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Urban planning Nordic style. Implications of public involvement
Interview of August E. Røsnes, by Christian Hofstad

Christian Hofstad: How can urban development be facilitated and controlled? *August E. Røsnes:* It might be fruitful to start with the distinction, as Morris does, between organic growth and planned growth. He argues that these two terms are mostly suitable to describe the evolution and origin of cities. Planned growth can probably either be stimulated, or regulated, to achieve the desired ends, the production of space (Lefebvre 1991). Urban settlements at any given period of time can be seen as a result of a number of locally effective determinants: topography, climate, economic, political, religious, aesthetic, legislation, construction materials, etc. During the twentieth century all the developed countries of the world created comparable planning systems for the development of urban areas. All of which were founded on the general determinant, or what we can call the idea of a public good to be served. Closer examination suggests that the superficial similarities, the making of development plans and of applications (the issuing of permits) cover significant differences of underlying rationale and approach. These differences are related to process and content as well. Besides, the systems for controlling urban environments do not share the same purposes and objectives (Booth 2003). However, planning in the Nordic countries has shared much of the same objectives under certain common ideological visions of a political and economic

welfare model. During the 1990s this model has been contested by globalization, post-industrialization and privatization. In consequence, planning in the Nordic countries have met challenges of the reintroduction of the market as one of the coordinative forces in the society. In this context it is tempting to argue in line with Williams (Williams 1970, p. 81) and emphasize that the quest for control of land use in general and urban development in particular is not only reliant on the regulatory force in planning. At least four, partially competing, institutional systems could be mentioned:

- the official system, comprising among other regulatory instruments for public intervention, the urban zoning regulations;
- the system of public works, comprising planning for public infrastructure, i.e. direct public intervention for the building of streets, networks, open spaces, etc., and public facilities like kindergartens and schools;
- the taxation system, especially the local real property tax. Generally, levying of taxes affects the uses of land. A real property tax will normally vary according to property values and to the services required by their occupants. Where, how and when the planning authority opens up for new developments will then create new conditions for the levying of local revenues, as probably the level of taxation will be impacting where, how and when to build;
- the real property right system relating to private law. The right to build is not only dependent on regulatory approval, but also on consents from the property owing neighbors. Likewise, the use of legal instruments based on trusts and agreements for the binding of interests

represents alternatives to public regulations (Pearce 1981).

Rooted in its welfare tradition, the Nordic planning can be characterized by strict performance of the regulatory power in urban zoning regulations combined with extensive use of public financial means for the implementation of urban developments. It implies that the focus of public intervention is found under the two first points above.

C. H.: Where do expected challenges most likely appear?

A.E. R.: In recent years, the Nordic planning have faced a decline in available resources for city planning and building. It means primarily that the municipal budgets both for planning and the implementation of building activities are shrinking. Partially there has been a decline in the transfer of money from the state sources to local building purposes. These changes give rise to three different categories of challenges.

First, the lack of money will increase the struggle in adjusting the planning ambitions to the constraints of resources for the implementation on the ground. Because of public withdrawal from direct intervention, the implementation phase is becoming more decisive for the realizing of plans. This will be requiring a change in planning performance. Moreover, monetary deficits will intensify the search for more money through existing and invented sources. Levying of fees and taxes, using regulations to promote planning gain exactions and the construct of market-based public-private partnerships are all relevant sources in this regard. And finally, urban planning in the future will be

more reliant on regulations and other legal devices for facilitating urban development. How can the private law system be utilized in combination with regulations in order to compensate for the loss of capacities due to the weakening of the public works as a directing force? *C. H.:* What will be the consequences?

A.E. R.: In general, land use decisions are made by different kinds of agents and agencies (land owners, developers, banks, investors, etc.). In planning all these stakeholders need a coordinating power to avoid chaos and inefficiency in the property market and intolerable conflicts for the community as well. Buitelaar (2003), partially using Powell (1990), argues in favor of using both the market and the government as models of coordination. But he suggests also a third one, network, partially based on the growing importance of public-private cooperation, and partially on the reintroduction of the market forces. The network approach, however, will have implications for the urban planning in many respects. Planning performance will clearly be dependent on how urban planning succeeds in combining these three coordinated forces: market coordination through the price mechanism, hierarchical coordination through command and control in public organizations, and network coordination through trust, solidarity, negotiations and agreements. Second, the regulatory instruments as well will have an impact, because both affects the functioning of the price mechanism in the property market, and the statutory power to control future development. The planning authority will here need a connection to the

real property right system. In this new situation the formulation of the regulation will be decisive in order to reach agreements as a result of negotiations that are necessary for the enabling of plans and development projects. Third, network is probably very important, and quite crucial for coordination between various actors in linking financial responsibilities between public stakeholders and the development projects.

C. H.: How well are the planning systems designed to tackle or use network in the urban development?

A.E. R.: In this regard, there are of course important differences between the Nordic countries. A brief characteristic, in spite of certain exceptions, is that the taxation systems are generally not created for these purposes. Provided that the requests for a more network-oriented planning will be continuing, it should be taken for granted that it will require changes both in planning systems and planning practices. It might then be asked what kinds of tasks are so to say decisive for the success of planning in this coming situation, and the needs for adjusting the planning systems accordingly.

One important issue is how the regulatory frameworks can be used in order to facilitate and release development potentials through market mechanisms (Micelli 2002). Rigid regulations are more suitable for fighting market-generated initiatives than to facilitate them. Another one is the possibility to combine regulatory frameworks with private law instruments in order to promote the efficiency of the planning system. Our tradition in combining these two institutional systems is rather weak. And formally, for the recent dealing with

trust, negotiations, and agreements connected to the realm of private law, the planning systems are generally not well equipped. The same might be said about the possibilities to initiate public-private cooperation and partnerships for the financing of infrastructure and community facilities. However, the distributive effects of financial means related to individual development projects are far reaching (Watkins 1999). The needs for updating of the legal instruments regulating the financial aspects of urban planning can probably not avoid considerations towards the taxation system.

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