Tensions in Nordic urban planning

Urbanisation is strong in the Nordic countries (see map on page 3), with people and capital being concentrated into growing, expanding city regions. These urbanisation processes of concentration and expansion, and explosion and implosion are challenging traditional forms of planning and creating tensions within current planning systems and procedures, along with new forms of urban governance and policies in a number of ways. In the current age of austerity, there is an increased interest and need in finding new solutions and alternatives to provide housing, offices and other services to the new citizens. In addition and in parallel to this, in post-political Europe, there is also an increased emphasis on citizen engagement and public participation because of the perceived gap between politics and people’s everyday lives.

The seemingly contradictory processes of urbanisation and the notions of austerity and post-politics are clearly visible and materialised in current changes and developments in the Nordic planning systems and practices. In this issue of Nordregio News, some of the tensions created by this are explored by focusing on recent reforms, initiatives and developments in the Nordic planning systems. The issue focuses specifically on the tensions between a more market-oriented planning and the Nordic tradition of employing open and democratic planning processes. This strained relationship can be understood through academic terms such as legitimacy vs effectiveness, or governance vs

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empowerment, as well as in more everyday language such as business
management vs public participation. The aim is to stimulate debate on
urban policy and politics around some of the key planning questions
such as where are these initiatives and experimentation leading, is it a
desirable direction, and for whom?

In the first article of this issue, Changes and inherent tensions in
the Nordic planning systems, Lukas Smas and Christian Fredricsson
from Nordregio provide a brief overview of recent changes in Nordic
urban planning systems with a focus on the tensions between market
orientation and public participation. They raise issues concerning
policy challenges in relation to municipalities’ planning practice,
as well as political challenges on a more general level in relation to
how planning systems are designed and developed with regard to, for
example, strategic and comprehensive planning.

The relation between municipal comprehensive planning and
regional development policies is the topic of the second article,
Bridging the gap between municipal planning and regional growth
activities by Daniel André and Kajetonas Čeginskas from Boverket.
They present lessons from a national programme for improving
cooperation between physical (spatial) planning and regional growth
activities initiated jointly by Boverket and Tillväxtverket. The article
highlights a number of pilot projects that have developed different
forms of multilevel governance with the aim of improving cooperation
between physical planning and regional growth activities.

The third article, Revising Finnish planning legislation: more
agonism? is by Raine Mäntysalo from the Centre for Urban and
Regional Studies at Aalto University, Finland, and reflects on the
tensions in planning procedures and practice within the Finnish
Land Use and Building Act. More specifically, it raises the inherent
contradictions between public participation and landowner rights in
planning processes and argues that the Act potentially needs to be re-
examined with regard to its relationship with democracy.

All three contributions highlight in different ways the tensions
between economic growth and social inclusion in contemporary neo-
liberal urbanism.

Please enjoy reading this issue of Nordregio News!

Lukas Smas
Senior Research Fellow

and the Editorial Board of Nordregio News
Total population change in 2003-2013

- Approximations of the areas within which 80% of the total population increase took place in each country

- Population increase > 10.0%
- Population increase 0.0 - 10.0%
- Population decline

Data source: NSIs
Changes and inherent tensions in the Nordic planning systems

By Lukas Smas & Christian Fredricsson

Recent initiatives and reforms of the planning systems in the Nordic countries (e.g. 2007 in Denmark, 2009 in Norway and 2011 in Sweden) have emphasized the strategic element in urban and regional planning. This is in accordance with international trends and a general shift away from planning by rules to planning by goals, from land use-oriented planning towards more strategic forms of planning (Albrechts, 2004). However, the increased emphasis on strategic spatial planning partly clashes with more traditional regulatory frameworks, thereby creating increased tensions between, on the one hand, transparent, inclusive and democratic planning processes, and on the other, efficiency and new forms of market-oriented management – in short, between “input legitimacy and output efficiency” (Mäntysalo, Saglie, & Cars, 2011).

An uneasy relationship is emerging between strategic and comprehensive planning in the Nordic planning systems. Although strategic (spatial) planning is not incompatible with comprehensive (land-use) planning, these two streams of planning have different logics and traditions. While comprehensive land-use planning has its roots in the public sector, regulations and intervention in the market with a focus on “the public good”, strategic planning has its roots in the business world and the management of organizations. The notion of strategic planning emerged in the 1980s as a response to the increasingly complex urban reality, environmental concerns and political shifts. However, strategic spatial planning is not a “single concept, procedure, or tool”, but a framework that involves a number of elements, as summarized by Louis Albrechts in dualistic terms and tensions:

- content and process, statics and dynamics, constraints and aspiration, the cognitive and the collective, the planned and the learned, the socioeconomic and the political, the public and the private, the vision and the action, the local and the global, legitimacy and a revised democratic tradition, values and facts, selectivity and integrativity, equality and power, long term and short term (2004, p. 754).

Strategic planning means working for societal goals, and being selective with a focus on implementation and evaluation. It usually requires resources and acting beyond traditional comprehensive
(regulatory) municipal or regional planning; hence, the emphasis on governance (over government). Working through networks and collaborations is therefore a main tool for strategic planning. This may mean multilayered governance interactions and/or cross-sector collaboration with the private sector and civil society.

More integrated approaches to planning with a focus on integration across sectors and policy fields of different levels of government, as well as of neighbouring municipalities and regions, are explored by both planners and researchers as a way of merging the two planning logics, that is, land use and strategic planning (Smas, Damsgaard, Fredriksson, & Perjo, 2012). For example, the integration of regional growth policies with urban planning is stressed as an important challenge for current and future spatial planning in Sweden. This issue is further developed by Daniel André and Kajetonas Ėginskas in their contribution to this issue of Nordregio News (Planning collaboration between sectors).

**Shifts and changes in the Nordic planning systems**

From an international perspective, the Nordic planning systems are described as being characterized by comprehensive planning; however, there are also traces of other types of planning traditions such as regional economic planning and land-use management, and increasingly by strategic forms of planning. One of the commonalities between the Nordic countries is that the planning systems have an urban development and municipal focus. There are nonetheless significant differences between the planning systems with regard to, for example, the relationships between national authorities and local municipalities, and concerning the role of the regional level in regional planning.

Furthermore, the Nordic administrative systems are often characterized as having a relatively strong and independent municipal level but a rather weak regional level. However, there are multiple subnational administrative regional levels in all of the Nordic countries, and there are significant differences between the Nordic planning systems with regard to interaction between different levels and the planning instruments (i.e. strategic, framework and regulatory instruments). The general structure of the Nordic planning system with its three levels of government – national (state) level, regional (subnational) and local (municipal) – is still intact but regional and municipal mergers are continuously being discussed as well as the function of the regional level within the national system.

In 2007, the number of Danish municipalities was reduced from 271 to 98, and the former counties were replaced by five new administrative regions with the aim of creating larger and more efficient administrative units. The reform also included significant legal and administrative changes to the planning system, for example, by
reducing the importance of the regional level. In 2015, the Norwegian government initiated a reform process of the municipal and regional structure, encouraging municipalities to merge to create larger and more robust entities. A reform of the regional structure in Sweden has been discussed for decades, without any overall reform but with different experiments based on bottom-up initiatives.

All Nordic states have comprehensive municipal plans but their legal status, form and content vary, as does the involvement of regional and state levels in municipal planning. The comprehensive municipal plans and local plans that regulate land use are the key planning instruments in the Nordic countries, but their legal mandates differ. For example, in Sweden the comprehensive plan is not legally binding while Finland has a legally binding regional land-use plan (as well as a comprehensive municipal land-use plan that is legally binding). It is, however, important to recognize that the mandate of a plan is not only determined by its legal status, but is rather dependent on its political and institutional support.

In both Denmark and Norway, the legally binding comprehensive plan is complemented by more flexible planning strategies. However, whereas there is steering of regional land-use planning in Norway, the regional level has been detached in the Danish land-use planning system and is thus more similar to Sweden, even though the regional structure within Sweden is fragmented with different responsible authorities and mandates for different regions. The institutional and structural reforms of recent years have also further diversified the Nordic spatial planning systems, even if there is common concern regarding how to be efficient and democratic, and cater to both the demands of private developers and businesses, as well as to meet the needs and expectations of civil society.

**Inherent tensions and constrained partnerships**

The relationships between the public, the private and the people in the detailed regulation process are another differentiating issue in the Nordic countries. There appear to be increased tensions between, on the one hand, the Nordic ideal of a transparent, inclusive and democratic planning process, and on the other, efficiency and new forms of market-oriented urban governance emerging in the Nordic municipalities. As illustrated by the citation from Albrechts (2004), this tension can be understood through the academic terms of legitimacy and effectiveness, or governance and empowerment, but also in the more everyday language of efficiency and effectiveness, business management and public participation. In planning practice, this tension has taken the form of an increased pressure on public authorities to speed up municipal planning processes, in addition to municipalities experimenting with dialogue-based models for improving public engagement (Fredricsson & Smas, 2013).
There is also a new stream of public–private–people partnerships that aim for co-creative planning approaches with the promotion of integrated urban planning activities and the joint development of new solutions. These models reflect increasingly complex processes, which often require high internal competence of the municipality with regard to both legal procedures of public–private co-operation and the involvement of citizens in a positive way. Furthermore, an increased scalar tension between local and global is emerging in the new forms of market-oriented urban governance in the Nordic municipalities. There are limitations to local interventions in, for example, property development and the housing market, which are not only dependent on local regulations but also on more complex sets of relationships, including global financial relationships far beyond the influence of local authorities.

The tension in the planning paradox between legitimacy and efficiency, public and private, and government and governance is further exemplified in this issue of Nordregio News by Raine Mäntysalo who provides deeper insight into the specific contradictions in Finnish planning practice (Revising Finnish planning legislation: more agonism?). We can also see similar neoliberal tendencies in other Nordic countries but where the Norwegian planning tradition with a high degree of private involvement stands out. In Norway, almost 90% of detailed plans are developed by private actors, which means that planning responsibility is to a large extent delegated to private actors (Hanssen & Falleth, 2014). In Sweden and Denmark, the municipal planning monopoly remains strong but is at the same time challenged by market-oriented influences. This raises important political challenges and questions in not only the planning practice of municipalities, but also on a more general political level in relation to how planning systems are designed and developed.

References:
Bridging the gap between municipal planning and regional growth activities

By Daniel André & Kajetonas Ėginskas

Boverket (the Swedish National Board of Housing, Building and Planning) and Tillväxtverket (the Swedish Agency for Economic and Regional Growth) have been jointly commissioned by the government to monitor and support a number of pilot projects to develop different forms of interaction and multilevel governance with the aim of improving cooperation between municipal planning and regional growth activities. The mobilization of different actors at different levels is seen as necessary for the successful development of regional growth policies, and multilevel governance is part of the solution.

The different dimensions of governance are thus at the core of this issue. On the one hand, we have the increased importance of cross-sector collaborations and the so-called horizontal dimension of governance that includes both public and private actors in networks. On the other hand, there is the increased importance of vertical collaboration between municipalities, regions and national agencies. In addition, research has emphasised a transnational dimension in the increasingly complex governance network with “a widespread exercise of power in the form of negotiations and collaboration within networks, between public actors, other public bodies and private actors, such as companies and civil society organisations” (Tillväxtanalys, 2014, p. 18).

Government expectations, national initiatives and policy

For many years, Boverket has followed the progress of the relationship between regional growth and municipal physical planning. The agency has noted a growing interest from the Swedish government in developing the links and interactions between regional development strategies and municipal comprehensive plans. This is reflected in the National Strategy for Regional Growth and Attractiveness 2014–2020 and in the government’s budget proposals, where a clearer spatial perspective at the regional level has been emphasized in recent years to facilitate interaction with municipalities. Accordingly, the government aim at promoting multilevel and multisector collaborations in regional growth work. A successful implementation of the policy requires “interaction between the EU, national, regional and local levels, where the starting point is regional development strategies” (Ministry of Enterprise, Energy and Communications, 2014, p. 3).
Following the government’s stated ambition to create distinct co-ordination between regional development strategies and municipal comprehensive plans, Boverket and Tillväxtverket were commissioned to design and implement a programme for strengthened local and regional collaboration between physical planning and regional development for 2013–2015. The programme addresses municipalities and regional growth actors who are given the opportunity to increase their knowledge, exchange experience and obtain funding.

In previous publications, Boverket has stated that there are shortcomings in collaboration between municipal comprehensive plans and regional growth initiatives (Boverket, 2012, 2014). It has been noted that there is a great and largely untested potential to add a physical dimension to regional growth initiatives and development strategy. For example, links between regional growth activities and land use are poorly developed. The need for exchange of experience within and between municipalities and regions remains. Improvement of the interface between municipal planning and regional growth initiatives is also required, as well as between different policy areas. Boverket and Tillväxtverket have considered these issues in the development of their programmes to promote strong local and regional growth as well as increased collaboration between the planning sector and different planning levels.

The Boverket and Tillväxtverket initiatives focus on disseminating knowledge and experience by offering a forum for dialogue between actors working with regional development and physical planners in the municipalities. By means of various publications, seminars and conferences, the main purpose of the forum is to bring these two professions together to help actors better appreciate the importance of physical planning for growth. The programme also aims at promoting local and regional learning through the joint financing of 15 pilot projects with municipal, intermunicipal and regional approaches. The approach and formulation of issues in the pilot projects clearly illustrates the current situation regarding collaboration in Swedish planning in practice.

**Local and regional pilot projects for collaboration and interaction**

The goal of the pilot projects is to provide support for actors who wish to work strategically and test new methods to strengthen collaboration between different government levels and across different policy fields. The 15 pilot projects differ in terms of structure, conditions and geography (p. 3). The projects can be divided into municipally, intermunicipally and regionally focused actions. The development of collaboration between different actors horizontally as well as vertically is key, regardless of whether this takes place within individual municipal boundaries, between a number of municipalities in a subregion or in whole regions. However, the methods they apply differ.
In Jämtland, the region is working with the county administrative board and the three municipalities of Åre, Krokom and Östersund to strengthen the “Jämtland route”. The focus of the project is on the common labour-market region along the railway and highway route beyond the municipal borders. A cross-cutting working group was established, consisting of officials from different backgrounds such as physical planners and business sector developers, and a steering committee of politicians. At the same time, all three municipalities worked actively during the period of the project on preparing new comprehensive plans for the municipalities. At all meetings, the conscious choice was made not to refer to municipal names or borders. Very close cooperation has been developed over the course of the project between the officials of the three different municipalities as well as within the municipal organisations. One challenge will be to maintain these relations after the project period has concluded and to find structures and forms for continued dialogue at the political level between the municipalities.

Skaraborg municipal association is currently developing a spatial strategy (leitbild) for the region to strengthen the local and regional conditions for sustainable growth. To this end, the conditions for growth in different parts of Skaraborg were surveyed and seven strategies for growth were then developed in collaboration with politicians, officials, representatives from trade and industry, cultural and other associations. These strategies have the common purpose of establishing a common agenda for growth and development in Skaraborg. Based on the survey of Skaraborg’s structural preconditions, in which both imagined and real physical obstructions were indicated and the proposed strategies, meetings were held as part of the project with all municipalities to identify key projects, which ranged from infrastructure projects to developing physical meeting places. It is expected that these key projects will guide planning and bring together resources from actors at different levels to realise the unique potential of Skaraborg.

The municipality of Arjeplog is a sparsely populated area far from the regional centre. The municipality’s goal is to reduce the number of steering documents and clarify the links between the municipality’s budget, operational planning and the regional development strategy. Specific efforts were made to strengthen dialogue between trade and industry and the citizens of the municipality, and to involve the entire municipal organisation in clarifying the responsibilities and the role that each one has in achieving concrete development initiatives. One challenge that was identified during the project concerned making the regional level aware of the special conditions that small municipalities such as Arjeplog face, including long distances and limited resources. It is expected that ways will be found to continue fruitful dialogue between local and regional actors that in turn will enable result-based work following common priorities.
In Ockelbo municipality, working methods have been developed to involve citizens and trade and industry in the task of developing an attractive and functional centre. The steering group consists of entrepreneurs, politicians and officials. Among other issues, the project has demonstrated the importance of feedback to citizens, the difficulty of involving small property owners with limited resources for participating in the project, and the need for the trade and industry unit, the technical unit and the planning administration unit to take joint responsibility for the municipality’s development issues.

**Challenges and potential for multilevel collaboration**

The ongoing pilot projects share many similarities as well as differences. Common to all is the recognition of the need to co-ordinate efforts, both internally and externally. The concepts and methods used reflect differences in geographical and demographic conditions. Dialogue is at the core of all projects, even though the parties involved may differ. The comprehensive municipal plan, in addition to other central strategy documents, plays a central role in many of the projects, and discussions and physical meetings constitute a central method of translating and realising its contents.

The working methods used in the projects place demands on the municipal and regional organisations, both institutionally and in terms of individual skills. For example, physical planners need to have basic knowledge of business drivers as well as expertise in the areas of negotiation and dialogue with citizens, which include having an awareness of the diversity of civil society, providing feedback from project results and putting into practice the outcomes of dialogue. This development involves serious challenges, as well as opportunities, and highlights the importance of the largely unregulated, informal planning process that is constantly ongoing, often in parallel with the formal planning process.

The geographical spread of the projects and their institutional and organisational conditions also highlight the challenges that come with the ambition of extended planning collaboration between sectors. Challenges not only involve different planning cultures, vague knowledge of each other’s areas of responsibility, and a lack of data, statistics, tools and methodological knowledge, but also the financial and human resources for the planning actors in charge. It is clear that conditions differ considerably between the involved actors in terms of utilising and incorporating the goals of the new policy. In this regard, the government has a responsibility not only to formulate policy contents, but also to ensure that the actors concerned are given the necessary tools in the form of resources to implement the desired policy. The gap between the intention of the policy and its implementation not only reflects the consequences of the rapid transformation of society and the debate about large regions, but also highlights the issue of the ability of small municipalities to meet the new demands.

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- Boverket (2012). Rumslig utvecklingsplanering
Revising Finnish planning legislation: more agonism?

By Raine Mäntysalo

Section 1 of the Finnish Land Use and Building Act (132/1999) sets high ideals for planning democracy, proclaiming that its general objective is “to ensure that everyone has the right to participate in the preparation process, and that planning is high quality and interactive, that expertise is comprehensive and that there is open provision of information on matters being processed.” However, the Act ensures certain privileges for landowners in planning, such as preventing plans from causing “unreasonable harm to landowners” and affording landowners in shore areas the right to draw up detailed plans for their areas. Local governments are also entitled to make land-use agreements with landowners concerning the planning and implementation of the land owned by the landowners.

There appears to be a contradiction in the Act: everyone should have the right to participate in the preparation processes of planning, yet the landowners as ‘participants’ are afforded additional participation rights that the other participants do not have. This inner tension in the Act is prone to feed planning conflicts, especially in detailed land-use planning based on land-use agreements. Although such planning has become increasingly popular in Finland since the 1990s, it was in fact already common in the 1960s, when Finland became rapidly urbanized, and suburbs were planned and implemented jointly by urbanizing municipalities and private developer contractors. It is the case that the Act requires the public announcement of land-use agreements and denies such binding agreements that would determine the contents of the plan before the participation procedure. Nevertheless, among other participants, doubts concerning the openness and genuineness of the participation procedures may easily arise.

Deliberative democracy theory versus liberal democracy theory

Let us examine this inner tension in the Finnish Land Use and Building Act from the perspective of democracy theory. In its general objective, and specific statutes on participation and assessment, the intent of the Act mirrors the ideals of deliberative democracy theory. Building on ideas of democracy from ancient Greece, deliberative democracy theory conceives political action as a public sphere that emerges among free and equal citizens willing to engage in mutual argumentation and persuasion on the issues considered public.
In turn, the statutes of the Act that emphasize the specific rights of landowners imply liberal democracy theory. Here, political action is understood as a sort of game setting where free individuals and their coalitions enter the political arena to defend their private interests and rights. It is then for politics to safeguard the fulfilment of these rights, including those of landowners.

Whereas deliberative democracy theory relies on the idea of civil society, liberal democracy theory leans on the rule of law. While the former aims at political consensus in the public sphere, the latter looks for a win–win resolution or a best possible compromise between stakeholders.

So, if the intent of the Land Use and Building Act mirrors the ideals of deliberative democracy theory, the letter of the Act, in turn, opens the door also for planning measures that resonate with the principles of liberal democracy theory. The latter have gained further weight with the advent of the political ideology of neo-liberalism, which has powerfully influenced the Nordic governance cultures in recent decades. Under the label of New Public Management, the bureaucratic forms of governance have increasingly been replaced with operating principles drawn from the private sector, such as competitive bidding, outsourcing, purchaser–provider models and public–private partnerships.

This turn has also influenced the manner in which Finnish local governments conduct their planning. Planning work is being increasingly outsourced to private consultant firms. The municipal planner thus plays the role as manager in the public purchase of private planning services, land-use agreement-based planning becomes more of a mainstream activity and former land policy guidelines are relaxed. Thus, the prevailing political culture fosters the (neo-)liberal democracy model.

This development further intensifies the tension in the Act between its general deliberative ideals and its statutes that afford (neo-)liberal democratic practice. The Norwegian planning researcher Tore Sager has also recognized this tension in the other Nordic countries, referring to the tension between the deliberative ideals of planning and its neoliberal Realpolitik.

In such conditions, the public planner may find him/herself in a curious dilemma: s/he has to supervise selective agreement/partnership-based planning, but at the same time, has to portray these processes according to the ideals of deliberative democracy. At worst, a pathological planning culture may result that recurrently misreads and misrepresents its own planning conduct.

**Agonistic democracy theory**

An interesting perspective to this dilemma is offered by Chantal Mouffe’s agonistic democracy theory. Mouffe’s central argument is that political activity at its core is not to be considered in terms of logic. She
claims that both deliberative and liberal democracy theory err in their aim to construct an overarching logic as a foundation for legitimate political activity, be it the logic of valid argumentation or the logic of free individuals seeking to mutually adjust their interests. Both logics can be considered legitimate in their own right, but neither can be afforded a universal priority. Indeed, according to Mouffe, what remains as the essence of political activity is a never-ending struggle about how it should be understood and what principles it should follow. This is what she means by agonistic democracy: open recognition of the coexistence of different political cultures with the motivation to resolve, in a mutually respectful manner, the political conflicts that stem from them.

From this perspective, the dilemma of the Finnish – and perhaps more broadly Nordic – planning legislation is not that it reflects different ideas of democracy, but that it stems from its contradiction between its intent and letter, which makes its relationship to democracy ambiguous. This ambiguity prevents the agonistic handling of such planning conflicts that stem from different understandings of landowner rights, quality of participation and justification of planning goals.

As the Finnish Land Use and Building Act is now being revised, more than 15 years after its enforcement, it would be worthwhile carefully re-examining its relationship to democracy. Following Mouffe’s agonistic democracy theory, the Act could be revised to make it clearer with regard to how both deliberative and liberal democracy principles are to be followed – both at the level of general objectives and at the level of detailed statutes – while encouraging agonistic political action when these partly contradictory principles generate conflicts in planning procedures. This would mean not shying away from the tension between public participation and certain landowner privileges at the level of general objectives, but indeed addressing it as a tension to be handled agonistically in the democratic processes of land-use planning.

For further reading: