Working Paper is one of the deliverables of the Baltic Urban Lab project (Central Baltic INTERREG), and it discusses the potentials and challenges in public–private–people partnerships (4Ps) and presents examples of methods for partnerships and participation.

The “Baltic Urban Lab – Integrated Planning and Partnership Model for Brownfield development” project aims at improving urban planning by developing and testing new integrated models for brownfield regeneration. The project aims for more inclusive urban planning, encouraging the participation of different societal groups including citizens, NGOs, landowners, developers, businesses and other stakeholders in the planning process. The project is ongoing between 2015 and 2018.

This Working Paper was produced during the early stages of the project in 2016 and it aims to provide a theoretical background for all partners to improve their understanding of the 4P concept, as well as to give inspiration to city partners when they develop and test 4P approaches in their brownfield regeneration processes. As one of the outcomes of the project and based on the pilot actions, all the participating cities will design 4P models for their cities that can also be applied in other planning processes.

This paper takes a broad look at existing research on issues relevant to implementing 4Ps to support Baltic Urban Lab city partners in implementing the project activities. This paper combines theoretical and more practice-oriented examples of co-operation and partnerships, and it is also supported by other deliverables in the Baltic Urban Lab project where a wide range and large number of practical examples of citizen participation and brownfield regeneration have been collected to present concrete tools. As the Baltic Urban Lab focuses on piloting new ways of handling brownfield regeneration processes, this paper refers to the implications of 4P approaches, with particular regard to brownfield regeneration, when possible.

This Working Paper discusses some of the main issues related to involving various actors in different complex governance processes labelled as public–private–people partnerships, but it is by no means extensive or meant to imply that these are the only main issues to consider when working with 4P approaches. Instead, this paper is a point of departure for the Baltic Urban Lab project to reflect on, design and test 4P approaches. Currently, applied research on, and testing of, 4P approaches is limited, but during the coming years, the Baltic Urban Lab project partners will both test and analyse how 4P approaches could be useful in the Central Baltic region, in particular when developing brownfield areas. Lessons learned from this process will be available in 2018.

The Working Paper starts with a discussion of the concept of public–private–people partnership that also locates the emergence of this concept in the wider developments in urban planning. Chapter 3 then discusses the various actors active in urban planning and development within the categories of “public”, “private” and “people”, with the aim of making visible the complexity of these actor constellations. Drawing from a wide range of research literature, Chapter 4 then presents some of the main challenges or issues to consider when implementing 4P approaches. Chapter 5 concludes and summarizes this paper. Throughout the paper, practical examples on involving various actors in planning processes are presented in text boxes.
2. The concept: public–private–people partnership

Public–private–people partnership is a new concept in urban planning, establishing new ways to improve the inclusion of various public sector actors, private actors, residents, NGOs and other civil-society actors in planning processes. The concept of 4Ps has arisen partly to respond to criticism of public–private partnerships for not sufficiently including citizens, NGOs and other actors in the so-called civil society, and it is used to refer to a variety of processes involving public actors, private actors, citizens and NGOs in urban planning. To understand 4Ps, it is therefore useful to have a basic understanding of the background of public–private partnerships as well. For this reason, this chapter first discusses public–private partnerships and then focuses on public–private–people partnerships.

Short definitions of Public–Private and Public–Private–People partnerships

**Public–private partnership** in urban development refers to a variety of ways in which public and private actors cooperate on products, services or policies and share risks (Steijn, Klijn & Edelenbos, 2011). This can mean for example municipal planning agencies working together with developers when preparing detailed plans and plans for construction.

**Public–private–people partnerships (4P)** aim to add “people” (e.g., citizens, NGOs) to public–private-partnership to increase transparency and democratic accountability, and more effectively to include citizen knowledge and to create environments and services that better respond to citizen needs.

In general, partnerships as urban development tools relate to changes in which strategic planning arises alongside more traditional land-use planning and where the roles of public and private sector actors, residents and associations are reassessed and changing in a process that is perceived as a shift from government to governance. The concept of governance focuses on the interplay between the public sector and other actors in a situation where the public sector is no longer delivering all public goods and instead has the role of co-ordinating public actors at different levels as well as private actors and other partners. Central in the shift from government to governance is also the blending of public and private resources to deliver public goods (Pierre, 2011).

The theories of urban and territorial governance can provide a good framework for understanding the role of government (public sector) in governance and the potentials and challenges in interaction between public, private and other actors (Pierre, 2011, 5–6). In particular, partnerships are an example of a form of governance network where the roles of public and private actors change. Partnerships between public and private actors are based on the idea of creating added value by cooperation through which public and private actors realize products, services or policies together and share the risks (Steijn, Klijn & Edelenbos, 2011). The underlying thought is that more efficient outcomes with higher quality and better value for money will result if the actors combine their resources (Steijn, Klijn & Edelenbos, 2011).

Public–private partnerships are considered to be particularly useful in brownfield regeneration projects, where limited public finances encourage the public sector to include private actors in different arrangements (Glumac, Schaefer & van der Krabben, 2015). This is also the background for testing 4Ps in brownfield development in the Baltic Urban Lab project. It is considered to be more efficient and profitable to take a comprehensive approach to an entire brownfield area instead of each individual
landowner doing their own interventions (so-called piecemeal development) (Glumac, Schaefer & van der Krabben, 2015). It is difficult for municipalities to manage brownfield developments without strategic alliances with other public and private actors, but it often remains a challenge for municipalities to know what kind of role they should take in the process (Blokhuis et al, 2008).

Governance instruments for increasing co-operation between actors, such as public–private partnerships, are promoted at different policy levels. The EU, for example, encourages partnerships and sees them as instruments for promoting regional development (Higdem & Hanssen, 2014). The EU has provided guidelines for public–private partnerships, and the European Regional Development Funds have also been used to support projects with a focus on public–private partnerships in urban development. The United Nations Human Settlement Programme (UN-HABITAT) promoted partnership in its report on public–private partnerships in urban development and housing while also recognizing the various challenges in implementation (UN-HABITAT, 2011).

The concept of public–private–people partnership (4P) was developed to respond to some of the challenges of public–private partnerships and to address some of the criticism of them concerning, among other things, transparency of decision-making and democratic accountability. 4Ps are considered to be a way to avoid complications in planning processes by including citizens and NGOs in the process, which it is hoped will minimize later conflicts and protests. Engaging the public in 4Ps is considered to be crucial to avoid allowing a few strong partners to manipulate the proceedings without public input (Ng, Wong & Wong, 2013).

For brownfield regeneration in particular, typically public sector and private agencies are the main actors, but Solitaire and Lowrie (2012, 461) argue that “in order to promote just redevelopment that encourages participation and targets weak market sites, a community-based approach to brownfield redevelopment should be encouraged”. In developing brownfield areas, it is therefore of special importance to involve the local community and citizens who will also be taken into consideration in the pilot actions of the Baltic Urban Lab project.
One way to approach the 4P concept

Relatively little research has been done on 4P models in comparison with traditional public-private partnership models. However, there are a few examples of research articles that have developed frameworks for 4P models. They include Majamaa, Junnila, Doloi and Niemistö (2008), who provided one interpretation of the main differences between PPP and 4P models showing the differences in terms of formal contracts on the one hand and informal co-operation on the other. In 4Ps, public input and transparency are key factors for the success of the partnership.

PPP and 4P Models explained. Source: Majamaa et al., 2008

The figure illustrates the differences between the relations between public and private, public and people and private and people. It also makes visible the differences in possibilities of influencing and exercising power.

With a focus on the interface between end-users and providers, this 4P model aims to encourage flexibility in addressing changes in demand (Majamaa et al., 2008). This approach can be appealing for traditional PPP partners in the public and private sector because it can be used to increase the efficiency of service and development provisions, which is appealing for the public sector. It also provides greater adaptability to changes in demand, thus encouraging the identification of new markets among private actors (Majamaa et al., 2008). In this model, public input is considered through two channels. Formally, it is integrated through political decision-making and municipal-level democracy, while it is also present through regular contact between suppliers (private sector) and customers (people) (Majamaa et al, 2008).

3. Who are the “public”, “private” and “people” of 4Ps?

Urban planning and 4Ps are collaborative processes between different actors. Often, when different models of partnerships are discussed, it is not sufficiently clarified who actually is the “public sector”, the “private sector” or the “community” or “people” (Miraftab, 2004). To understand the dimensions of public, private and people partnerships, however, it essential to understand that these collective actors are very heterogeneous, not only between the different categories but also within them. The public sector includes, for example, both politicians and a variety of civil servants (including planners) at different administrative levels and sectors. The private sector includes a diverse array of actors such as financiers, developers, architects, consultants, small and medium-sized enterprises, and commercial actors. The “people” could be referred to as the civil society (collectively organized private persons) and individuals. This is also an increasingly diverse collective, something that is often neglected or at least overlooked when public-private relations and planning efficiency are discussed. 4P is not only about relations between the public and private sectors and people but also about
how these collectively organize themselves, and their internal organization is essential for the creation of a sound 4P. The degree of participation of different actors is also time and space bound; i.e., all actors move in and out of the planning process.

The following sections consider these three collective actors with the aim of providing an understanding of the main actors in 4Ps and their motivations and strategies in the urban development process.

3.1. The public – political leadership and planners

The public dimension in broad terms includes the political arena and the public planning administration serving the democratically elected politicians (e.g., a wide range of civil servants) at different administrative levels and sectors. The civil servants traditionally serve the politicians with decision-support material and co-ordinate the daily tasks for which the municipality is responsible. The new form of urban governance has led to higher demands on knowledge and competence among politicians when it comes to urban challenges and how urban planning instruments shape urban development and form. The local political leadership has a key role in deciding how the municipality should organize its relationship with private actors and citizens, and the political system decides on issues such as what types of land-use development are favoured and what role the private sector can or should have in urban planning (Hanssen, 2012).

When it comes to the public administration and the execution of urban planning in practice, the administrators can be divided into three different groups: chief executive officer (administrative leadership), executive for planning (sub-leadership) and public planners (civil servants) (Hanssen, 2012). The municipal urban planners (civil servants) have a central role in both strategic and land-use planning. They are at the centre of urban governance, handling the daily issues in urban planning practice, collaboration and communication with a range of private and civil actors. In recent decades, the tasks have become more complex, and today it is often argued that the role of the urban planner has become hybrid. In daily practice, this is accentuated by handling multiple roles of being an efficient administrator, procurer, project leader, negotiator and communicator, and in the meantime serving politicians with sound decision-support material (Sehested, 2009). Sehested’s (2009) description of the changing role of urban planners can be summarized as follows: expert authority has been challenged by political authority, multiple values and interest must be integrated in the planning process, the planners must open up the planning process to involve a large variety of actors, and the planners must balance general political goals and projects.
Figure 1. The public dimension in urban development (Source: Hanssen, Kidd 2007, NORDREGIO 2016). The figure is a simplified approach to visualize the actors in the public dimension.

The organization of the public administration is central to the performance of 4Ps because of the municipality’s formal obligation to act as a planning body (Molnár, 2015). In Sweden, for example, the municipality can have four different roles in the urban development process: planning authority, provider of public infrastructure, landowner and owner of housing companies (Kalbro et al., 2015). The municipality can also act as a developer, responsible for developing and co-ordinating new developments. In many cases, the municipality acts in several roles simultaneously, which should further be taken into consideration, as the goals of different municipal departments could sometimes be in conflict.

**Land ownership in brownfields**

How a municipality manages a brownfield regeneration projects is strongly dependent on the land ownership structure of the site. Depending on the percentage of public-owned land and the number of private landowners, the municipality might take an altered governance role. When the municipality owns major parts of the land, it has the opportunity to use a land allocation policy for private actors interested in the redevelopment. In other words, the municipality has strong control and can influence what actor(s) engage in the planning process. On the other hand, if there is a high percentage of land privately owned, the municipality may take a more facilitating role of co-ordinating the private interests to realize the project. In this context, the municipality is more dependent on private actors to secure the implementation of the project.
The internal co-ordination of the public administration is evidently an important factor for an efficient and sustainable setup of 4Ps. The municipal internal co-ordination can be understood in terms of intersectoral co-ordination and vertical co-ordination. Examples of intersectoral co-operation include the co-ordination of activities between departments of traffic planning and land-use planning, while vertical co-ordination could be exemplified by co-operation between political boards and various levels in the public administration, as well as co-operation with actors beyond municipal borders; e.g., neighbouring municipalities, regional councils or state ministries (Stead & Meijers, 2009; Kidd, 2007). Co-operation between levels of government is often particularly important in brownfield development, because regional and state public actors may act as financiers, infrastructure providers or consultative bodies.

3.2. The private – developers, landowners and tenants

The private sector contributes to the making and reshaping of the built form of our cities. The private sector can be an even more heterogeneous collective actor than the public and civil sectors (MacLaran, 2003; Smas et al., 2016). One distinct, obvious difference in the private sector is that firms are driven by profit in different forms. The key actor (and term) in an urban development projects is the private developer (SE: Byggherre; FI: Kiinteistökehittäjä; LT: Atstisitaitės; ES: Arendaj). Developers want to develop land and/or to construct new housing and/or to maintain the buildings constructed. Developers are a diverse group of private entities: they may be individual entrepreneurs, partnerships or international companies but may also be a public body such as a municipality constructing new property or even semi-public businesses. It is possible to differentiate between two main types that have different motivations in a construction project: developer–sellers and developer–investors. The developer–seller typically manages a development process with the aim of selling to another investor after completion of the project. The investor in this case could be either a tenant or a property owner. On the other end of the scale, the developer–investor develops a project with the aim of retaining the property as a long-term investment or for rental income from tenants (MacLaran, 2003; Kalbro, 2000).

**THE PRIVATE**

**PUBLIC AND SEMI-PRIVATE**

**PUBLIC LANDOWNERS**
- Municipal housing companies
- National & Regional Governments
- Government-owned companies

**PRIVATE LANDOWNERS**

**PROPERTY DEVELOPER**

**BUSINESS COMMUNITY**
- Businesses
- Individuals
- Property owners

**FINANCIAL INSTITUTIONS**
- Financiers
- Investors

**CONTRACTORS & SERVICE PROVIDERS**
- Consultants
- Contractors
- Architects

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*Figure 2. The private dimension in urban development. The figure is a simplified way to illustrate the private sector in urban planning.*
In addition to developers, landowners also have a vital role in the urban development process. Landowners range from private actors such as individual persons and small businesses to large international businesses, or public actors such as municipalities or even semi-private institutions; e.g., government-owned companies (MacLaran, 2003; Kalbro et al., 2015). Like developers, private landowners are a heterogeneous group with different interests and strategies for how they intend to use their land. When it comes to the landownership conditions in brownfield areas, there is rarely a single landowner in a detailed development plan; usually, there are multiple owners with different aims, sizes and strategies. As stressed in the section on the public dimension, previous research indicates that ownership structures are an important factor for the implementation of a redevelopment, especially in brownfield areas (compared with greenfield sites, for example). This is because brownfields are often situated in attractive urban areas close to a city centre and existing residential areas, which increases the variety of actors with an interest in developing the area (Adams et al., 2001; Blokhuys et al., 2008).

Another component of the private sector in urban development is technical providers in the form of consultants and service providers who support the municipality in the planning process (Loh et al., 2015). Over recent decades, many municipalities in the Nordic region have used the external expertise of consultants to a larger extent in detailed and comprehensive planning. The capacity of public administration has become leaner, and consultants often perform traditional public sector tasks in the detailed development process. These tasks range from minor expert support to providing environmental assessment or full procurement of an external consultant as a project leader for the whole development process. In this context, one important challenge for the municipality is to become a sound procurer.

Finally, but not of least importance, is the role of the existing business community, tenants and property owners established within the brownfield site. In many cases, they are key stakeholders to involve in the planning process, and it is important to consider how their involvement in the process can be accomplished (MacLaran, 2003; Rizzo et al., 2015).

3.3. The people – civil society and the local community

The “people” dimension in a 4P can refer to the general public as well as to civil society stakeholders and the local community. They can include actors such as existing and future tenants, NGOs, grass-roots movements and professional groups (Zhang & Kumaraswamy, 2012; Miraftab, 2004; Majamaa et al., 2008). This dimension is also referred to collectively as end-users, particularly when emphasizing the role of residents and users of services.

As mentioned earlier, this dimension has often been neglected in public–private models and has been seen as an “add-on”. Traditionally, input from the general public has not been included in early phases of a planning project, but in this era of public engagement, residents, NGOs and other civil society actors are seen as key actors supporting the transformation of the city. Among democratic benefits that are more generally expected from participatory governance arrangements is an increase in public interest in politics as well as individual empowerment and knowledge among participating citizens. Participatory approaches are commonly believed to give opportunities to include marginalized communities and citizens, if arranged in a suitable way (Gustafson & Hertting, 2016).
The interest in, and motivation to take part in, participatory governance arrangements vary within the civil society and local community. This sector can be seen as the most heterogeneous group in the 4P model. Gustafson and Hertting (2016) identified three different categories of motives for participation in a study of regeneration projects in Sweden. Some people participated for “the common good”, desiring to participate in discussions, to influence decisions and to improve things in the neighbourhood. Another category of motives was “self-interest” with desires to give voice to a specific group, to obtain better conditions for their family and to learn about politics and democracy. These motives were also common for marginalized citizens, confirming that inclusive processes can be used to empower such groups and individuals. A third category of motives was “professional competence”. People in this category were working with issues specific to the regeneration and had no very personal motives to participate. The participants experienced the regeneration differently, and many times their experience corresponded to their motives.

If the municipality understands why people are interested in taking part in participatory governance arrangements, this can be useful in enhancing the quality of the processes to meet the participants’ expectations.

It is often argued that consultation with civil society consumes resources, but the key benefits for a municipality from an inclusive approach are to reduce political controversy, to create legitimacy for municipal decisions and to increase transparency by making decision-makers accountable for their decisions (Ng et al., 2013). Incorporating views and ideas from the existing and future residents of a brownfield area could be argued to be a necessity rather than an optional choice, so that the public and private actors can understand the needs of the end-users of an area (Kuronen et al., 2010). In this context, the people serve as an important knowledge provider for understanding potential future use of the area and its services, and can also inform about changing lifestyles of potential residents.
Local media can also play a very important role in influencing decision-making processes and the development of brownfields, especially considering large-scale redevelopment. The media can influence the people's opinion about a project (Ng et al., 2013).

3.4. Summary and conclusions

This chapter has explored the three dimensions of public, private and people with the aim of understanding their roles, motivations and strategies in urban development. We have also tried to gain a deeper understanding of these collective actors because it is essential to be aware of the consequences of involving different types of actors in the partnerships. The resources and power of different actors vary between the categories but also within them. For example, whether a private sector partner is a small local company or a multinational firm has different implications for the partnerships. Similarly, the partnership is influenced by which levels of government are involved.

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<td>PRIVATE DEVELOPERS AND LANDOWNERS</td>
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Table 1. Overview of actors and stakeholders (Nordregio, 2016).

Rajaniemi (see Mälkki, Norvasuo & Hirvonen, 2016) roughly conceptualized the relations between government, citizens and companies (see Figure 4), and the approach was further developed by Mälkki, Norvasuo & Hirvonen (2016). The generalization in Figure 4 illustrates the role of local government (the “public”) in steering urban development, while it also shows that it cannot steer the markets where citizens and companies meet. Companies, in turn, have an important role as economic actors, but they cannot steer representative democracy. Citizens are in contact with both government and companies but do not influence the contracts between government and companies. The authors, however, emphasize that the actors also have several roles; for example, public government also makes investments in markets, and company representatives are also citizens. According to Mälkki, Norvasuo and Hirvonen (2016), in good urban development projects, the strengths of each type of actor are utilized: the government provides resources and a long-term development framework, and citizen initiatives organize and activate citizens to act, while companies provide the kinds of services that are demanded and also produce tax revenues for the government.
4. Public–private–people partnerships – balancing conflicting goals and values to co-create shared visions?

The previous chapter presented the main actors representing the “public”, “private” and “people” in urban development processes, and illustrated the complex nature of the net of actors in urban development. From these observations, we can point out various issues that should be taken into consideration when aiming to improve co-operation between and within those groups of actors to achieve better and more inclusive and efficient planning processes.

Balancing between different values and goals is central to all urban planning but may be particularly important and challenging when 4P approaches are implemented in brownfield development processes. There are often large numbers of landowners and developers involved, particularly in brownfield regeneration processes, as well as various actors in the public sector, and involvement of the general public is important. At the same time, the resources of different actors and their goals and values vary.

This chapter discusses some of the main issues that public authorities implementing 4P approaches in brownfield redevelopment must balance. The issues emphasized in this chapter as being important to take into consideration when designing and implementing 4Ps are primarily related to:

- the challenges of combining formal partnerships and informal participation and the general challenges stemming from the different levels of power and influence between actors,
- the challenges of combining efficiency and economic considerations with goals of broad participation and democratic accountability, and
- the challenges of creating common visions and managing conflicting goals.
4.1. Formal partnerships and informal participation

When considering the positions and power of different actors in 4Ps, one of the first issues to reflect on is the formal positions of the different actors in relation to each other in the urban planning or redevelopment process. Different actors or partners have varying resources and power to influence the process and its results (Miraftab, 2004), which is important to reflect on if the aim is to improve inclusion of different groups. The variation in power and resources is present not only between the different categories of “public, “private” and “people” (for example, a small grass-roots association and a large company) but also within the categories (e.g., between a small local enterprise and a large influential developer).

In urban development and planning processes, the resources and power of actors are strongly affected by their formal and informal relations to the public sector organization that facilitates the planning process. There are, of course, many other important aspects as well, but the focus here is on the status of the different actors in the planning processes. This topic is not always sufficiently addressed in planning, and greater awareness and reflection among planners could help to avoid some of the most obvious pitfalls in developing and testing local 4P approaches.

Co-creation in living labs as a method in public–private–people partnerships

The concept of co-creation, and in particular different urban living lab approaches as methods for co-creation, has become increasingly popular in urban planning and development recently. An urban living lab (ULL) is a novel form of experimental governance, although there is no generally agreed definition of the concept, and ULLs have different goals and form different types of partnerships (Voytenko et al. 2016).

ULLs are often seen as forms of 4Ps, and according to Juujärvi and Pesso (2013), ULLs collect different stakeholders to “collaborate to create, prototype, validate, and test new technologies, services, products and systems in real-life contexts”. ULLs aim to involve citizens not only as participants but also as co-creators of knowledge. Typically, ULLs focus on a geographically limited area, such as a district, and they take an experimental approach (Voytenko et al. 2015).

ULLs can be both technically and socially oriented. The technically oriented ULLs aim to produce new or improved services or products, while the more socially oriented ULLs aim at co-created and improved living spaces (Franz, 2014).

In the Central Baltic region, urban living lab approaches have been tested among others during the large-scale brownfield regeneration process of Kalasatama in Helsinki, Finland. The “Kalasatama Smart City Living Lab” has been a platform for developing Kalasatama as a smart city demonstration area and the activities have involved the city, companies, residents and workers (Forum Virium, 2013). Currently, the “Kalasatama Innovators Club” collects city planners, companies and residents to develop and test new smart and sustainable services (Smart Kalasatama, 2016).

For more information about Smart Kalasatama see: http://fiksukalasatama.fi/en

For more information about urban living labs in Europe, see: European Network of Living Labs http://www.openlivinglabs.eu

Researchers have emphasized that partnership and participation are based on different principles, ideals and norms, and it is challenging to combine them (see, e.g., Higdem & Hanssen, 2014). While the concept of partnership refers to negotiations between equal parties formalized by contracts and agreements, the traditional discourse on public participation and local democracy is based on the opportunities of making one’s voice
heard in, for example, public hearings (Higdem & Hanssen, 2014). In general terms, it can be stated that private-sector actors often engage with the public sector in partnerships (based on the principles of “network governance”), while the general public’s involvement is mainly in the form of participation (based, in turn, on the principles of “hierarchical governance”) (Higdem & Hanssen, 2014).

It has been noted that the principles of public–private partnership may be particularly problematic in the Nordic planning context, where the ideals of participation and openness are central (Mäntysalo & Saglie, 2009). This is mainly because partnerships between public and private often imply secrecy and decreased transparency affecting the possibilities for public influence (Mäntysalo & Saglie, 2009). When binding public–private agreements are made, private law may also require secrecy, which brings about challenges to participation (Mäntysalo & Saglie, 2009). Lack of transparency can also lead to a lack of democratic accountability when signals from elected politicians may not be able to influence the decisions made by the partnerships (Higdem & Hanssen, 2014).

The foresight process in developing regional planning strategy in Hedmark, Norway

Although there are many challenges in combining partnerships and participation, and adding “people” to public–private partnerships, there have also been attempts to identify methods for addressing the challenges. For example, Higdem and Hanssen (2014) presented a broad foresight process in developing a regional planning strategy in Hedmark in Norway and showed how the principles of partnerships and participation were combined in it.

The process started with four broad surveys mapping the views of key actors and citizens followed by in-depth interviews. “Future workshops” with municipalities, private sector actors, NGOs, and civil society actors were another key feature of the process, and representatives participated from traditional interest groups, minority groups (e.g., the Arab Cultural Organization), the R&D sector, local authorities, and development agencies. A separate workshop was also organized for young people (Higdem & Hanssen, 2014).

In the process, these participatory activities including a variety of actors were accompanied by a partnership. However, compared with the usual processes, the partnership had a more distant role and functioned mainly as a reference group. The political leadership (county council and county executive board) played a key role and made all formal decisions, which strengthened the public trust and legitimacy. In addition, the local politicians also participated in the workshops, which improved the democratic anchorage (Higdem & Hanssen, 2014).

Another challenge in combining partnership and participation lies in the “narrow involvement of resource-controlling actors” in partnerships (Higdem & Hanssen, 2014). Partnerships between public and private actors often include actors that are already strong while excluding others (Higdem & Hanssen, 2014). Exclusive partnerships may serve the interest of powerful actors instead of searching for the “common will” or “common good” (Higdem & Hanssen, 2014). It is, however, important to point out that actors outside formal partnerships, such as NGOs, are not without power and may use different channels to influence the process in a way that is not desirable from the perspective of the established public–private partnership (e.g., Ng, Wong & Wong, 2013; Klijn & Teisman, 2003).

A further challenge in combining partnerships and participation is the temporal aspect of when partnerships and participation occur during the planning process. Agreements between public and private actors are often made early in the planning process before the official public participation process starts, which has an effect on which issues can still
be influenced by participation (Mäntysalo & Saglie, 2009). For example, in Finland, the planning legislation leaves a gap between public–private partnerships that tend to be established early in the process and participatory planning that comes later in the process (Mäntysalo & Saglie, 2009).

In conclusion, it is important to be aware of the differences in power and influence possessed by the actors participating in partnerships on the one hand and in participatory measures on the other hand. If the objective is to strengthen the role of citizens in planning processes, the public authority should aim at finding a good balance between partnerships and participation to ensure appropriate influence for all actors, as well as transparency of the partnership to all participants and the elected politicians.

There are unlikely to be one-size-fits-all solutions on how to combine formal and legally binding partnerships between the public and private sectors with wide participation of the general public in participatory methods or as partners. It is, however, useful to keep these issues in mind when considering how to involve private companies on the one hand and the general public, NGOs and other civil society actors on the other hand.
Malmö’s co-operation model for urban regeneration

The city of Malmö, Sweden has developed a model for regeneration of urban areas in co-operation with private and public actors, and local residents and associations. The aim in developing the model was to co-operate to improve the efficiency of redevelopment projects and to ensure that local knowledge was incorporated in planning alongside expert knowledge. This overview is based on a report from the City of Malmö presenting the model (see City of Malmö, 2013).

The model does not function as a stand-alone guide for regeneration processes but sets out important issues to consider. The factors to reflect on are illustrated in Figure 5. First, the actor responsible for a regeneration process must recognize and take into consideration some basic requirements that must be fulfilled to co-operate successfully with private actors and residents (see “Basic requirements” in Figure 5). It is important to ensure that there are one or several actors with clear mandates to start and implement the regeneration process. If the aim is to co-operate with residents, it is naturally also necessary that there should be residents or other actors active in the area, who can contribute their local knowledge. It is also essential that the responsible actor should have an interest in creating added value (beyond the actual physical regeneration), such as improving democracy or equality.

There are several factors that must be analysed to support the co-operation process (see “Influencing factors” in Figure 5). It is important to analyse the current situation, which means analysing, among other things, relevant stakeholders and the geographic characteristics of the area. It is also important to ensure the availability of appropriate competences in the municipal organization and to analyse the formal and informal organizational culture of the responsible actor (usually the municipality), to ensure that the organization is open and capable of co-operation. Furthermore, it is important to analyse and ensure the availability of financing before involving other actors, to avoid false promises that cannot be fulfilled because of lack of financing.

Three different types of co-operation platforms are a core part of the model (see “Platforms for collaboration” in Figure 5). One platform includes different methods to improve collaboration across departments in the municipal organization, while two platforms focus on collaboration between the municipality and actors such as real estate owners, business owners, employers, service providers and NGOs, and between the municipality and the residents. As indicated in Figure 5, the platforms partly overlap to ensure co-operation between all actors.

The model also presents two main tools to support designing co-operation methods (see “Tools” in Figure 5). On the one hand, the tools help to identify how different stakeholders are influenced by the planned regeneration, while on the other hand, they help to decide how much each stakeholder should be involved in the process. These analyses will then help in choosing the right types of practical involvement methods.

For more information on the model, see (in Swedish):
http://malmö.se/download/18.6559ffe5145840d28d62bf7/1398428088202/Modell+f%C3%B6r+Fysisk+stadsf%C3%B6rnyelse++samverkan.pdf
**DIMENSIONS OF Malmö’s Model**

<table>
<thead>
<tr>
<th>BASIC REQUIREMENTS</th>
<th>INFLUENCING FACTORS</th>
<th>PLATFORMS OF COLLABORATION</th>
<th>TOOLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Responsibility</td>
<td>1. Analysis of the situation Stakeholder analysis: Which actors exist? Who has mandate and resources over urban planning? Analyse current development and plans. Make a norm critical study of the site.</td>
<td>1. Level of effect This tool is used to identify how much the different actors are affected by the regeneration process. The level of influence is decided, depending on the level of affect.</td>
<td></td>
</tr>
<tr>
<td>One or more actors have clear responsibility, mandate and legitimacy to drive the process.</td>
<td>2. Competence assurance Assure competences on project management, communication, co-operation, management of democratic processes and conflicts.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Physical regeneration</td>
<td></td>
<td>Municipal internal coordination Is affected by factors such as the structure and culture of the organisation, Grade of openness to try new forms of work.</td>
<td></td>
</tr>
<tr>
<td>The physical change of an area is at the centre of the process that will be carried out in co-operation between various actors.</td>
<td>3. Common understanding of the regeneration process It is important that there is a common understanding early in the process. Internally and with key actors.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. The site</td>
<td>4. Analysis of current organisation structure and culture Identify synergies between actors with different Roles and commissions.</td>
<td>Actor cooperation Can be organized in a variety of ways. Level of concreteness and scope of time affect interest from citizens</td>
<td></td>
</tr>
<tr>
<td>There are residents and other local stakeholders to co-operate with.</td>
<td></td>
<td>Citizen cooperation Can be organized in a variety of ways. Level of concreteness and scope of time affect interest from citizens</td>
<td></td>
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<tr>
<td>4. Added values</td>
<td></td>
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<tr>
<td>The driving actor who searches for possible synergies.</td>
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</table>

Figure 5. Malmö’s cooperation model for urban regeneration (Source: City of Malmö, 2013 & Nordregio’s own elaboration).
4.2. Balancing efficiency and economic considerations with legitimacy, public input and liveability

Sharing risks, costs and benefits while implementing projects more efficiently with better profits are some of the main benefits argued to be behind the popularity of public–private partnerships (e.g., Klijn & Teisman, 2003). However, the focus on reaching the goals of efficiency and savings in the public sector and profits for the private sector has been criticized for resulting in challenges of, for example, limited public input, lack of transparency and also limited considerations for liveability and good urban environments.

Although the criticism primarily concerns public–private partnerships and not 4Ps, the balance between factors such as efficiency and legitimacy or democratic accountability is important to keep in mind when aiming to build well-functioning 4Ps while trying to avoid the pitfalls of public–private partnerships. This section discusses some of these challenges and the need to consider balancing efficiency with legitimacy and profit-making with liveability and creation of better urban spaces.

In particular, partnerships that use traditional purchaser–provider models1 as one of their tools sometimes lack public input, particularly in the early stages of planning (Ng, Wong & Wong, 2013). Partnerships with limited public input often focus on “value-for-money from a financial perspective”, while the views and interests of the general public may not be sufficiently discussed or considered, especially during the early stages of project planning (Ng, Wong & Wong, 2013). Stakeholder opposition (e.g., protests from NGOs or residents) is a major cause of failure for many public–private partnerships (Ng, Wong & Wong, 2013), which in itself may encourage the actors in partnerships to engage with a broad variety of actors from an early stage.

The focus on efficiency is related to the aim of ensuring economic sustainability. Many large-scale urban development projects are found to focus on increasing land values and do not sufficiently consider the characteristics of the specific place and the local community (Schmidt-Thomé, 2015). If contracts are established in a way that does not set requirements for the developer, the developers are likely to focus on financial profits at the expense of issues of liveability and good living environments (Schmidt-Thomé, 2015). The public sector’s role here is to ensure the commitment to public benefits when implementing partnerships to avoid projects that focus on profitability and do not result in good urban landscapes (Fainstein, 2009).

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1 Purchaser–provider models mean (depending on the country context), e.g., public purchasing of private planning services or public purchasing of transport services.
In her dissertation, Schmidt-Thomé (2015) presents a place-based approach as one potential way to balance between creating urban regeneration megaprojects that focus on competitiveness on the one hand and bottom-up projects focusing on liveability on the other hand. Contrary to megaprojects in which urban regeneration is done for its own sake, place-based and place-generating approaches to urban regeneration take the specific characteristics and problems of a specific place as their point of departure. They introduce an improved appreciation of local knowledge and expertise, which may help to avoid copy-pasting one-size-fits-all solutions to different contexts with less successful consequences (Schmidt-Thomé, 2015). As examples of practical tools utilizing place-based knowledge to improve the context-sensitiveness of urban regeneration projects, Public Participation GIS (PPGIS) methods are highlighted (Schmidt-Thomé, 2015). The potential of PPGIS-methods is that they give planners and other partners an improved understanding of the actual problems and needs in an area and how they could be solved with co-operation between actors (Schmidt-Thomé, 2015).

4.3. Creating common visions and managing conflicting goals

The involvement of a variety of actors always brings a variety of goals and values into an urban regeneration project. Public authorities must be skilled in managing and facilitating projects involving “public”, “private” and “people”, and in handling goals that may stand in conflict. Conflicts are at the core of all planning, and planners meet challenges presented by conflicts every day. As planning shifts from “government” to “governance”, it includes more actors in more complex networks, making conflict management even more central in planning (Pløger, 2004). Both partnerships and participation will always include situations of conflict and critical actions between actors (Pløger, 2004). Different
stakeholders can have different views on the aims of an urban regeneration project. This means that a project can, for example, be deemed simultaneously successful and unsuccessful, based on which stakeholders’ values are used in evaluating the project outcome (Schmidt-Thomé, 2015).

4P method in co-creating a vision for Suurpelto, Espoo, Finland

The process leading to a development vision of the Suurpelto area in Espoo involved a variety of public and private actors and residents. It is also one of the few processes that has been researched and evaluated from a 4P perspective and defined by researchers as a 4P process (see Staffans et al., 2009).

4P approaches have been utilized in the area at both the steering and operational levels (Malin, 2014). In the beginning of the process, a working group consisting of representatives from the city organization, universities and technology companies was first established to develop a vision for the area. While this working group excluded representatives of residents, a parallel resident working group was also established. The two working groups met regularly to develop the vision (Malin, 2014).

A steering group was also established to monitor the process. This group consisted of representatives of the city, landowners and private developers and other private actors with central roles in implementing the future plans for the area. The steering group has also functioned as a way to ensure flows of information between the city, landowners and developers (Malin, 2014).

The co-operation forms that were established during the vision phase were utilized when designing new solutions e.g., for waste management or services for the area (Malin 2014).

Conflicts between actors are often seen as only solvable by legal or political means. Ploeger (2004), however, emphasized the need for seeing conflicts as fruitful and “constitutive to politics, participation and democracy” (p. 75). Drawing from an example of a Danish urban regeneration project in which both participation measures and partnerships were implemented, Ploeger (2004) suggested that strife should be put at the centre of planning. This could lead to a more central role of “everyday knowledge of life” in policy and planning because the considerations of local people would be better taken into consideration, and the related conflicts would be taken seriously. Ploeger suggested that participatory processes should focus on being open and finding temporary solutions instead of forcing permanent solutions by hiding conflicts. Processes should respect difference in open-ended processes that actually promote the often-despised “never-ending dialogue” and should accept the plurality of discourses (Ploeger, 2004). Mäntysalo (2015) advocated the ideas of “agonistic democracy”. This means openly addressing the conflicts that arise in planning processes and recognizing the tensions that exist between the different possibilities of influence between partnership and participation or, in other words, the landowners and developers taking part in partnerships and the “people” taking part via participation measures.
“Open to the world” - Setting a vision for Älvstaden, Gothenburg, Sweden

Älvstaden stretches through the central part of Gothenburg on both sides of the river. Historically, parts of Älvstaden have been important for trade and shipping. The area is vast and contains, among other things, a business centre with many greyfields, the city’s central station and land occupied by roads, small businesses and organizations.

To involve all stakeholders in creating a common idea for the future of Älvstaden, the city executive board initiated a process to create a vision for this geographical area. The municipality of Gothenburg hosted a consultative citizen dialogue to get to know the residents’ views on the future life in the city. The dialogue process was part of building the foundation for the process of drawing up the vision. It took place in an early and abstract phase of the physical planning process and played an important role for the formal vision for Älvstaden – Vision Älvstaden.

Other actors, apart from the widely targeted “public”, that were involved in outlining the vision for Älvstaden were the private sector, academies, various parts of the municipality and experts on sustainability. Workshops with international guests were also part of the process, as well as several investigations.

The dialogue – a process to draw recommendations for the common vision

The dialogue process was used to formulate recommendations as input to the work on a vision and strategy for Älvstaden. Recommendations were also formulated for future dialogue processes for Älvstaden. Vision Älvstaden is now one of Gothenburg’s most important strategic documents for urban development in the city.

A special focus was on the participation of children and youth. Even though the dialogue included residents from all over town, some groups were targeted specifically. Many methods were used, and a web site has enabled outreach, communication and feedback. Target-group analysis was important for adapting participatory methods to suit different groups. In the end, about 2800 people contributed with thoughts and ideas about life in the future city.

Communicating such an abstract mission as creating a vision for the development of an area has been difficult. This has contributed to making it difficult to recruit the public to participate. Some other challenges have arisen along the way because of the time-consuming character of co-operation between several actors. The timeline was tight, and the process has not always been sufficiently rooted. Some partners have lacked enough resources for the process and have not always seen its relevance for them. Some factors in the organization of the dialogue process have contributed to its implementation. The clear structure for the dialogue process, with a timeline from an early stage, was a great support. Organizers found that the level of influence was realistically estimated, and the end product – recommendations for the process of creating a common vision – was clear from the beginning. Continuity in the use of methods has been helpful for drawing conclusions, and the possibility of tracing all inputs will allow the material to be used in other projects.

A continuous challenge for implementing the vision, approved in 2012, is that it is open for interpretation at the same time as it is supposed to steer the city’s development. How, then, should it be translated into practice? Because the project will run for many years, a joint challenge is to inform new professionals and to keep track of the interpretation of the vision – what it really means when changing the physical structure in this part of Gothenburg (Brorström, 2015).
5. Potentials and challenges in 4P approaches – summary and conclusions

4Ps are a relatively new concept developed to improve the inclusion of actors outside the public sector in planning processes to make planning more efficient and more inclusive. It is also a way of responding to the challenges of public–private partnerships by strengthening the position of the general public in planning. As the approach is still novel, it is important to reflect upon the challenges and potentials before and during the implementation of 4P approaches. This Working Paper has presented research of relevance for understanding 4P and has shown some examples of how different cities have worked with the involvement of public and private sector actors and citizens. In this chapter, we highlight some general key issues that we find are important to keep in mind and to reflect on when designing 4P approaches in planning processes.

It must be remembered that 4Ps are part of a wider transformation in the way that our cities are planned and governed. As discussed in Chapters 2 and 3, the inclusion of actors outside the public planning organizations is seen as increasingly important for reaching planning goals in an efficient manner, by pooling resources and sharing risks. 4Ps are one way of achieving that.

In general, when analysing, for example, the cases presented in this paper, it becomes clear that it is not very common yet for cities to work in a very co-ordinated way with approaches following the 4P principles. The aim of 4P approaches in general is to involve various actors in ways that could improve economic and time efficiencies (e.g., by involving developers early to shorten the temporal gap between planning and implementation) but also to ensure openness and public input (e.g., by including citizens in generating planning visions together with planning officials, landowners and developers). The inclusion of multiple actors in the same process is a challenge, but urban development processes that actually adapt a 4P approach have the potential to address the lack of transparency and legitimacy – which is among the main challenges of public–private partnerships.

The inclusion of citizens in planning and policy-making is considered to be essential for strengthening democracy and for the legitimacy of planning. It should, however, be noted that the residents and other members of the “people” category have very different abilities to be part of lengthy urban development processes compared to public- and private-sector actors. When designing and testing 4P approaches, it is therefore important to identify the different actors that must be involved and to be aware of the variety of actors between and within the categories of “public”, “private” and people”.

In the Baltic Urban Lab project, the city partners are asked to map their main stakeholders and to use their analyses as a basis for designing the different stakeholder involvement measures and 4P approaches that they will test during the project. Continuous reflection on the types of actors, their resources and formal and informal roles in the planning process is necessary when designing 4P approaches to enable influence from different stakeholders and to avoid exclusive influence of already strong and influential actors.

An issue that must be highlighted is the formal position of the different actors in the planning process. An actor’s position in relation to the public planning authority affects the possibilities of influencing the process. Private companies (e.g., developers) mainly take part in planning processes through more or less binding and exclusive partnerships and contracts. “People” (e.g., residents or NGOs) tend to be included through participatory
measures of more spontaneous character (Higdem & Hanssen, 2014). The participatory methods are less likely to have direct influence on the process, and the resulting decisions as the result of participatory measures are non-binding. Furthermore, participation of the general public often takes place later in the planning process compared with the involvement of private actors. This difference in the extent of formalization of partnership and participation is a factor that should be kept in mind. The public sector might need to work actively on the issue to balance the differing conditions.

In many cases, private actors and the general public are included in separate processes, but 4P approaches may have the potential to bridge the gap between partnerships and participation. 4P approaches may bring the processes of including private actors and “people” closer together if the challenges are recognized and addressed. The result should be planning processes that are both more efficient and more inclusive.

When the partners of the Baltic Urban Lab project start developing and testing their 4P approaches in 2016, more will be learned about the possibilities and challenges of these ways of working. During the project, Nordregio will observe and analyse the pilot actions from the perspective of the main questions asked in this Working Paper related to, for example, what can be done to involve private actors and residents successfully in planning processes, what are the challenges, and what can be gained from successful 4P approaches. A final report on the lessons learned from the project will be available in 2018.
References


