

Tanja Tötzer
Ute Gigler

PRINCIPLES OF SUSTAINABLE MULTI-STAKEHOLDER DEVELOPMENT PROCESSES: LESSONS LEARNED IN CASE STUDIES ON REVITALISING INNER CITY INDUSTRIAL SITES IN EUROPE

Introduction

Many cities in Europe have former industrial sites in their midst that often lie on prime real estate in the core of the city, but are unused or underused, in a derelict state, and often contaminated. Apart from the physical and environmental degradation, high unemployment rates and ensuing social deterioration associated with those sites plague cities and their administrations. However, metropolitan areas are very dynamic regions with an infinite need for building areas for commercial, residential and other uses. In cities, land is often scarce and therefore rather expensive. Thus, residents, businesses and industry move to the outskirts and suburban areas, where land is still available and affordable and even space-intensive construction projects can be realised. This results in space-consuming suburban development at the expense of inner-city redevelopment of e.g. former industrial sites. In order to reduce land consumption and better utilise already available infrastructure, developers and the public sector should collaboratively seek a better balance between greenfield and brownfield development.

Revitalising inner city industrial brownfields offers multiple benefits. It shifts development back to central urban locations, recycles land and likely reduces greenfield development (Grimski and Feber, 2001). Besides, revitalisation improves the image and living and working conditions in a city and helps attract new businesses and residents. Although revitalising derelict inner-city sites can be an asset to a city in the long run, it represents a major challenge for a city and is afflicted with many uncertainties and questions such as high costs and shifting market conditions. Revitalising is a complex and dynamic process that lasts several years or decades and involves many public and private stakeholders whose interests need to be taken into account.

This paper presents experiences gained and lessons learned in six different revitalisation case studies on urban old industrial sites in Europe. Those include Gothenburg (S), Liverpool (GB), Lisbon (P), Berlin (D), Steyr (A) and Barcelona (ES). The cases demonstrate that certain key factors and approaches including successful cooperation and collaboration among stakeholders need to be in place that allow cities to redevelop old industrial sites in a sustainable manner.

Methodology

The research team chose the case study analysis, because it allowed the team to investigate six different cases in-depth in order to obtain a broad and comprehensive understanding of each case. Complex, long-term projects such as revitalisations of old industrial sites can best be analysed and described through the case study approach. The method enables investigators to rely on multiple sources of evidence such as interviews and observations on-site as well as literature, documents, and archival records (Yin, 1994).

The research team conducted interviews with a total of 30 key persons from the public and the private sector that are involved in the revitalisation process. Interviewees included project managers at developer firms, planners and engineers at city administrations, managers of regional or local agencies and organisations and researchers. Interviews and on-site visits provided investigators with in-depth insights into the various organisations and the history and progress of each revitalisation process.

Lessons learned

As site conditions and regulatory frameworks vary from case to case, a universal tool or panacea for revitalising sites does not exist. But even though each city examined chose a slightly different redevelopment approach, a number of similar issues, successful approaches and common obstacles can be discerned.

MULTI-STAKEHOLDER ASPECTS

Multiple stakeholders are involved in any revitalisation process which invariably leads to conflicts and requires that compromises are found and a balance is struck between private and public interests. Even though in many cases a developer company is in charge of revitalising an old industrial site, stakeholders from the public sector significantly influence and often initiate the process. The developer is thus embedded in a regulatory framework and has to comply with various stipulations, regulations and

requirements, which mirror and protect the public interests. Due the shortage of land in cities, land is very valuable; competition for sites can be high and various public and private parties often exhibit an interest for the same sites. Inner city brownfields are frequently located in the middle of an urban area, yet go unused. Thus, city authorities aim at reintegrating the derelict site into the urban fabric while private companies primarily focus on site affordability and market demands.

These various interests often lead to land use conflicts. The best way for harmonising these multi-stakeholder conflicts is communication and cooperation among stakeholders. In all case studies examined in the course of the MASURIN project, public and private stakeholders emphasised the necessity of good communication between the partners. In some cases, as in Berlin and Gothenburg, this perception did not exist right from the start. Rather it had to evolve and developed into a learning process for both sides. Authorities had to acknowledge that top-down governmental decision-making alone cannot fully influence and control outcomes in complex settings such as revitalisation processes that can last for decades.

Throughout the 20th century, many politicians and planners believed in the "command and control" approach. It was assumed that uncertainty of nature and social processes can be replaced with the certainty of control (Gunderson, 2000). This belief still exists, but begins to be softened through participatory approaches and cooperation among different public administrations and between the public and the private sector which was evident in Berlin, Gothenburg, and Liverpool. "Command and control" approaches have thus proven ineffective at solving many problems that arise during a revitalisation process. In the case study of Berlin, the Senate of Berlin tried to prevent rapid suburbanisation and structural changes in the economy after the fall of the Berlin wall. A planning directive was passed, which zoned certain areas for industrial use only. However, due to global industrial changes, large investors from the industrial sector failed to appear. The city's directive thus ignored market needs and had to be revised and softened. The other extreme, following solely a free market approach enabling companies to dictate development, is equally insufficient. Stakeholders in Gothenburg are convinced that revitalising the site Norra Älvstranden would not have been as successful if a developer company without a public board and close cooperation with city authorities had been in charge of the revitalisation.

Cooperation between public and private partners can bring in complementary objectives and often accelerates the otherwise tedious procedure of getting public approvals. Mutually beneficial cooperation and rewarding interactions among stakeholders also lead to more trust and "win-win-situations" become more likely (Barton, 2000).

The biggest obstacles for cooperations are their transaction costs. The transaction costs for cooperation are higher than by doing it alone, because there is much more need for interaction and communication (Knieling, Fürst and Danielzyk, 2001). Thus, the profit for all partners to join a cooperation must become evident. Necessary prerequisites for a successful cooperation are trust, engagement, and the ability to learn.

NETWORKS

There are different forms of cooperation. Cooperation can be informal like platforms and networks or it can be more institutionalised, like public-private partnerships. They all have in common that they consist of different stakeholders from the public and the private sector, which can promote the learning process and helps solidify important lessons learned. In the early 90ies, the theory of networks became very popular in regional economics, sociology, political science and later also in planning science (Diller, 2002). Networking can foster the economic performance of a region. E.g. for generating innovations it does not only depend on how individual actors (firms, universities, organisations, research institutes, governmental institutions, etc.) perform, but rather on how they interact as parts of a system (Gregersen and Johnson, 1996). In the case study of Gothenburg, successful networks between different firms and the university and other schools were established. Stakeholders in Gothenburg recognised that spatial proximity, a high quality environment attractive to both firms and schools and casual and defined meeting points supported the interaction between different actors.

In Liverpool, a job training initiative called JET (jobs, education, training) resulted from a successful network between public funding agencies, an organisation responsible for linking jobs with people, a housing and local empowerment organisation and numerous firms who were willing to participate in the initiative with the prospect of being able to choose from a local pool of skilled employees.

PUBLIC-PRIVATE PARTNERSHIPS

Successful collaboration can also result in public-private partnerships, where the public and the private sector work together in a more institutionalised form. The OECD has issued a policy directive that states that partnerships involving an integrated multi-sectoral approach (public-public and public-private) be formed in order to achieve desired outcomes (OECD, 2000). Partnerships were found in many of the case studies. In nearly all cases, developer firms are in charge of revitalising the old industrial sites. Although many of them have a board of public stakeholders, they are financially decoupled from a city's budget and receive only little financial support or do not get any public money at all. Thus, developers are

forced to make profits, fulfil the needs of the market while integrating public interests and collaborating with public officials on their boards. They also have to work highly efficiently which is only possible in small teams, not within hierarchical public bodies. Small, independent teams have many advantages; communication and coordination between the team members is easier and more efficient, they are able to react more flexibly to unforeseen changes and it is easier to find a common solution.

However, even though they behave like independent companies, developer firms have to cooperate very closely with all other stakeholders such as public authorities. Developers have to comply with various regulations, planning guidelines and funding stipulations. This framework reflects the public interests to provide for a high quality environment, job opportunities, integration into the urban fabric etc. and should guarantee that not only private but also public objectives are considered. It restricts the freedom of the developer which is sometimes necessary for the welfare of a city and its citizens but at the same time can be hard for the developer.

The major problem is, that regulations and stipulations sometimes run counter to day to day planning practice and market conditions. If they are totally out of synch, they cannot be implemented, because the developer company has to be profitable and market-oriented. Such measures have the reverse effect - they do not foster public and sustainable aspects in revitalisation processes. Instead, they jeopardise the whole project, because potential investors and developers are discouraged by requirements which are too high for the competitive market. Developers thus find themselves in a rather difficult and challenging role, because they need to strike a balance between investing in environmental remediation, attracting industry to ensure employment opportunities and fulfilling short and long-term goals of the city (Tomerius, 2000).

COOPERATION IN A REGIONAL CONTEXT

Cities and their suburban regions represent a functional unit because of the intense movement of people, goods and resources occurring between them. However, they are seldom organised in corresponding administrative units. On the contrary, there is often severe competition instead of cooperation between the core city and suburban municipalities. Due to this strong interdependence, urban (re-)development has to include the regional context - development in the whole metropolitan region. This calls for regional cooperation between stakeholders of the core city and those in surrounding municipalities. Our case studies in Barcelona and Gothenburg provide good examples for regional cooperation. The recent strategic plan for Barcelona already encompasses the metropolitan area of Barcelona, which is increasing in importance. In Gothenburg, the city and its neighbours formed a voluntary, informal political cooperation consisting of 13 municipalities with the aim to engage in cooperative strategic planning.

THE SOCIAL DIMENSION

Aside from public authorities and private companies, the local population is also an important stakeholder in any revitalisation process. In most cases, the population does not actively participate in the process, but their potential demands and needs are considered.

Derelict land is not just a technical problem - there is also an important human dimension. The time has come to ensure that resources committed to land reclamation produce the best results - and that people in the communities around them are involved in making the solution a reality and maintaining the change in the future

(John Handley in: Barton, 2000).

Utilising local knowledge and adapting the educational profile to the new needs of the region is crucial for establishing a stable socio-economic basis for the future. In Liverpool, the local population was intensively integrated into the revitalisation process. South Liverpool Housing and Regeneration offered new forms of continued education harmonising needs of the companies with educational capabilities of local people. They also established platforms for getting in contact with local firms, supplied broadband telecommunication systems for social housing tenants and started initiatives to make people familiar with new Internet based technologies. Thus, partnerships between the local population and companies can be established, which support the revitalisation process and establish mechanisms to help them cope with future economic and technological changes. The key to the future depends above all on developing human capital: people's imagination, commitment and skills (Yarnit, 2000, p.10).

SUSTAINABILITY ASPECTS

Driving forces for revitalisation are not ecological or social in nature, but mainly economic (see also Tomerius, 2000). Nevertheless, the outcome of a successful revitalisation has to be sustainable, because social, ecological and economic aspects have to be considered and balanced. If the revitalised site does not fit into the urban fabric or is not accepted by the residents, then it will not be successful in the long run. In addition, developers have to consider market needs in order to ensure site attractiveness for both companies and residents. Our case studies demonstrate that a successful revitalisation generates new jobs, improves environmental conditions on the site, and enhances the image and living conditions on the site and its surroundings. Thereby the interaction between private and public stakeholders plays an essential role. Cooperation and collaboration ensures that environmental and socio-economic issues are taken into account which in turn will contribute to a more sustainable outcome.

Another important aspect of sustainability is creating a balanced mix of functions on a microcosm such as the site level that is well integrated with the rest of the city (Swiss Federal Office for Spatial Planning, 1999). Revitalising an old industrial site often means transforming mono-functional uses into mixed uses. A mixed use approach better matches the multiple demands placed on a site by industry or residents.

At the site "Am Borsigturm" in Berlin, a mixed use concept was applied. The vision for the revitalisation of the Borsig area was to transform a contaminated derelict area into a truly mixed use site. Since the first concept in 1993, this vision was realised step by step. Today, the site offers a shopping centre, an office park, an office and health centre,

a trade- and innovation park and 206 flats. The mixed use concept was able to satisfy all stakeholders: the city, because industry could be maintained in the city and living conditions were improved and the developer, because this concept was in line with market needs. Thereby, integration into the urban fabric was markedly improved. The site is now accessible to all residents and ameliorates supply conditions for the whole district. Although the revitalisation affected a radical restructuring and modernisation of the site, historical features were kept alive. Monuments such as the Borsigturm were restored and maintained as land marks which facilitated building a sense of identity among residents for the new site.



Figure 1:
Berlin, 'Am Borsigturm'
before revitalisation

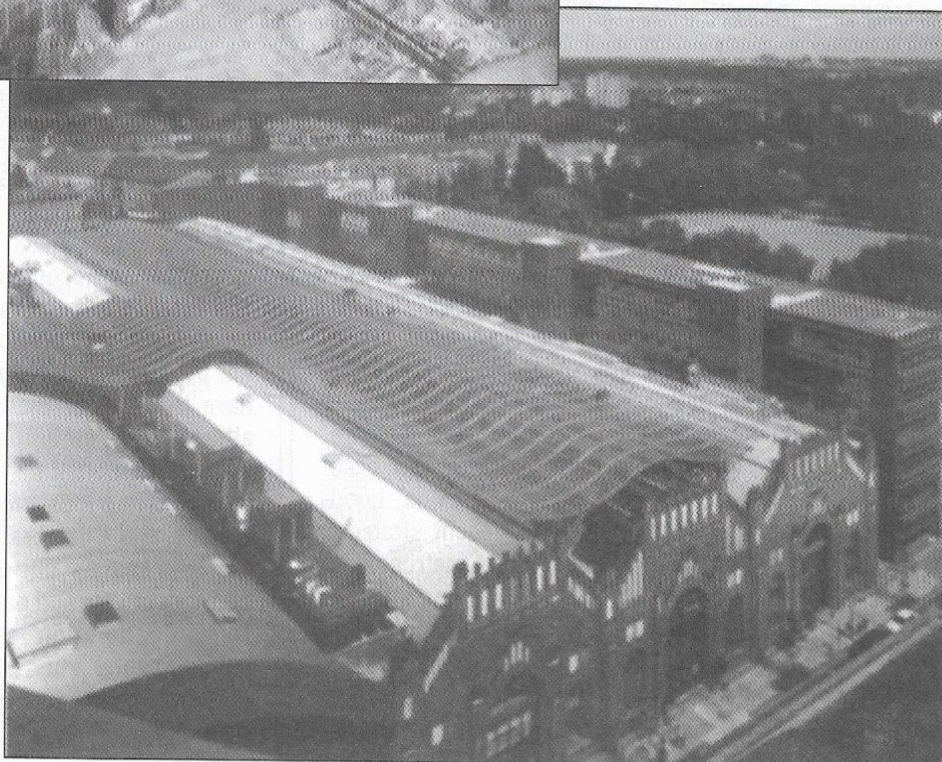


Figure 2:
After revitalisation Source:
Borsig - Zwischen Tradition und Aufbruch

Conclusion

Derelict former industrial sites have become commonplace in many cities in Europe. City administrations are faced with the challenge of having to revitalise large, contaminated and underutilised brownfields often located in the middle of their cities. Redevelopment offers a number of benefits that range from cleaning up contaminated soils, improving a city's economic and tax base to new employment opportunities thereby incorporating all three pillars of sustainable urban development.

The case studies demonstrate that cooperation and collaboration among stakeholders is key in multi-stakeholder revitalisation processes. In most cases, private developer firms cooperated very closely with public authorities. That level of cooperation enabled the developer to fulfil its objectives of remaining profitable on the market while the public interest was considered as well. Different stakeholders such as educational institutions and firms also established various types of formal and informal networks in order to improve collaboration and achieve benefits such as improved products for all parties involved. Improving a site's image in the eyes of the local population as well as potential users and occupants of the site proved to be crucial in any successful revitalisation process. Developer firms also employed various innovative means to involve the local population in the process.

Comparing and contrasting the cases reveals that many important lessons have been learned that should be shared with others undergoing similar processes in order to overcome common barriers and challenges. The different case studies illustrate the importance of networking, engaging in public-private partnerships and involving all relevant stakeholders including the public in any successful revitalisation process. Stakeholders who are willing to learn throughout the process and engage in innovative forms of collaboration and cooperation are likely to achieve a more sustainable outcome.

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