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Experiences from joint knowledge production for urban change in Pilot Project 4

Business Driven Sustainable Urban Development



Anders Sandoff, School of Business, Economics
and Law, University of Gothenburg
Elin Eriksson, IVL



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Corresponding authors:

Anders Sandoff, School of Business, Economics and Law, University of Gothenburg
Elin Eriksson, IVL

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Mistra Urban Futures is an international centre for sustainable urban development. We believe that the coproduction of knowledge is a winning concept for achieving sustainable urban futures and creating fair, green, and dense cities. The centre is hosted by Chalmers University of Technology and has four regional platforms in Cape Town, Kisumu, Gothenburg and Manchester.

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Introduction

Sustainable urban development is an area that will have a decisive impact on how we cope with environmental and social challenges. The extent of these challenges demands a willingness to try new ideas and ways of working. One such example is the increased interest for collaborations between urban development projects and the business sector. In this pilot project we make an attempt to define the concept of “Business Driven Sustainable Urban Development and ask important questions of its merits and drawbacks.

The idea of the pilot project “Business Driven Sustainable Urban Development” has been the following to:

- Investigate how urban development projects can collaborate with the business sector
- Identify examples of barriers and benefits for business to become more deeply involved and at an earlier stage in urban development projects.
- Study how urban development projects can be used to facilitate growth and export volumes for businesses selling sustainable products and services.

The field of investigation

The idea of the pilot project “Business Driven Sustainable Urban Development” (BDSUD) was initially inspired by the interest to understand how urban development projects can facilitate local and regional business development in a sustainable direction and how functionality in the build environment (installations, functions, processes and social networks) focusing different aspects of sustainability in urban areas can be demonstrated, explained or packaged in order to increase exposure and ultimately sales. Although these ideas have been discussed for quite some time, there is an increased awareness of the necessity of collaboration between private and public interests. Not only in order for cities and municipalities to make better use of the large resources found in the business community and reaping benefits by creating new markets for sustainable goods and services. Or the fact that these products often are new, relatively unknown and have system qualities that make them hard to sell as separate entities. The game changer is the increased demands on cities, regions and companies alike to get a head in the “green race” profiling as a leading authority on sustainable solutions. After a decade of increasing interest in the field and a slow accumulation of experience of collaboration (both good and bad), there is now a an acute demand for increased professionalism and more efficient and structured processes that understand and acknowledge short- and long-term demands and needs of different types of stakeholders. Given the large scale and long time commitment that many cities will have in urban development, it is increasingly important to better understand the mechanisms that govern these collaborations. There are great potentials for conflict of interests between the public interests governing cities and special interests governing corporations. Without a deep understanding of these mechanisms there is a risk that collaborations miss the opportunity to make use of corporate resources and initiatives and instead become a place for corporate short termism and strategic behavior.

The research design decomposed

Besides these instrumental aspects of the pilot, there is also a desire to better understand how knowledge can be developed letting researchers and practitioners work together in a collaborative mode with the explicit purpose of being relevant for urban development in a rather short term practical way. Although the empirical question to large extent can be characterized as a green field topic, the practical knowledge interest and the limited time scope of the pilot project have had significant methodological implications. The most prominent being the focus on the process of structuring existing knowledge, rather than focus on how to apply existing concepts, frameworks and hypothesizes on empirical data. Such an inductive approach was primarily a result of necessity rather than deliberation of its appropriateness to develop a certain type of knowledge. This was mainly a result of the strong focus on a “transdisciplinary” ambition of the central project management at Mistra Urban Futures. This was interpreted as a strong practical relevance of research results and an integrative epistemological approach captured by the phrase: “knowledge is used, carried and produced by all stakeholders relevant to the problem”.

Even though the applied methodological approach did have some limitations regarding the ability to add to an existing theoretical discourse (e.g. innovation system discourse, corporate growth strategies or corporate collaborations and alliances), the goal to further (local) understanding of BDSUD was better cared for by using the approach. The area of investigation needs to be illuminated using several multiple perspectives targeting different stakeholders and is in this respect ideal for applying a trans-disciplinarian approach. In this chapter we will summarize the approach and the methodological choices that’s been guiding this attempt and reflect over its strengths and weaknesses. The presentation follows a chronological timeline, starting with the appointment of project management and is then divided into three stages, early, intermediate and finale phase. The chapter ends with an attempt to stylize the method in use and an evaluative discussion of its merits and drawbacks.

Appointing project management

The work in the pilot project started by Mistra Urban Futures appointed two project leaders. The center had a wish of employing a dual project leadership to all five pilots. Ideally a practitioner and a researcher would work together in order to balance different needs, knowledge cultures and competences. Although this was not possible in all pilots this was met in our project. Elin Eriksson is a seasoned senior consultant and manager at IVL with a background in environmental systems research at Chalmers University. With her long experience from different consulting project and general management she has a vast network both in industry and public organizations IVL represents one of the major Swedish consulting firms dealing with a broad array of sustainability issues. Anders Sandoff is an assistant professor in Business Administration at the School of Business, Economics and Law, University of Gothenburg. He has been working on strategic management related issues for almost two decades, especially in relation to long term commitments commonly found in utilities and other infrastructural businesses. One common feature in much of his research is the interdisciplinary approach where the empirical problems at hand dominate the research interest rather than established theoretical discourses and institutional arrangements. Although the two project leaders have different backgrounds (engineering and social science) they share a common experience of applied research financed by stakeholders who have a practical interest of the results. This circumstance has led to a rather “business like” project setting characterized by a structured approach based on frequent meetings with set agendas and assigned responsibilities. The project leaders were given a final budget of 1,5 million SEK approximately equivalent to 15 full time months. The work started in September of 2010 and was finalized by the end of October of 2011, in all a period of 14 months.

Early project phase

Despite a result oriented culture, it was clearly acknowledged at the start of the pilot project that this field of inquiry could not be addressed using traditional methods. Although a trans-disciplinary approach was a premise for the project, we, the project leaders, realized that the fussiness of the BDSUD concept didn't really gave us any other options. The legitimacy of acquired knowledge and made interpretations, as well as high quality and effective dissemination could only be achieved through a broad and active participation of a large project group. As a support, the center offered several informational and educational seminars to further the project managements understanding of inclusive and democratic trans-disciplinary research. These occasions had some impact on the design of the meetings, especially in the beginning of the project.

In order to avoid special interests to dominate the work in the project group, we decided to develop criteria's guiding us in the selection of group members.

General principles for selecting group members:

1. No stake holders from public or private sector with a first-hand dependence of BDSUD, i.e. no persons employed by building companies or planning organizations.
2. The work group should collectively represent experience and expertise from at least five tentative empirical areas; urban planning processes, business development at company, industry and regional level, sustainability in urban development projects (both environmental and social).
3. Allowing for a rather large project group (maximum 20 persons). The number was set in order to make access for a large number of different competences, perspectives and experiences.

In addition to this we also wanted potential group members to be willing to:

1. Contribute actively in a large project group.
2. Attend meetings regularly for the whole project period.
3. Accept in-kind funding as base financing with possibilities for economic support further down the line for some members making more substantial contributions. Given the special funding situation for university research, this criterion was not applied in the selection of researchers.

The interest for working with the pilot was large and there was no problem finding people representing these criteria. The project work group included researchers (2), experts from research institute (2) consultants (7), public officials (6). The first meeting was held in September. By then almost the entire project group had been appointed. During the course of the project five new members were appointed and one of the original members was replaced by another person from the same organizing. Two other project members changed

employer but remained in the projects. None of the organizations represented in the project chose to end their representation in the project.

The first meeting of the work group were divided into two parts; in the first part the project leaders presented the back ground of the project and some tentative work structures, in the second part the group members discussed freely how to address the task of investigating BDSUD.

During the discussion it was identified that there was in the project group to learn more about different aspects of BDSUD in order to further the definition of the concept and understanding of the whole. Group members volunteered to make contributions by giving lectures around their special competence areas. During the following four meetings short presentations (30 min-1 hour) were held by the project members to initiate a discussion within the group. The topics were: business logic, environmental sustainability, social sustainability and urban planning.

Intermediate project phase

At the end of the fall, the project working group had an established team spirit and felt it had a basic idea of how to define BDSUD and a general understanding of its different aspects. The group had also decided to focus on drivers and barriers for these aspects of BDSUD and outlined the project goals as stated above. The group was then ready to interact with a larger set of stakeholders in order to gain further insights and to create an interest for the concept in a larger audience. The project working group decided to stage three different workshops or “stake holder meetings”, each one focusing one major stakeholder group; *public planning officials*, *business community representatives* and *local and regional politicians*. Although some of the practical responsibility for the stakeholder meetings remained at with the project leaders, a considerable work planning and contacting potential speakers and key participants were taken by individual group members.

The idea was to further the understanding of drivers and barriers for BDSUD from the perspective of each one of these stakeholder groups. The stakeholder meetings lasted four hours and had the same basic structure, starting with a presentation of the Centre and the pilot project followed by three to four shorter case presentations introducing the empirical area. Each of these presentations was around 20 to 30 minutes and was held by someone with a documented experience of an illustrative case. In order to create interest for the event, a couple of the presenters at each meeting were “local profiles” well known to the targeted audience. After these presentations and a coffee break, the audience was divided into discussion groups with around 5 participants in each group. In order to extract as much information as possible, group members from the same sector and as far as possible with similar positions were put together. The discussion lasted around 45 minutes and was driven by a set of questions and the help of a moderator from the pilot work group. All discussions were recorded. The stake holder meetings ended by a summary of the discussions in each group. Between 30 and 45 persons were participating on each of these events. The number was in line with our expectations and well suited for the purpose of the meeting. The slides from the presentations and summaries of the discussions were made public on the pilot home page.

Final project phase

At the time of the first stakeholder meeting (around six months into the project), the work group decided to finalize the written results of the project by visualizing BDSUD through five different perspectives. The goal was to illustrate important drivers and barriers for BDSUD through five shorter chapters. In order to do this, it was decided to set up five smaller “focus groups” led by a person from the project working group with the responsibility to appoint members and meet deadlines. Beyond that, the focus groups had large freedom to structure the work and to decide on how to finalize the results. The five groups worked independently for four months, giving progress reports and getting feedback from the project group on its regular meetings every third week. The goal was relatively loosely defined as to describe and illustrate important *drivers* and *barriers* for BDSUD.

The five focus groups were:

- Models for collaboration between public and private interests in urban development

This group studied how the city can create deep and committed interactions/collaboration with private companies in order to develop new urban areas. The group made an analysis of the “River City” and the model used for collaboration with businesses. This model was developed locally and has been used in several projects facilitating design and planning of new residential areas in central Gothenburg. The study was carried out using a traditional case study methodology based on transcriptions of interviews with eight different stakeholders, documentation studies (policy documents, board minutes, information material etc.) and material from stakeholder meetings. The focus group consisted of three researchers from dept. of business administration.

- Sustainable business development

The group with sustainable business development focus interviewed three companies about their views of opportunities of cooperation with communities in order to create demo objects and innovation platforms that can be used in the next step as a marketing tool for export and new business development. The group, that consisted of business and business development people – from municipality and regional government organizations - also studied and analyzed some urban development cases that had been performed or were going on in the region. The results from these investigations then were discussed on “analyzing” meetings and compiled in a report with a number of recommendations of how to proceed in the work with cooperation between business, academic and governmental organizations in this very interesting issue.

- The role of business driven processes in strengthening the social dimension

This focus group studied the role of business driven processes in strengthening the social dimension. An explorative approach was used by which the different themes and

definitions of the group gradually developed in dialogue between its members. After a certain time period the group was divided into three subgroups. The first two subgroups, consisting of researchers, took responsibility of studying two specific themes, namely the development and regeneration of urban areas as well as social entrepreneurship, while the third subgroup, consisting of civil servants, reviewed the research of the first two groups. When it comes the data collection it is based on a mix of qualitative methods involving transcriptions of interviews with six different stakeholders (five heralding from the public sector and one social entrepreneur), participant observation and literature studies (research reports, websites, policy documents etc.). The focus group consisted of researchers with connections to the dept. of business administration and IVL Swedish Environmental Institute as well as an independent consultant and civil servants from Region Västra Götaland and City of Mölndal.

- Business interaction through the lens of the planners

This group consisted of civil servants from the municipal planning sector, responsible for issues of land use and/or business development. The group studied four different cases of planning and development in the Gothenburg region. Each member was responsible to choose and to present a case from their municipality respectively that might illustrate certain aspects and experiences of interaction between the municipal and the private sector with regards to urban development. The study was carried out by a focus group method during six three-hour meetings scheduled in advance. The group discussions were recorded and notes were taken and sent out after each meeting, to be further discussed at the following occasion. After the fifth meeting a final draft was produced based on the notes and recording.

- Measurement of sustainability

The work in this group was done at IVL involving three experts on environmental analysis, classification schemes and energy system analysis. The group met a couple of times to draw up the direction and content of the work and to streamline the finished result. Between that the work leaned heavily on the expertise of the group members. The empirical material consisted primarily of secondary data such as reports, web-material and information received during stake holder meetings.

Results from the focus group

First we like to elaborate shortly on the concept of Business Driven Sustainable Urban Development. Part of the credit for assembling such a qualified project group and so many persons participating at stakeholder meetings must be given to the concept itself. Many of us have encountered an immediate interest for the project just by mentioning its name. Obviously the concept of BDSUD stirs the imagination and frame a contemporary dilemma or possibility in an intriguing way. Even though our project tries to lay down a tentative outline of the concept and illustrating it, primarily from an empirical side, it seems that the concept has enough explanatory power to get across without this. When the concept (project) is further explained by the three bullets mentioned at the beginning of the chapter, the interest usually heightens even further. Judging from these observations there seems to be a widespread interest in a better understanding of collaboration between urban development projects and the business sector. This interest can partly be explained by the difficulties that we have observed in betting the most out of collaboration between public and commercial interests. In all focus groups we identified numerous difficulties that have profound impact on the long term outcome. Examples include questions like:

- Who takes initiative to cooperate?
- How is short term profits interests suppressed?
- How is responsibility and authority distributed?
- How are risk and profits divided?
- How can democratic values be adhered when companies interact earlier and have more influence?
- How does collaboration lead to business sector development?
- How can project advancement be adjusted so it fits both public and commercial interests?
- How can project direction and goals be changed during a project and at the same time offer needed stability?
- How do collaboration drive technical development?
- How can smaller companies get involved as partners or subcontractors?
- What role do test beds play in order to increase the attractiveness of the collaboration?
- What mechanisms will guarantee new entrants in order to avoid lock in effects?
- How is knowledge captured and diffused?
- How can social issues get a more prominent status?
- What requirements should be placed on participating actors?
- How can trust be developed?

The attempt to stylize the applied method

In retrospect it is possible to distill a stylized interpretation of the method implicitly used to implement a trans-disciplinary approach. In our case it can be described as a “*profession driven*” approach that strives to give genuine flavor of the praxis field it tries to illuminate.

The approach consists of five consecutive steps:

1. Establish a relatively large number of committed work group members.
2. Use the collective competence of the work group to establish a common understanding of the task and concepts in use.
3. Encourage group members to take active responsibility for the preparation and execution of stake holder meetings.
4. After some time different competences and capabilities of individual group members are identified and can be used to appoint focus group leaders.
5. Let the dominating profession in each focus group characterize the final product.

Pros and cons of chosen project design

The approach used in this project is partly a product of the premises of the project. The vagueness of the empirical field was the chief explanation to why we choose to work with such a large project group. The sincerity of the issue at hand and the use of an inclusive trans-disciplinary approach made us acknowledge the complexity of the concept of BDUD, leading the group to investigate five different perspectives. Given the limited time and financial resources of the project this has been a strenuous task. An account of the merits and draw backs of the method in use must be made taking these premises into account.

- + Inclusive approach that can handle multiple perspectives with maintained high level of practical relevance.
- + The transdisciplinary premise and its induced inductive approach gave the project group a mandate to step outside established roles and areas of expertise take on a curious and searching attitude.
- + Suitable for new and undefined concepts with characterization of wicked challenges.
- + Distributed responsibilities for important activities such as stakeholder meetings and focus group reports.
- + Committed group members make information dissemination effective. This was especially evident when staging stakeholder meeting.
- + Big advantages in enlarging the project members' networks and understanding of other perspectives.

- Hard to limit focus and scope of the project and at the same time acknowledging high practical relevance
- An organic approach with small possibilities to make conscious and active choices early in the project
- Hard to make delimitations and at the same time keeping the interest from different professions represented in the work group.
- Despite active use of in-kind financing a strenuous economic situation has characterized project execution.
- The method includes several consecutive steps which are demanding when the duration of the project period was only 14 months.
- The "profession driven approach" demands tolerance and an open mind regarding how knowledge is framed within different professions. This became especially clear during the final phase of the project when the different focus group reports were read by all groups leaders.
- The approach is very dependent on activities late in the process. This can be a problem when project duration is short or when there are

delays. It can be hard to make the most out of the results when the final results need to be condensed.

- It can be hard to maintain the same level of democratic and inclusive atmosphere towards the end of the project when work is mainly carried out in the focus groups.