RIVERCITY GOTHENBURG - AN AMBITIOUS LEAP CAUGHT IN AMBIGUITY

CARL MOSSFELDT
The research program Fusion Point Gothenburg had a practical focus and was run as a collaboration between Älvstranden Utveckling AB and Chalmers University of Technology. The University of Gothenburg and Yale University were also involved in the collaboration and the aim with the program was to strengthen the fusion between research and practice within architecture and urban design to merge theoretical and practical perspectives into knowledge.

Various types of workshops and seminars have been used to spread knowledge and initiate discussions with Gothenburg’s operative actors within the building sector and the city’s officials, with a focus on promoting and highlighting the development potential within RiverCty Gothenburg (Älvstaden). This series of booklets are primarily aimed to those who work with the development of Älvstaden but may also be of interest to others who work with urban development. The authors highlight different perspectives that affect urban development and base their research on their own background and discipline.
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06

HÅLLBAR STADSUTVECKLING - ETT INSTITUTIONELLT PUSSLANDE?

Carl Mossfeldt

07

RIVERCITY GOTHENBURG - AN AMBITIOUS LEAP CAUGHT IN AMBIGUITY

+ SAMMANFATTNING PÅ SVENSKA

Alan Plattus, Marta Caldeira & Andrei Harwell

08

DESIGNCASE LINDHOLMEN - FROM SCIENCE PARK TO SCIENCE CITY

+ EXECUTIVE SUMMARY
CONTENTS

EXECUTIVE SUMMARY 6
I. About this report ................................................................. 6
II. RiverCity Gothenburg as a case ........................................... 8
III. The structure and content of the report .............................. 16
III. Concluding reflections ...................................................... 24

PART 1 - AN AMBITIOUS LEAP CAUGHT IN AMBIGUITY 27
1.1. RIVERCITY GOTHENBURG 28
   1.1.1. The emergence of the project ..................................... 28
   1.1.2. A new governance ambition ....................................... 38
   1.1.3. The attempt to institutionalise the ambition ................. 40
1.2. THE BROADER TRENDS 50
   1.2.1. A new networked economy ....................................... 50
   1.2.2. The corporatist political model in Gothenburg ............. 60
   1.2.3. Trends undermining the corporatist model .................. 65
1.3. THE EMERGING AMBIGUITY 69
   1.3.1. The implicit change management challenge .................... 69
   1.3.2. The institutional ambiguity ....................................... 70
   1.3.3 The deeper ideological ambiguity .................................. 71

PART 2 - THE STRUGGLE TO REALISE NEW PRACTICES 73
2.1. A FOCUS ON ADMINISTRATIVE SOLUTIONS 74
   2.1.1. Emerging problems and new institutional responses ........... 74
   2.1.2. Focus on administrative capacity rather than design ........ 77
   2.1.3. The overlooked problem of how to agree ....................... 79
2.2. OVERLOOKED SHORTCOMINGS IN THE DESIGN PROCESS 84
   2.2.1. Lack of discipline in the design process observed .......... 84
   2.2.2. Illustrating the problem: the case of Frihamnen ............... 89
2.3. THE NEED FOR JUSTIFICATIONS, NOT ONLY CONTROL 97
   2.3.1 A process overly reliant on intuitive agreements .............. 97
   2.3.2. The new need for rational justifications ....................... 99
PART 3 - THE HIDDEN CHALLENGES TO OVERCOME 104

3.1. THE IMPLICATIONS OF THE AMBITION 105

3.1.1. The challenge to operationalise the vision ............................................. 105
3.1.2. The output called for by the ambition .................................................... 108

3.2. THE HIDDEN CHALLENGES 111

3.2.1. The need to integrate very diverse perspectives .................................. 111
3.2.2. The new challenge of coordination ...................................................... 116
3.2.3. The new more ambitious role for planning documents ........................ 122

3.3. THE NEW CAPACITY REQUIRED 127

3.3.1. The new need for articulated design capacity ...................................... 127
3.3.2. The need for a unifying mission based culture ..................................... 129
3.3.3. Towards a stronger City Management Office ....................................... 135

CONCLUDING REFLECTIONS 138

ABOUT THE AUTHOR

Carl Mossfeldt is a World Fellow at Yale University and has worked over many years as an independent strategic advisor to different actors engaged in the urban development process in Gothenburg, including Älvstranden Utveckling AB. His focus is primarily on questions related to governance and organisational dynamics, including the interplay between public and private actors.
I. About this report

Focus and purpose

This report is one of the final reports from Fusion Point Gothenburg - a three year research project managed in cooperation between Ålvstrand Utveckling AB and Chalmers Department of Architecture and Civil Engineering. Yale School of Architecture and the Faculty of Law at University of Gothenburg have participated in the project as external partners.

The report presents the analysis and conclusions that have been drawn by Carl Mossfeldt based on his role in the working group for the project. The focus here on the institutional change ambition that emerged as part of RiverCity Gothenburg. The purpose of the paper is:

(i) To explore what this ambition entailed.

(ii) To analyse the challenges involved and to assess the effectiveness of the response by the city administration.

(iii) To throw light on the difficulties involved in the kind of institutional change processes that was envisaged, and more specifically to draw out lessons of how process of this kind can be more effectively supported, in Gothenburg and elsewhere.
Sources and method

The findings have emerged from extensive interviews and professional interactions with key players in the political and administrative system of Gothenburg over several years, when the author worked as a strategic advisor to several key decision makers in the municipal administration. Extensive and continual discussions have also been held with the full set of participants in the Fusion Point Project over the course of the project1.

Secondary sources have been used to map the early part of the evolution of RiverCity Gothenburg2. This has been complemented by the study of the formal decision material supporting key decisions in this gradual evolution.

Additionally, a set of specifically designed strategic workshops were organised as part of the research effort, to test emerging hypothesis with key individuals practically engaged in RiverCity Gothenburg. As part of this, examples of planning documents were also analysed in some depth, both as stand alone documents and as they are used in practice by the different individuals involved in the planning processes.

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1 The Fusion Point project has run for three years and comprises, firstly, a working group that includes Prof Fredrik Nilsson, Chalmers; Åsa Swan, Ålstranden Utveckling AB, Manilla Shillingford, Ålstranden Utveckling and Prof Lars Marcus, Chalmers. Secondly, it includes associated contributors, Prof Alan Plattus, Yale School fo Architecture, Andrei Harwell, Yale School of Architecture, Filip Bladini, Gothenburg School of Economics, Ulf Petrusson, Gothenburg School of Economics.

The steering group for the project has included Lena Andersson, Chair, CEO, Ålstranden Utveckling AB, Magnus Sifusson, Head of Urban Development, The City Management Office, Prof Anna Dubois, Chalmers and Ulf Kamne, Former Deputy Mayor, City of Gothenburg.

2 The research by Sara Broström, shadowing the evolution of RiverCity Gothenburg, has been particularly important here, not least in providing a good understanding of the dynamics of the vision process. The PhD Thesis of Åsa von Sydow, “Exploring Local Governance in Urban Planing and Development - The Case of Lindholmen, Göteborg” has offered complementary insights of the earlier stage in the process, including of the political dynamics of the process and the influence of Göran Johansson. Importantly, Åsa Swan has also provided invaluable comments and contributions, based on her deep understanding and experience of the practices in Gothenburg.
II. RiverCity Gothenburg as a case

The history and focus of the project

THE BROAD AMBITIONS

In 2010 Gothenburg embarked on an ambitious effort, centred around a large scale urban development project in the heart of the city: RiverCity Gothenburg.

Practically, the focus was on developing the industrial sites in the former harbour into new mixed use urban environments that would also serve as show-cases for social and environmental sustainability. However, from the very beginning the ambition was also to use the physical redevelopment effort as the spring board for broader governance reforms and thus for a new way of doing things in the city.

RiverCity Gothenburg in this sense had two legs thought to be equally important: one leg constituted by the vision of a new physical urban environment and one leg constituted by a new governance ambition. The two dimensions of the project were furthermore thought to be intrinsically linked: only by doing things differently was the new urban environment the city was striving for thought to be achievable.

From a broader perspective, the project was conceived as a leap for the city, out of the strong industrial past and into the new networked and more knowledge based economy that was emerging at the time. This was summed up in the heading of the vision document that would come to guide the project: “A city open to the world”.

Importantly, however, the launch of the project did not mark the beginning of the redevelopments in the former harbour areas. Early developments in Eriksberg, Sannegården and Lindholmen had begun already in the late 90s. The project - while clearly intended as the starting point for something new - must therefore also be understood as an ambition that had been emerging gradually. As such RiverCity Gothenburg carried with it intellectual as well as institutional baggage that reflected the long and sometimes conflictual discussion about what to do with the former harbour areas in the city. Here varying economic conditions, ideological positions and shifting political trends had left their mark. In this sense, the project from the very beginning contained both conflicts and ambiguities which would continue to make their mark on the evolution of the project.  

3 The ambition in this sense constitutes an excellent example of an initiative emerging in the context of a broader “contested field” in the words of N Fligstein and D McAdam (2012)
At the time when RiverCity Gothenburg emerged, the strong industrial history in Gothenburg had left a heavy physical mark on the city. This was most conspicuous in the stark contrast between the southern and the northern side of the river. While the old city, which dates back to the early 17th century, had gradually extended on the southern side, the northern shore was still in the late 80s completely dominated by the infrastructure left behind by the old shipyards.

When the shipyards collapsed in the late 70s, Gothenburg faced a long-term drop in population, but nevertheless emerged relatively unscathed. This was largely due to the new wave of successful industrial developments in the city, through companies such as SKF and Volvo. However, ambitious and successful public efforts to re-train the labour force also played an important part. There was thus a history in the city and more broadly in Sweden of successfully navigating deep structural shifts in the economy, partly through pro-active public engagement.

Following the financial crises in the early 90s, increasing concerns began to emerge around the long term competitiveness of Gothenburg. The region was seen as overly dependent on a few big industries. The sale of Volvo Cars to Ford in 1999 no doubt underlined the risks associated with this, as did the rise of the regionally integrated economic areas around Stockholm and Malmö-Copenhagen. The heavy toll on the Gothenburg following the real estate and financial crises of the early 90s also played its part. At one point, Gothenburg was facing a real risk of bankruptcy, not least due to heavy losses in the municipally owned housing companies.

For Gothenburg to stay competitive in the new economic landscape, yet another leap was perceived to be called for. RiverCity Gothenburg was one part of the city’s response; the other was the launch of the new regional strategy, including the big regional infrastructure package, Västsvenska paketet. Jointly, these two efforts were intended to strengthen Gothenburg as the centre of a more economically competitive region.

Importantly, however, what was also beginning to emerge at this time, was a new focus on the new knowledge workers as the central drivers of urban development, what would later be termed the new “creative class”.  

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This helped feed a new urban ideal where housing, workspaces, universities, as well as restaurants and retail spaces would be physically integrated through “mixed use”, thereby creating synergies and knowledge spill-overs. This new focus opened up for a gradually more complex urban development challenge, where the search for the right mix of urban amenities that would allow a city to attract this creative class became a key focus of planners and decision makers.\(^5\)

Thus while the idea of ambitious, proactive leaps driven by public actors was a familiar idea in Sweden and indeed in Gothenburg, there was an increasing realisation that things this time around would have to be run somewhat differently.

**THE NEW GOVERNANCE STRUCTURES ENVISAGED**

The new urban ideal of a mixed use urban fabric was reflected also in the governance ambitions of RiverCity Gothenburg. A key aspect of this was to pave the way for a less top-down and less centralised governance model than that which had characterised earlier urban development efforts in the city. The motivation was to open up for a more effective integration of voices from both business and civil society.

One reasons for this was to ensure a broader mix of voices and perspectives in the project, both to “get things right” and, of course, to leverage private investment more effectively. Another reason was the ambition to secure a greater sense of transparency and democratic legitimacy in the planning processes. In both cases, this reflected a more general ambition in the city to break with the personalised decision making culture that had characterised the city under the long reign of the former social democratic leader, Göran Johannsson.\(^6\)

An important feature of RiverCity Gothenburg was the ambition to accomplish this governance transition without giving up the strong commitments in the city to social inclusion and environmental sustainability. While the clear ambition was to evolve the way public bodies would interact in the urban development process, the underlying reasons for this was to retain public influence, not to give it up.

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\(^5\) Ideas of triple-helix and the importance of the interplay between universities as well as different kinds of industries were crucial, in particular in the early developments at Lindholmen. The most obvious illustration of this is the argumentation for getting Ericsson as a key lead client in the new developments, jointly with Chalmers. These importance given to these ideas is also consciously manifested in the most central building at Lindholmen, "The Cog", by Gert Wingårdh, where the explicit brief was to give physical expression to the idea of a synergistic interplay between industry and universities. See Caldenby, (2013)

\(^6\) For an account of this personalised leadership style, see Chapter 5 in Von Sydow (2004). It is important to note however that the explicit ambitions to increase transparency and participation in the urban development projects in RiverCity Gothenburg were present already in 2005 in the run up to the developments on the southern side of the River. This is when Göran Johannson was still the chair of both the local Social Democratic Party and of the Executive Committee.
Thus early pressures from the opposition and from commercial interests in the city to adopt a more market oriented development model were repeatedly fought off by the Social Democratic Party, which was still dominant at the time.

Parts of the traditional social democratic model thus prevailed, with a strong public ownership of land held by a municipally owned corporation. However, at the same time, a new more cooperative and transparent relationship was envisaged between this company and the broader set of municipal and market actors engaged, as well as indeed, with the broader public.

Looked at from this perspective, RiverCity Gothenburg reflects a more general struggle in Gothenburg, and indeed in Sweden, to evolve a strong social democratic tradition - including the administrative structures this had given rise to - to the new demands of the globalised and market based knowledge economy.

**The new political landscape**

**THE WANING SUPPORT FOR THE SOCIAL DEMOCRATIC PARTY**

As the River City Project got under way, developments in the project were soon eclipsed by the increasing political fragmentation in the city, and in particular the collapse in support for the Social Democratic party. The party went from 41% of the vote in the municipal election of 1994, to 22% in 2018.

At a more general level, this collapse in support for the Social Democratic Party was clearly part of a broader structural trend where big industry rapidly globalised, and where international competition as well as new production methods began to undermine the organised labour movement. The broader effect was that the old corporatist logic that had been so dominant in Gothenburg in the previous few decades began to crumble.

Overall, these trends fed an increase in political fragmentation which would soon become a key driver of developments in RiverCity Gothenburg. In particular, it radically altered the context within which RiverCity Gothenburg would have to be implemented. Firstly, the new fragmented political situation would alter the balance between elected politicians and the city administration. Secondly, the legitimacy of the administrative and political administration - which had for long been taken for granted - was suddenly becoming one of the more hotly debated issues in the city.
NEW PRACTICAL DEMANDS ON THE CITY ADMINISTRATION

Over several decades the municipal administration in Gothenburg had evolved to respond to the strong political direction from above that was a characteristic of the heavy social democratic grip on power in the city. In this model, key decisions were controlled by a small group of individuals in the Social Democratic Party, but so was the essential responsibility for ensuring effective coordination of the different arms of the municipal administration.

As the social democratic dominance of the political scene faded, the administration in the city was thrust into a rather different situation with far reaching new demands on both attitudes and capacities. With no clear direction coming from above, the role of the city administration could no longer be merely to respond to political direction. Instead, in order to sustain public influence over the urban development process, this new political environment would seem to require a much more proactive engagement of the city administration.

Rather than reacting to political command from above, the city administration would now seem to be required to generate worked out alternatives for how the River City Project could be moved forward effectively and in a coordinated way.

THE BROADER CHALLENGE OF LEGITIMACY

This new practical role of the city administration also fed into the broader legitimacy challenge. In the new political landscape that emerged, the proposals that would now have to be produced would be the product of non-elected civil servants as opposed to elected politicians. These proposals would thus need to be given a new source of democratic legitimacy.

One way to ensure such legitimacy - that was furthermore gaining popularity also in theoretical circles at the time - was to try to develop more transparent and co-creative ways of working with key stakeholders and the broader public. This was also the consistent theme and ambition underlying at least the early phase of RiverCity Gothenburg. It is an ambition that is here characterised as an “experimentalist ambition”. Again, the developments in Gothenburg closely track and reflect those taking place elsewhere in Europe and in the world.

Overall, the new political landscape seemed to reflect a broader loss of legitimacy among the political and administrative establishment. The 2018 election did not

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7 See Epstein-Andersen (2002)
8 The use of this term here, follows the use of the term by Charles Sable, for example in his Minimalism and Experimentalism in the Administrative State, Charles Sable, William Simon
only record a record low performance of the Social Democratic Party, but also a loss in support for the conservative party, Moderaterna. At the same time, a completely new party, Demokraterna, gained 17% of the vote with essentially one campaign issue: discontent over perceived mismanagement of the large scale urban development projects in the city, and the increasingly unpopular rail tunnel being built under the city known as Västlänken.

The predicament for the city administration

LONG-TERM STRUCTURAL TRENDS CHANGING THE STRATEGIC LANDSCAPE

The city administration in Gothenburg, thus found itself at the cross section of two significant trends, both of which posed radically new demands on the attitudes and capacity of this administration. Both of these could furthermore themselves be seen as indications that the old industrial economic logic that had been dominant for so long in Gothenburg was gradually losing its grip.

Firstly, the new ideals of mixed use urban environments and the increase in focus on forms of participatory planning, put new demands on the need for the coordination of different arms of the municipal government. The consequence of this was to significantly increase the need for a tight and flexible integration of the different arms of the municipal government in the planning process. Since issues such as eg. economic growth, cultural support, education, housing and child support could no longer easily be treated as separate issues, the importance increased of integrating these perspectives in the same development process.

Secondly, the collapse of the old political order, meant that the old mechanisms for ensuring this coordination were no longer readily available. Without the strong social democratic dominance in the municipal election - and with much less significant links between the party on the one hand, and industry and organised labour, on the other hand - it was no longer possible to sustain the old decision making model in the city. In the past, key decisions could be made by a relatively small group of people within the social democratic party, who could furthermore make their decisions in a largely personal or collegial atmosphere and then impose them on the city administration from above. Now this was no longer a way forward - both because of formal political realities and because of the lack of legitimacy of the established parties. Instead, the city administration would have to develop new practices and processes that would allow the city administration to ensure both that decisions which were crucial for the project were as a matter of fact taken, and furthermore, that such decisions would result in a a coordinated response from the different municipal agencies.
THE NEW PREDICAMENT FOR THE CITY ADMINISTRATION

Broadly speaking, these developments meant that responsibilities for both management and coordination of big projects like RiverCity Gothenburg, in this sense, increasingly fell on the city administration. But this was not a task they had traditionally had to shoulder. That is probably particularly true in a city like Gothenburg with such a long history of stable and dominance of one party.

The overall predicament of the civic administration in Gothenburg could thus be described as the following: while central coordination of decision making in the municipality was becoming ever more important, it was also becoming ever more difficult. At the same time, the legitimacy of the political establishment was being undermined, adding both urgency to the tasks at hand, as well as the need for an approach able to strengthen the legitimacy of the public actors involved.

Yet again, this should not be seen as a predicament unique to Gothenburg or Sweden; quite the contrary, it could be interpreted as a version of the much broader challenge for the welfare states across large parts of Europe, and possible globally. 9

The broader relevance of RiverCity Gothenburg

THE GENERAL QUESTION - WILL THE CITY RISE TO THE CHALLENGE?

The key question underlying RiverCity Gothenburg was from the very beginning wether the city administration would be able to respond adequately to the challenge mentioned above. In short, would the city administration rise to the challenge and build the broad capacity required to implement the envisaged new ways of working? Alternatively, would the city administration instead, in face of the new challenges, gradually lose its efficacy and thus over time risk further loss to its democratic legitimacy? 10

At a more general level, this translates into the question of whether Gothenburg would be able to sustain its commitment to a strong public role in the management of RiverCity Gothenburg, or wether the implications of this ambitions would turn out to be too daunting to manage. Framed this way, the broader relevance of RiverCity Gothenburg should be clear. The project illustrates a public ambition to make an ambitious leap, from a national industrial economy

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9  See for example, G Esping-Andersen (2002)

10 Importantly, “capacity” is here understood in a broad sense, where it includes not only the specific skills held by the individuals operating in the system, but also the broader organisational competencies as well as the even broader state structures supporting those organisational competencies. In this sense, a broad governance perspective is adopted when assessing the reform effort. In adopting this broad governance perspective, the paper follows the approach adopted by Rothstein B (1996)
into a globally integrated knowledge economy. Furthermore, it illustrates an ambition to do so with a sustained public commitment to democratic influence over urban development, and in particular to social and environmental sustainability.

Needless to say, Gothenburg is not the only successful industrial city struggling to manage these transitions, and furthermore to do so in an increasingly divided political landscape. Thus both the more specific and the more general challenge inherent in RiverCity Gothenburg have relevance much beyond Gothenburg. This is particularly true in a world of severe ecosystem imbalances and growing social rifts in many countries, where a proactive and politically driven transformation would seem to be an existential prerogative - but where a fragmented political landscape makes that exceedingly hard to accomplish.

**GOTHENBURG AS A PROMISING CASE?**

Arguably what adds significance to RiverCity Gothenburg is that Gothenburg would appear to be approaching these general and globally relevant questions from a very advantageous position.

Economic growth in the region is impressive; social trust is relatively speaking still largely intact; and the municipal administration is, again relatively speaking, well functioning and the city is overall in good financial health. Gothenburg also retains a very significant direct municipal influence over the urban development process, even by Swedish standards. In particular, there is in the city extensive direct public ownership of land as well as extensive public ownership of real estate. Furthermore, there is a long history in Sweden and in Gothenburg of well functioning collaboration among a broad set of diverse interest groups, which would seem to be a prerequisite for a more participatory approach. 11

Overall what this means is that Gothenburg would appear to be in a rather advantageous position to address the challenges underlying RiverCity Gothenburg in a proactive and effective way. At the same time, the suspicion may linger that the successful past may also prove a straight jacket going forward, especially as regards the new importance of infusing the administrative structures with creativity and agility. This clearly merits a closer look at the project, both as regards what has worked and what has not, and thus what can be learnt going forward for Gothenburg as well as for other cities struggling with similar challenges.

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11 See C Sable, Beyond principle-agent governance: experimentalist organisations, learning and accountability
III. The structure and content of the report

Part One - An ambitious but ambiguous leap

THE UNDERLYING TRENDS

Part one - An ambitious but ambiguous leap - describes the evolution and early institutionalisation of RiverCity Gothenburg and also outlines the broader historical context that shaped this evolution. This section thus reaches back all the way to the late 70s and the closing of the shipyards in Gothenburg, but focuses primarily on the period between 2009 and 2015.

An underlying claim here is that the RiverCity Project should be understood largely in terms of broader historical trends that go beyond Gothenburg. Two of these are highlighted in particular. The first is the gradual and long-term shift away from zooning towards a greater focus on mixed use urban environments and the linked search for less hierarchical forms of planning12.

The second is the changing political landscape - in particular the rapid fall in support for the Social Democratic Party in the city - and the consequent demise of the corporatist political model that had been so dominant in Gothenburg in the decades leading up to the project. Interestingly, these two trends could both be seen as signs that the old industrial logic that had been so dominant in Gothenburg was gradually losing its grip on the city. In this sense, they underscored the relevance of the big ambition behind RiverCity Gothenburg, to make a proactive leap out of a very successful industrial past into a more networked knowledge economy.

THE CHALLENGE FOR THE CITY ADMINISTRATION

At the same time, the confluence of these two trends in RiverCity Gothenburg set up a rather daunting challenge for the city: on the one hand, coordination of the different municipal agencies was becoming much more important; on the other hand, it was becoming much more challenging. At the same time, the legitimacy of the political and administrative establishment was being undermined, forcing the city to consider more explicitly not only the effectiveness of the development process, but also its perceived legitimacy. When positioned in the context of these broader historical trends, the ambitions behind RiverCity Gothenburg appear more relevant, but also more radical than they may otherwise do. The implicit change management challenge also appears more daunting as a result.

12 These issues are more fully explored by Nils Björling in his contribution to the Fusion Point Project.
In particular, this positioning of the project helps draw attention to the tension built into the project from the very beginning, between old practices that were deeply embedded in the city at the start of the project - culturally as well as institutionally and politically - and the new desired ways of doing things, as outlined in the vision statement. This tension would continue to put its mark on the project, and very much continues to do so today.

FROM THE “OLD” TO THE “NEW” MODEL

To illustrate more clearly the nature of the change management challenge implicit in RiverCity Gothenburg, two stylised models are presented: the “old” model and the “new” model. The contention is that the governance ambition in RiverCity Gothenburg is helpfully understood in terms of an attempt to move from the former to the latter. The “old” model, in the simplified way the terms are used here, is characterised by a dominant role of the Social Democratic Party, both as regards the setting of the strategic direction for urban development in the city, and for ensuring that the different municipal agencies and companies act in a coordinated way. This model is also described as a Corporatist Model. 13

The “new” model is instead characterised precisely by the absence of a strong and legitimate political actor able to set the political agenda, and the consequent need for the city administration to co-create new avenues going forward with a broader set of stakeholders. This means that both the direction of the overall project, and the coordination of the different municipal agencies, must to a larger extent be provided by the city administration itself, as the owners of these broader cocreative processes. Furthermore, without a dominant and legitimate political position in the city to fall back on, the legitimacy of a large scale urban development project must to an increased extent be constantly re-established through the actions and communications of the owner of the project 14. This “new” model is also described as an Experimentalist Model 15.

THE AMBIGUITY IN-BETWEEN THE TWO MODELS

The conclusion in Part One is that this transition form the old to the new model is more significant than what seems to be recognised in the early attempts to institutionalise RiverCity Gothenburg 16. This may be because the full difficulty of the challenge involved was not immediately understood - which is what the

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13 The use of the term Corporatist for this model, follows the practice by Bo Rothstein in Rothstein (1992)
14 The development processes, as managed by the city administration, must in this sense to a larger extent be “self-legitimising”. For a fuller philosophical and legal treatment of this idea of self-legitimation see Daniel Markovits (2012).
15 The use of this term here, follows the use of the term by Charles Sable in Sable, for example in his Minimalism and Experimentalism in the Administrative State, Charles Sable, William Simon
16 Tjänsteutlåtande, Göteborgs Stad Stadsledningskontor, 2013-01-08, diarenr 1453/12
City Management Office itself seems to suggest in its review of this phase of the project in 2017. However, it may also be the case that political considerations meant that insights that were taken on board about what was needed to realise the ambition in the vision statement were nevertheless not fully acted upon.

Either way, the result, it is argued, is that the practices in the city end up in-between the “old” and the envisaged “new” model. This in turn generates a rather significant uncertainty regarding roles and responsibilities of the different actors involved. However, this ambiguity seems to extend also to include the more general question of the more precise purpose of an active public engagement in the urban development process. Overall what emerges is a strategic landscape, in the broadest sense of that term, that is very ambiguous and exceedingly hard for the different actors engaged to navigate.

**Part Two - The Struggle to realise new Practices**

**SUBSEQUENT REFORM EFFORTS**

Part Two - The Struggle to realise new Practices - describes the subsequent period in the project- roughly 2016 to 2019. In this period, management and coordination problems had begun to surface and a new set of reforms were introduced to deal with these challenges. Three core reforms are singled out as particularly important to focus on in this context: the introduction of a common management system among the actors in RiverCity Gothenburg, XLPM; the new more central role given to the City Management Office, as the new Chair of the RiverCity organisation and with the responsibility over a strengthened reporting tool, Färdplanen; and, lastly, the process to create a deepened addition to the new Comprehensive Plan (fördjupad översiktsplan).

These reforms all seem motivated by a deep understanding of very real needs in the project, and it seems likely that they will significantly aid the municipal actors involved in the project going forward. These reforms thus represent a good example of exactly the kind of continuous institutional learning that was envisaged in the RiverCity Vision. Importantly, these learning processes are very much still on-going with important reforms taking place in the spring of 2019 and with a new promising organisation proposals for the project presented as late as September 2019.

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17 Tjänsteutlåtande, Stadsledningskontoret, 2017-05-15, Diariern 1658/15
18 Reviderat förslag Organiseringsför Älvstaden, Förslag från det interna portföljkontoret, 2019-09-02
A close reading of these proposals suggest that they are primarily directed at strengthening the administrative control over the project. This seems to reflect an assumption that the core management and coordination challenges in the project should be understood as if they were essentially of an administrative kind.

This approach could be contrasted to an approach which focuses not on the question of how to administer the implementation of an already agreed way forward, but rather on the question of how to actually agree on a road forward around which actors would willingly align. Such an approach would complement the important focus on administrative control with an additional focus on creativity and design.\(^{19}\)

While this distinction may seem subtle, it is crucial for what new capacity building is seen as required. The former reading of what constituted the core problem suggests that a more effective central administrative capacity can solve the problem; the latter reading would instead suggest that a significant build-up of a different kind of capacity is required: the capacity to explore alternative ways forward and test what kind of political consensus may be possible to build around these. This latter capacity is also singled out in the theoretical literature as key to make an Experimentalist Model of governance work.\(^{20}\)

**SHORTCOMINGS IN THE DESIGN PROCESS**

In order to assess to what extent the management and coordination problems in RiverCity Gothenburg could be reduced to administrative problems in the sense the term is used here, a number of workshops have been organised and planning documents have been studied in some detail as part of Fusion Point.\(^{21}\)

The results of this analysis show that in the three planning situations studied - Central Lindholmen, Masthuggskajen and Frihamnen - significant ambiguity existed around what more precisely the agreed road forward actually consisted in. This ambiguity, furthermore, was present both in the formal planning

\(^{19}\) Crucially, the term “design” is here used in an expansive sense, where it includes not only the design of physical objects - plans or buildings - but is rather seen as an exercise focused on solving the key socio-economic and cultural tensions in the city, through new proposed urban development projects. This broad use of the term “design” thereby implies that “design capacity” also includes the capacity to formulate the reasons for why certain physical features are included in a certain proposal. Design must in this sense be “reason giving.”

\(^{20}\) See, for example, C Sable, Beyond principle-agent governance: experimentalist organisations, learning and accountability

\(^{21}\) These workshops and the analysis have been carried out jointly with Fredrik Nilsson, Lars Marcus and Åsa Swan, and the conclusions drawn here stems also from their analysis. The more specific challenges that emerged in the course of these workshops, and the general issues underlying them, are also further explored in the separate contribution to Fusion Point by Lars Marcus.
documents, and in the way these documents were interpreted by the actors involved. Interestingly, the ambiguity around the purpose and rationale for the proposed ways forward was not immediately apparent, but rather hidden under ostensible agreements. In this sense, the planning documents almost appeared designed - unintentionally - to avoid pointing out hard choices, rather than to force these to the surface so that they could be handled.

This observation is furthermore supported by similar observations made in other research projects. The risk with this is that a semblance of agreement prevents alternative ideas to be explored and tested. In short, the risk is that by hiding crucial tensions and conflicts in the urban development process under ambiguous formulations, creativity is held back with the consequent risk that the quality of the proposals is reduced.

**THE NEED FOR BETTER UNDERPINNED STEERING DOCUMENTS**

What these findings suggest is that at least an important part of the coordination and management challenge in RiverCity Gothenburg should be understood not only as problems of how to implement an agreed way forward, but also as problems of how to agree on a way forward. In short, the focus on control must be complemented by an increased focus on creativity and design in a broad sense.

There may also be reason to suspect that the relative weak rational underpinning observed in these planning documents - ie. lack of clear answers to why certain ways forward should be preferred to others - may act to undermine the legitimacy of the broader project. After all, why would one put ones trust in a planning process if the reasons for why different avenues are pursued are or at least seem opaque? This provides an additional and independent reason to intensify the focus on more effectively underpinned design proposals.

Finally, it is suggested in Part Two that the focus on administrative solutions in the city administration, may reflect old embedded assumptions and cultural practices and furthermore the tendency to default back into these when faced with immediate practical challenges. In particular, this administrative focus may reflect the continued influence in the city of the assumption that key strategic decisions should be taken at the political level and be imposed from above, and that the city administration should take a rather passive role in preparing

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22 This is also an important observation made by Sara Broström in her research, as well as in the research project in the city, Följeforskning Bostad 2021. The ambition here is to complement the observations to this effect that are made in these research projects with an analysis of the underlying factors that may help explain these observations.

23 As B Flyvbjerg influentially argued in his famous study, Power and Rationality, there is an inherent risk that planning discussions will come to be dominated by power interests, personalities and sudden shifts in public views, thus losing their rational connection to the democratic process. This makes the importance of rational justification - of why certain choices are made rather than others - that also connects to prior politically endorsed positions, so much more important. See Flyvbjerg B (1998)
political decision support, constraining itself mainly to formulating rational means to carry out politically agreed ends. Speculatively, this may itself reflect the practices and cultures that emerged as part of the very successful industrial past of the city, a past which RiverCity Gothenburg was intended to push beyond.

Part Three - The challenges in completing the leap

THEORETICAL CHALLENGE

Part Three - The challenges in completing the leap - explores in more theoretical terms what the ambitions underlying RiverCity Gothenburg implied and what kind of capacity would be required to ensure the ambitions expressed in the vision statement could be successfully implemented. The argument proceeds in four steps. It shows (i) what kind of output the planning and design processes in the envisaged new model would need to generate to work; (ii) what kind of planning / design processes would be required to generate such an output; (iii) what the challenges are in trying to implement processes of this kind in the city administration, and lastly, (iv) what kind of capacities, in a broad sense, would be required for these processes to be adequately institutionalised.

A key underlying question posed is how to ensure the continued input of creativity into the planning and design process, so as to allow the city to test constantly alternative but well defined ideas about how to take the project forward. The findings presented in Part Two suggest this may be an area where continued and intensified learning is called for.

THE NEW ROLE AND DEMands ON STEERING DOCUMENTS

The broad contention is that in the “new” model the role which the planning processes and the resulting planning documents need to play to be effective, changes rather drastically compared to the role these played in the “old” model.

In the “old” model, the role of the city administration is largely to guide political ambitions for which there was already strong political support, through the planning process so as to give them legal status. The planning process, and the accompanied planning documents, does in this model essentially serve to give legal validity to strategic positions about what to do that are already largely settled politically. The “idea generation” in other words is not the domain of the city administration in this model. In the envisaged “new” model, the role and thus the form of the these processes and documents change significantly. With no equally strong direction coming from above, the city administration and the planning processes in particular, can no longer to the same extent serve primarily to give legal validity to political positions that had already been established.
Instead, the planning processes would now have to take on more of the new role of seeking to identify and describe ways forward, around which political support could form. “Idea generation” in short shifts towards the processes managed by the city administration. The proposals that emerge in this new model would furthermore need to have such a form that they appear convincing, not only to the Municipal Council or to the broader public, but also to the representatives of the different municipal or private actors who are expected to play central roles in realising the project and who thus need to give their explicit support.

THE IMPLICATIONS FOR THE PROCESS MANAGEMENT AND CAPACITY

This new role and new demands on the planning processes have significant implications for how these processes must be run and thus for the broad capacity required.

Firstly, the role of the city administration can no longer be limited to merely seeking to formulate effective means to achieve politically defined ends. Quite the opposite, in the “new” envisaged model, this clear distinction between means and ends breaks down. The new role of the city administration is instead to manage iterative planning processes which are essentially characterised by the fact that the ends and means are constantly being redefined in response to new information and new insights.

A consequence of this is that successful designs must essentially be “reason giving”: they must provide convincing reasons for why as many of the different stakeholders involved, given their particular perspective have a reason to look at a proposed plan as in their interest, and aligned with their “institutional logic”.24 This requires that these reasons be made explicit and formulated in such a form that they can relate to the different actors that need to be brought along.25

In this sense, the shift from the “old” model to the “new” model also implies a shift from an “institutional decision making culture”, which can be contrasted to a “personalised decision making culture” where personal connections and social trust play key roles in bringing different constituencies along. In the decades leading up to RiverCity Gothenburg, the personalised decision making culture appears to have been dominant in Gothenburg.

24 This idea of the different “institutional logics” of the different actors engaged in the planning and construction processes is more fully explored in the separate contribution to Fusion Point by Ulf Petrusson and Filip Bladini.

25 The logic of such a design process, as well as how it may illustrate itself in a particular location, is more fully explored in the separate contribution to Fusion Point by Yale Urban Design Workshop. In the introduction to the separate contribution to Fusion Point, Yale Urban Design Workshop also make the point that states that “the design of cities must ‘respond to a - and be seen to respond - to a fundamental political responsibility for a transparent, inclusive and comprehensible process’. This echoes the point made above.
Secondly, in the envisaged “new” model, planning and design processes should be understood as akin to innovation processes. The purpose of these processes, in other words, is essentially to generate new proposed “designs” or “plans” that simultaneously help to further the broadest possible objectives in the municipality, while at the same time accommodating the more immediate concerns of the different private actors as well as the different municipal agencies. Crucially, this means that the essential creativity of these processes must be preserved and constantly strengthened through effective institutional support.

**THE CRUCIAL NEED FOR CREATIVITY AND “A MISSION BASED CULTURE”**

There is a constant risk that the tension that will inevitably arise around many design proposals over time generates a social dynamics whereby individuals involved seek to hide rather than deal with contentious issues. A tendency in this direction was detected in the analysis presented in Part Two.

To avoid this, a specific kind of “mission based” culture must be hardwired into the system to ensure that new challenging proposals are constantly generated and presented for consideration, even when these proposals are deeply challenging to established perspectives or “perceived truths”. A “mission based culture” can in this sense be characterised by a culture whose focus is on achieving a certain mission, eg to realise the RiverCity Vision. This in turn can be contrasted to a “bureaucratic culture” where the focus is and should be on formally doing the right thing.26

In the “old” model, the municipal development company - Älvstranden Utveckling AB - appear to have had this “mission based” role. It appears to have been the role of this company to work on behalf of the Executive Committee with both business and civil society, to ensure that convincing proposals emerged for how to take developments forward. It is an open question if this company is best suited to assume this role also in the “new” model.

The need for a institutionalised “mission based” culture - or an “institutionalised creativity” - does not however go away, and could, for example, to a larger extent be provided also by market actors and other land owners. Still, to preserve the ability of the city administration to make sure certain core values guide this creative process - and thus to remain true to the vision statement that formally guides RiverCity Gothenburg - certain important demands on the new City Management Office stand out. In the continued and on-going evolution of this office, these demands may be important to consider.

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26 The use of "mission based" and "bureaucratic culture" here is adopted from the use of these terms by Bo Rothstein, see Rothstein B (1996)
III. Concluding reflections

THE AMBIGUITY AND THE ACCOUNTABILITY GAP

The broad conclusion is that the transition in Gothenburg, from the “old” to the “new” model, has proven more challenging than what appears to have initially been expected within the city administration. The internal review in 2017 seems to confirm this.

The result is that a rather unfortunate ambiguity was allowed to emerge and linger for longer than would have been ideal. Thus, while the institutional learning process envisaged in the RiverCity Project does appear to work, the question must constantly be asked how it can be further improved, and learning speeded up. This also stands out as the key question where other similar efforts in Sweden and elsewhere can learn from Gothenburg.

An unfortunate side effect of this ambiguity is that it seems to have brought with it also a kind of accountability gap. The old source of legitimacy - provided by a stable political leadership in the city - was being undermined by long-term structural trend; but the push towards a new model - where a potential new source of legitimacy could be established through more transparent and co-creative processes - was being held back and not completed as quickly as one might have hoped for.

One key difficulty in completing this leap appears to stem from cultural factors, and in particular, the difficulty of making the move from a personalised decision making culture, to an institutional decision making culture, where the cohesion is ensured less through social and personal trust, and more by clearly articulated and precise argumentation. Another key difficulty is that it appears unclear that there was and still is political support for the kind of ambitious experimentalist model that was implied by the early formulation of the project. Thus, while a formal commitment to the vision statement remains, as the highest steering document for RiverCity Gothenburg, it is not as clear to what extent the content of this vision document has actual political support, or substantial support from the individuals actually engaging with it.
These two difficulties clearly interplay: without a clear and generally shared understanding of what precisely a certain ambition implies, it is hard to build or sustain political support, or even knowing to what extent it exists. The risk is that ambiguity begets ambiguity, with the risk of further loss of legitimacy. An unfortunate element of this appears to have infested the project.

In spite of the ambiguities that are still present, there are reasons to be optimistic about the direction of RiverCity Gothenburg. As shown in the report, there has been a continuous evolution of governance arrangement since the formal adoption of the River City Vision in October 2012. This is still very much on-going: new practices are constantly emerging and new proposals are constantly being considered about how to evolve the management of the project.

These on-going efforts furthermore point towards ambitions to fill some of the key capacity gaps that still exist and which are highlighted in this report. The most obvious example of the continued effort to strengthen the capacity of the City Management Office to offer more hands on strategic direction for the project. At the same time, it is important to acknowledge that these on-going reform ambitions are likely to bump up against precisely the same counter pressures as have previous ambitions in this direction, not least in the form of deeply held cultural practices and institutional baggage of the kind outlined in this report. One particular risk here is that the focus on administrative control becomes too dominant, and drowns out the crucial focus on creativity and design, as highlighted in this report.

The ambition with this report is to bring attention to these pitfalls so as to help the city administration counter them proactively, and as effectively as possible. The hope is furthermore that this kind of more structured and research based reflections on how the project has so far evolved and on the kind of challenges that have emerged and still remain, will add to the necessary learning going forward. Possibly, it may also give an indication more generally of the kind of structured learning and reflection that could be built into, or linked more closely to the project going forward.
REVIVING THE IDEA OF AN “INDEPENDENT ADVISORY COUNCIL”

More broadly, the findings in this report leads to the reflection on how the essential learning in the project can continuously be improved, not least to prevent the kind of ambiguity and accountability gaps highlighted above from emerging again.

One way to address this concern, could be to revive the old idea of an independent advisory board for the project. This is an idea that features already in the vision statement. Furthermore, it is included in the organisational proposals for the RiverCity Organisation in 2015. However, for some reason, this idea has never been introduced. Possibly - again - this is because the “learning challenge” in the project was underestimated.

This idea could now be revived with a potentially very important impact. Precedents for such independent boards also exists, which could be studied and learned from. 27 Based on the observations made in this report, the function of such a board would probably be not only to offer independent advice on broad strategic questions in the project, but also, more directly, to help avoid that ambiguity in roles and responsibilities can linger for as long as it currently appears to have done. The focus of such an advisory board would in other words be to oversee the extent to which the RiverCity Vision - including both an urban design ambition and an institutional change ambition - is in fact being implemented.

To function well, such a new function would probably also need to constitute or be closely linked to a structured reflection and learning process, as illustrated by eg. Fusion Point. Importantly, the role of such an independent board would be to push issues to the surface even when these are deeply uncomfortable for the city administration or for politicians, and which would therefore run the risk of getting covered up or denied. The implication of this, is that the independence of this kind of ombudsman-function, if it were to be institutionalised, would likely be crucial. 28

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27 See Vision Älvstaden, page 40, as well as organisational plan proposed to the Steering Group of RiverCity Gothenburg in 2005.

28 A high-profile precedent for such an independent advisory board function exists in the form of the London Sustainable Development Commission. The experience from this body may be able to offer important lessons.
PART 1
- AN AMBITIOUS LEAP CAUGHT IN AMBIGUITY
1.1.1. The emergence of the project

Building on past structures and practices

RiverCity Gothenburg (Project Älvstaden) was first initiated through a decision in the Municipal Council (Kommunfullmäktige) in 2009, initially under the name Centrala Älvstaden. This ensued in a two-year long vision process and the formal endorsement of the RiverCity Vision in Oct 2012.

This could be considered the formal launch of the project, but its origins must be sought much further back. 1977 can be seen as the natural starting point. This is the year when the state-owned company, Svenska Varv, was formed to take over the ailing shipyards in the country. The initial attempt at rescue was soon abandoned. The shipyards which in 1973 had employed 13,000 people were essentially wiped out only a few years later. As a result Svenska Varv was left as the owner of the remaining assets, primarily the land.

The broader recession following in the wake of the oil crises in 1973 and 79 left little appetite for redeveloping the areas and in the period from 1970 to 1985, Gothenburg experienced an absolute fall in the number of people in the city, from 451,000 to 425,000.

Towards the mid-80s things were beginning to look up. In 1985 the land ownership was transferred from Svenska Varv to another state-owned company, Eriksbergs Förvaltning AB with the mandate to explore development options for the area. Bengt Tengrot was made the CEO of the company, with a background as a union leader at SKF and formerly deputy CEO at the biggest shipyard, Göta verken.

Early attempts to alter the image of the northern shore was made in the late 80s with a series of concerts in the area. A series of architectural exhibitions were also organised, and an initial plan and even a development consortium was formed to develop Sannegårds hamnen already in 1992, but the financial crises
in 1991-92 and the real estate crash this same year made sure these plans had to be dropped. Developments got yet another start in 1996, when Eriksbergs Förvaltnings AB was bought by the city of Gothenburg. Thus ownership of the land was passed to the city from the state. At this time a new directive was given to the company: to manage the brownfield developments on the northern side of the river between the two bridges in the city, Götaälvbron to the east and Älvsborgsbron to the west. As part of this new directive, the name of the company was changed to Norra Älvstranden Utvecklings AB.

In 2004 the company was also given the responsibility to manage the developments of some sites on the southern side of the river and the name was changed again to Älvstranden Utveckling AB. This remains the name of the company today. Initially the company had two subsidiary companies: Norra Älvstranden responsible for developments on the northern shore and Södra Älvstranden responsible for developments on the southern shore.

The new enlarged mandate for Älvstranden Utveckling AB was not uncontroversial. The opposition was pushing the idea that developments on the southern shore of the river should be run by private developers. Similarly, the local trade association, Västsvenska Handelskammaren which by tradition has a prominent place in Gothenburg also pushed for a way forward led by private developers rather than a municipal company. However, the social democratic leadership in the city had their way, and the new larger company was formed. A major rationale underlying the ambition to keep the company was the argument that a single landowner would allow for a more coherent development strategy.29

As part of this transition whereby the company was given an enlarged mandate, a significant amount of the real estate values built-up in the company were liquidated and clawed back by the municipality, which thereby saw a net contribution of roughly sek2bn to the municipal budget. This decision to weaken the company financially, may have reflected a concession to the opposition. If so, it would highlight the political controversy over the role of the company.

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29 Tjänsteutlåtande Göteborgs stadskansli, 2004-11-22
A CHANGING CONTEXT AS TIME PASSES

During the early stages of developments in Eriksberg, Sannegården and Lindholmen, a model for how to manage the development process had became established. The model was originally know as konsortiemodellen, but it is now officially referred to as samverkansmodellen, or the "cooperative model". The core of this development model is a consortium structure, led by the municipally controlled development company but with participation also from private developers.

The idea behind it is to combine a regard for long-term municipal interests, with sensitivity to the more short term constraints of private developers. In this sense, it was partly a form of risksharing agreement also designed to harness private expertise and insights. It reflected the pragmatic form of social democratic rule that characterised Gothenburg at the time.

When RiverCity Gothenburg was later born, it thus emerged out of an already partly defined practice and out of existing structures. These structures and practices in turn were part of an established and shared understanding of how "things were done" in the city. In other words, these were practices and structures that were culturally and institutionally embedded in the city, while also of course being contested.

Gradually, however, both the context and the ambitions of the redevelopments in the former port areas would change. Thus the practices and structures that have emerged in one context to solve one set of problems, came to be used in a partly different context to solve what was also partly a different set of problems. In this sense, a certain institutional ambiguity was built into the project from the very beginning. This would come to the fore more forcefully later on.

An obvious change in the evolution towards the project, was that the developments on the northern shore gradually came to be viewed in a rather different light, both as the economic conditions changed and as the complexity of the projects increased.

In the very early phase of the redevelopment process, the challenge faced by the city was a relatively straight forward one: how to entice private actors to take risks on housing developments on the northern shore of the river? The question was particularly pertinent as Gothenburg had gone through several decades of falling or stable population in the wake of the recessions in the 70s. Furthermore, in the early 90s, Sweden suffered from a deep financial and real estate crisis which brought the municipality to the brink of bankruptcy, not least due to significant losses in the municipally owned real estate companies.
In this landscape, an explicitly stated objective was to change the popular perception of Hisingen, the big island forming the land to the north of the river, so as to make it seem at all interesting for investors in the private sector. The use of the municipally owned development company was in this context a well established tool that could be used as a kind of spearhead to help break open a new market for private investors, partly by changing the broad perception of the area in question.\(^{30}\)

Intellectually, this use of a municipal development company reflected a deep tradition in the country of a form of Keynesian economics that really predated Keynes himself. The basic idea underlying this kind of active intervention was that the continuous, active and dynamic public engagement in markets is essential to ensure their effective functioning.\(^{31}\) Furthermore, this use of municipal companies also reflected a general practice in the social democratic state to rely on what is sometimes referred to as “mission based” public organisations, as opposed to the tradition bureaucracy, to secure ambitious reform efforts.\(^{32}\)

In 2009 and 2010, however, when RiverCity Gothenburg was kick-started the situation was radically different than it has been in the mid 90s, as were both the challenges and the opportunities. At this stage in the developments, a number of successful development phases had already been completed, in Eriksberg, Sannegården and Lindholmen. Not least had real estate prices in these areas been rocketing. In 2010 Gothenburg and Sweden were also in the midst of a historic economic boom, save a short dip in 2008-2009 following the global financial crises.

Furthermore, the areas that were in line to be developed in 2010 could also no longer reasonably be described as peripheral high-risk projects. Rather, the focus of RiverCity Gothenburg was mainly on relatively centrally located land where there is a significant interest among private developers to invest and for leading private companies to establish themselves.

The central location of the land that was now coming under consideration also meant that these developments could no longer be treated as fairly isolated development projects that could be pursued without much attention paid to

\(^{30}\) Socially focused housing companies clearly predated social democracy in Gothenburg, and rather reflects the liberal and philanthropic history in the city. The first and most notable example here is is Robert Dickson’s Stiftelse, a private foundation dating back to 1856, which is still active in offering affordable housing in the city. Similarly, the current holding company for the municipal housing companies in the city, Förvaltnings AB Framtiden, was established already in 1915, partly with private investors.

\(^{31}\) Bengtson B (2005) and Lind H (2005)

\(^{32}\) See Rothstein B (1996)
surrounding areas. The central location of these areas rather meant that any development plans had to take the broader systemic impact of the developments into account to a much greater extent than previously. In this sense, the complexity of the planning and design challenge had increased significantly compared to the early developments.

Figure 1.
The map shows the geographical relationships between the early development phases - “Norra Älvstaden” and Söder Älvstaden” - and “Centrala Älvstaden” which would subsequently be renamed “Projekt Älvstaden” (RiverCity Gothenburg).
Source: Göteborgs Stad

The redevelopment ambitions in the old harbour areas were at this later stage also being interwoven with a broader regional discussion about how to strengthen Gothenburg as the core of a more cohesive and thus competitive region. At a time of rapid globalisation, this was seen as a necessary response to meet the competing pressures from rapidly regionalising economies such as Mälardalen around Stockholm and the Öresundsregionen emerging around Malmö/ Lund and Copenhagen.

RiverCity Gothenburg thus emerged as part of a new set of regional discussions about how to make Gothenburg a stronger core in the broader region. These discussions were driven by the regional cooperative office, Göteborgs Regionen.
Particularly important here were two strategies:

“Sustainable development” (Uthållig tillväxt) and “A structural idea for Gothenburg” (Strukturbild för Göteborgsregionen) - both of which would be incorporated in the new comprehensive plan adopted in 2009.

A crucial component of these regional ambitions was an ambitious regional infrastructure package known as Västsvenska paketet that had been negotiated with the state in 2009 and 2010. A key part of the package was the planned rail tunnel under the city, Västlänken. It was conceived as a way to alleviate capacity pressures on the central station in Gothenburg and thus make room for the region expansion of rail traffic. It would later take on a much broader political significance.

This changing context meant that the original question that Gothenburg as a city had been facing - how to get market actors to enter into high risk projects on Hisingen - no longer seemed like the central question. The key question instead seemed to be the following: how to channel commercial interests so as to support a new competitive regional and more diversified economy, while also promoting the broad values that had been democratically formulated? Put in simplified terms, the challenge at this later stage of the developments was no longer to merely accelerate market developments, but rather to steer them in democratically more desirable directions. This, needless to say, put new rather challenging demands on the “development model” that was used to accomplish this.

At an even more general level, the project was clearly perceived by some political leaders as a spring board for the city to make the necessary leap towards a new more regionally and internationally minded city. This leap was understood not only in terms of new infrastructure, but also in terms of new governance arrangements and indeed mindsets. Overall this seemed to call for a more general rethink, which was something the new recently elected leader of the Social democratic party, and the new Chair of the Executive Committee (Kommunstyrelsen), Anneli Hultén seized on. The result was the launch of RiverCity Gothenburg.
RiverCity Gothenburg was first launched in late 2009 under the name Centrala Älvstaden. The decision marked the beginning of a two year ambitious participatory process designed to set a new course not only for the developments on the northern shore of the river, but for Gothenburg more generally.

![Image of demographic developments graph](image)

The result of this process was a vision statement, the RiverCity Vision (Vision Älvstaden), which was formally endorsed by the Municipal Council (Kommunfullmäktige) in October 2012. This document thereby became the highest steering document for RiverCity Gothenburg, and it remains so until this day.

The headline for the vision was “Open to the world” which signalled the deep motivations behind the project to turn Gothenburg into a more outward oriented city and, in particular, to open the city, both physically and mentally, to the larger region in western Sweden. It thus emphasised the crucial regional dimension of the project and the ambition to create a more cohesive and thus competitive economic region.
The brownfield development in the old harbour areas formed one leg of this ambition; the regional strategies and Västsvenska paketet formed the other one.\footnote{It is interesting to note that two of the most influential people in the early development of RiverCity Gothenburg, Lars-Bertil Ekman and Bo Aronsson, were picked from leading positions in these regional discussions, to instead assume central leadership positions in RiverCity Gothenburg.}

This was clearly stated in the cross party proposal to the Municipal Council which kickstarted the project:

“\textit{In the growth strategy of the Gothenburg region the development of the core is a precondition for the broader region to get the attractiveness which is essential to attract new sectors and new employment opportunities. The infrastructure package has given new hope when it comes to ensuring the strengthening of the public transportation system which this expansion of the region requires, thereby creating the conditions for the core to grow.}

\textit{It is time now to make a concerted effort to formulate a vision and a strategy for the development of the central parts of the city.}

\textit{Our proposal is therefore that a special project organisation is created straight under the Executive Committee. Formal decisions will be taken in the established municipal agencies.}”\footnote{Yrkande S, M, FP, MP, V, KD, 2009-11-25, Executive Committee Ärende: 4:8}

The ambitious participatory vision process also signalled the strong democratic ambitions with the project.\footnote{Tjänsteutlåtande, Enheten för Stadsutveckling och samhällsanalys, 2009-12-20, Diarinr 1299/09, Repronr 172010}

These participatory ambitions were formulated partly in response to a set of corruption scandals that broke in 2010 involving mainly the municipal housing conglomerate, Förvaltnings AB Framtiden. The scathing report delivered in June 2013 by the special commission looking into the incidents reinforced the seriousness of these incidents and the need to create a more open working environment.\footnote{Se Amnå, Czarniawska, Magnusson, Tillitens gränser, Granskningskommissionens slutbetänkande ,2013}

The emphasis on greater participation in the urban development projects in the city went further back than the RiverCity Project. The Municipal Council made an explicit decision already in June 2004 that the city should “develop new methods to improve participation” in developing the area to the south of the river. This was reemphasised in the decision to create Ålstranden Utveckling AB which simultaneously gave the company an expanded mandate.\footnote{Tjänsteutlåtande, Göteborgs Stadskansli, 2004-11-22, Diarie1453/12}
The focus on new more participatory working methods would more generally appear to be a response to the perception that the bureaucracy in Gothenburg had been growing too hierarchical, too reliant on informal personal connections and thus insufficiently transparent and robust to be able to support effectively the rapidly emerging knowledge economy in the city.

Thus, in the cross party proposal to start the project it was clearly formulated that:

“The work with Centrala Älvstaden will require planning and execution effort that reaches across all competencies related to urban development. It will in other words be a rather daunting task to develop the area in a way that takes into consideration both the economic, the ecological and the social dimension. Our assessment is that this can not be done within the framework of the existing political and administrative organisation.”

THE VISION PROCESS

The participatory process that kicked off the project was run by a project group that was reporting to the Executive Committee (Kommunstyrelsen), the central political body under the Municipal Council (Kommunfullmäktige). It was thus very centrally placed in the city. For practical reasons, the manager of the project leader for the process, Bo Aronsson, was employed by Älvstrandén Utveckling.

The process involved thousands of people from the city administration, civil society, business as well as national and international experts. The resulting document set out a very ambitious change agenda for the city which went well beyond the new envisaged physical developments.

The three core strategies that formed the structure of the vision rested explicitly on a logic adopted from Brundtlands definition of sustainability. The strategies were chosen explicitly to capture the ecological, the social, and the economic dimension of sustainability, in Brundtlands use for these terms.

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38 Yrkande S, M, FP, MP, V, KD, 2009-11-25, Executive Committee Ärende: 4:8
39 Conversation with Bo Aronsson, 2019
Each strategy was summed up with a catch phrase:

- **Connect the City** 40 (Encourage social integration, through more effective connections in the city and a more general sense of equality in the public realm)

- **Embrace the Water** (Encourage sustainable lifestyles, adapt to climate change, and strengthen the emotional connection to the water)

- **Reinforce the Core** (Encourage economic competitiveness through a more integrated urban region and an city feel able to attract talent and capital)

What was referred to as "strategies" in the vision was however more of an indication of a set of ambitions whose possible manifestations were only very broadly illustrated. The underlying challenge that would have to be dealt with in the development process was thus a familiar one: how to give these generic sustainability ideas a concrete form in a specific local context?

40 The Swedish formulation of this strategy was using the phrase “hela staden”, which is more directly translated into “Heal the City”, as opposed to “Connect the City” which was the official translation. This is worth noting, as it arguably indicates a very early drift in the perception of the project among the people leading it, from a holistic vision about the socio-economic future of the city, towards more of a technical understanding of an infrastructure project. This drift, it will be argued here, is at the core of many of the problems that would later on emerge.
1.1.2. A new governance ambition

An experimentalist approach

The explicit intention was that the more tangible significance of these strategies would be defined in the subsequent development process, where also the inevitable trade-offs and compromises would be handled. Indeed, it was generally understood that there would be such challenging judgements and trade-offs to be made between these different perspectives. The ambition to run the project in a more flexible and iterative fashion was thus explicit. The importance of such an iterative and probing approach had also been emphasised by the international workshop that was organised as part of the vision process in the summer of 2011. Indeed, Bo Aronsson project manager for the vision process characterised this as the key message from this workshop.

These ideas were given their expression in the Vision Document in the form of the proposed "Model for Urban Development", with an emphasis on five key words - leadership, participation, cooperation, holistic perspectives and learning - which in the graphic illustration were drawn as encircling the vision statement, which was explicitly intended as the core, or "the nave" (navet) that would hold the model together.

The broad governance ambition reflected new planning practices and theories emerging at the time, with a heavy focus on participatory and iterative practices. More broadly, it reflected emerging management thinking around the transition from the hierarchical organisations of the industrial era, towards the more fluid, probing and learning organisations of the new era. The approach could be characterise as a "pragmatist" or an "experimentalist" approach.

Tellingly, these ideas were also featuring very prominently in the large scale urban research project, Mistra Urban Futures, that was simultaneously being set up in the city, with strong support and personal engagement from, Anneli Hultén, the chair of the Municipal Executive Committee (Kommunstyrelsen). Mistra Urban Futures was furthermore specifically highlighted as an important partner to the city in the work with RiverCity Gothenburg.41

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41 Tjänsteutlåtande, Enheten för Stadsutveckling och samhällsanalys. 2009-12-20, Diarenr 1299/09, Repronr 172010
THE VISION AS A VALUE STATEMENT, RATHER THAN A MASTERPLAN

Characterising the governance ambitions in RiverCity Gothenburg as an experimentalist ambition helps guard against certain misconceptions. For example, the vision statement has often been criticised as not dealing with in-built conflicts, or of being insufficiently precise in its formulation and thus not giving sufficient guidance for subsequent developments.

Crucially, however, the vision was left intentionally vague. In the decision by the Municipal Council to endorse the Vision, a special petition from the ruling coalition made very clear that the purpose of the vision was to “serve as the value base when an area is developed”.42

42 Tilläggsyrkande (s) (mp), (v), 2012-08-12
Additional remarks from the opposition parties complain that if anything the vision statement as it was formulated was too detailed including “proposals which there is at this stage no need to decide upon”.  

Similarly, the fact that there were inherent tension between the various ambitions in the vision statement was also not something that was missed. These inherent tensions were well understood, at least by the senior managers of the vision process, but an indirect process approach rather than a direct approach to them was adopted, where overall indicative plans would be drawn up only to be replaced by new plans as new lessons were learned in the project and as the broad political ambitions were gradually being made more tangible.

In this sense, the vision document was never intended as a masterplan for the physical developments in Gothenburg, but rather as a process plan for the dual physical and institutional renewal in the city.

1.1.3. The attempt to institutionalise the ambition

The formal question to the City Management Office

When the vision document was formally adopted in October 2012, a new process was initiated. Its purpose was to ensure that the right structures and process management would come into place so as to ensure that the ambitions outlined in the vision and expanded on above could also be realised.

“It is now time to move from words to action. That makes it important that the vision and the defined strategies are implemented in the right way. That will require that there is clear leadership; that the Vision is used as the value base when new areas are developed; that Political Committees (Facknämnder) and Boards adopt a holistic perspective in their planning; that new solutions and new working methods are tested, and finally that a new more developed working model is secured, as proposed in the Vision.”

As a first step towards institutionalising the vision, the Municipal Council (Kommunfullmäktige) initiated a programme with six specific deliverables.

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43 Yttrande (FP), (M), (KD), Nr 2:9 Kommunstyrelsens 2012-08-22
44 Tilläggsytande S, MP, V, Kommunstyrelsen, 2012-08-29
The responsibility for carrying out this programme was placed with the City Management Office (Stadsledningskontoret).

The 6 deliverables were the following ones:45

(i) A strategy for how to make sure that the vision would become well known among the municipal departments, the Standing Committees (Facknämnder) and among the boards of the municipal companies.

(ii) A plan for strategic communication of the vision, both internally and externally.

(iii) A description of how the knowledge-transfer would be ensured between the project organisation and the municipal management office and the relevant departments and Standing Committees (Facknämnder).

(iv) A time-line for any temporary and permanent programmes would be implemented to ensure the institutionalisation of the ambition

(v) A proposed reporting procedure from the project.

(vi) A report to the relevant Standing Committees (Facknämnder) of how they ought to work with the vision as well as its underlying strategies.

THE PROPOSAL FROM THE CITY MANAGEMENT OFFICE

Notable in the proposal from the City Management Office is the early emphasis on the fact that implementation of the RiverCity Vision was not expected to require additional central resources:

“[t]he interventions proposed here imply no costs or expenses beyond what the City Management Office assesses that there is already room for in the budgets of respective municipal agency”.46

This is, on the face of it, a rather remarkable conclusion in view of how radical the envisaged organisational and cultural transformation seems in hindsight. More generally, the proposal form the City Management Office appears not to be really responsive to the underlying question implied by the requests from the Municipal Council.

The deliverables asked for by the Municipal Council and the broader context within which it was done clearly seem to indicate that the focus was on how to put in place a set of practices and procedures that would in turn allow the broad vision to be realised.

45 See Kommunfullmäktigebeslut, 2012-10-12§12
46 Tjänsteutlätande, Göteborgs Stad Stadsledningskontor, 2013-01-08, diarenr 1453/12
The task of the Municipal Management Office was in this sense very much on how to create adequate structures and procedures for the problem solving. It was not a request to deliver practical answers to the more tangible development questions. In line with the broad ambitions in the vision document, the focus was in this sense on process rather than on content.

The proposal from the City Management Office does however much more read as if it were an attempt to offer literal answers to the six questions asked. In the proposal, it is also made very clear that it was the ordinary municipal agencies that would be executing the project. The idea of an independent project organisation in that sense appears to be clearly rejected. Together with the clear emphasis on not allocating any new administrative resources for a central management function, there appears to be an explicit attempt to steer away from adding new central resources.

An opinion appended to the decision by the opposition parties also gives a hint about some opposition to a stronger centralised function in arguing that “the coordinating function must be precisely that, a coordinating function, with the established agencies that highest key actors with implementational responsibility”.  

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Figure 5.

The timeline shows key institutional developments in the RiverCity Gothenburg project and how different names were applied to the project at different stages.

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47 Yrkande, FP, M, KD, Omr 2:9, Kommunstyrelsen 2012-08-22
The new structures that emerged

Throughout the vision-process there had been competing views of whether a separate project organisation should be created for the purpose of the project, or whether key responsibilities should be integrated in the established municipal departments. This disagreement partly reflected differences in underlying philosophies about how this kind of large scale change management processes should be run, but also partly reflected on-going power struggles in the city. What emerged was a compromise between these two positions, where a coordinating set of structures were set-up, but where formal decision making power was retained with the government agencies, ie. the established municipal agencies. The basic purpose of these coordinating structures was to function not as a full fledged project organisation, but rather as a kind of flexible interface between the tangible development projects and the municipal administration, ie. to serve as the “oil in the machinery”, as one of the participants in the process described it.48

The underlying idea seems to have been that key decisions would get their force and legitimacy by being anchored in the municipal agencies, while the additional structures were intended to affect the way these decisions were understood and decision support was developed. The new organisation should in this sense serve to exert a kind of “soft power” on the established bureaucracies, by reframing key issues and introducing new perspectives and arguments into the established lines of authority.

This new organisation which was decided on in June 2015 was structured in three different layers. The steering group was given overall responsibility for the execution of the project. It included representatives from the Agencies for the Built Environment (Stadsbyggnadskontoret), the City Management Office (Stadsledningskontoret), the Agency for Trafik (Trafikkontoret), the Agency for Housing (Fastighetskontoret), the Agency for Trafik (Trafikkontoret), the Agency for Parks and Nature (Park- of Fritidsförvaltningen), the Agency for the Lundy local district (Stadsselsförvaltningen Lundby), the CEO of Älvstrand AB, Utveckling as well as the CEO of Business Region Gothenburg. The latter is the municipal company charged with attracting investments to the city.49

48 Sara Broström, Centrala Älvstaden - höga förväntningar och stora utmaningar, KFi-rapport nr 115
Interestingly, the head of the Agency for the Built Environment was given the role as Chairperson for the Steering Group of the organisation, a decision that would later be revoked with this position instead going to the municipal management board (Stadsledningskontoret), as a part of the later efforts to bring the RiverCity Organisation closer to the established agencies.

At the time of this decision, the issues of who should chair the steering group does not appear to be controversial. One reason for this may have been a strong assumption that the co-creative spirit of the early stage of the project would dominate. It is notable, however, that in the decision to kick-start the project, the point was explicitly made that the City Planning Office would serve merely as “host” to the process, not as the chair.

The Project Management Group was supposed to be in charge of the overall operational management, and included representatives from the municipal company as well as the different agencies. The participants in this group were appointed by and received their mandate from their respective director in the Steering group, and their task was to represent their organisations in the operational management of RiverCity Gothenburg.

Lastly, there were eight different projects defined, each corresponding to the different areas which RiverCity Gothenburg was divided into. These projects were co-led by a representative from the Älvstrand Utveckling AB as well as form the Planning Office, where the former took the role of landowner and the latter would lead the “shared planning”. This was referred to as the model of “Shared Project Management” (dubbla ledarskapet), and clearly reflects the ambition of creating a role for Älvstrand Utveckling AB that was more integrated with other municipal departments. It would however create considerable confusion, as would also later be acknowledged.

Importantly, key decisions making power, however, continued to be anchored in the municipal agencies. The purpose of the new organisation was thus not to make decisions, but rather to coordinate decision making, so as to ensure that the different decisions that were taken within the formal bureaucracy would grow out of a shared and holistic understanding of the strategic needs of the project. In this sense, the bureaucrats who participated in the organisations were expected to do so, not in the role of representatives of their municipal agency, but rather as individuals who for some time adopted a shared holistic perspective and then brought this back to their agency to inform the formal decision making procedure.

50 Conversation with Sara Broström, 2019
51 Yrkande S, M, FP, MP, V, KD Kommunstyrelsen, Ärende 4-B, 2009-11-25
The logic of the new institutional set up in this sense relied on the ability of these individuals to move in and out of different kinds of institutional identities.

In addition to the question of how to ensure the coordination between the different municipal agencies, there was also the controversial question of what should be the role of the municipally owned development company, Älvstranden Utveckling AB. The early developments on the northern shore of the river had been run largely independently by this company, which was also the single landowner in these early phases. The directive for the company, dating back to 2005 stated that the role of the company was to “develop the areas around Götaälv and in doing so have a holistic perspective”, which was clearly a comprehensive urban development task.\footnote{Tjänsteutlåtande, Stadsledningskontoret, 2012-08-16, diarienr 0406/12, Repro nr 249/12}

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The new role for Älvstranden Utveckling AB

The figure illustrates the structure of the new RiverCity organisation that emerged and indicates how this organisation was intended to ensure a more systemic coordination of the different administrative entities in the city.
A particular development model, the so called samverkansmodellen, had emerged around this company and had been deemed to work very successfully. The company also remained the dominant land owner in the areas to be developed, as well as a significant owner of real estate. The company was in this sense deeply embedded in the project.

At the same time, the perception of the company was clearly coloured by the perception of the broader model of governance it was associated with, where it had served as a largely separate tool of influence with an independent minded CEO under the direct influence of the party chairman, Göran Johansson.53 As part of the ambition to transition away form the old hierarchical and centralised model of the past, there was therefore the clear ambition to integrate the role of the company more closely with the other government agencies.

More generally, the role of the company in the project was being contested, as it had been in 2004 when the assets of the company were significantly reduced. In 2013, the opposition again argued for its disbandment altogether, but the company survived with a slim majority in a parliamentary vote. Instead of disbanding the company, its role and powers were changed and intentionally diminished.

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53 For an account of Göran Johansson’s dominant role during the early development in Lindholmen, see von Sydow, Å (2004)
Two possible new directives for the company were considered. In the first version, the company would remain a development company but with a diminished role. It was explicitly stated that in this alternative the company “would not have the leading role in the urban developments around the river, but will be one part among the other political committees engaging in urban development”. In the second version, it was suggested that the company would be reduced to only focusing on real estate management, with all responsibility for urban development passing to the other political committees in the city.54

Alternative 1 was endorsed by the Municipal Council. While this on paper appeared a clearly diminished role for the company, it was not unambiguously interpreted as such by everyone involved. Some even claimed the new directive strengthened the mandate of the company, by clearly tying it to the vision statement and furthermore by making the company the only entity in the city with the sole purpose of realising this Vision.

Overall what appeared to be happening was that the Municipal Council (Kommunfullmäktige) wanted to ensure a closer working relationship between the different municipal entities and to further reduce the strong independent role of the company.

One reason for this may well have been the ambition to realise the more effective and systemic coordination that was explicitly seen as a key objective of the project.

However, the broader opposition to the use of a power municipal company in the development process no doubt played a major part. What probably fed into this was the desire to end the practice of using municipal companies as a tool for the ruling coalition to bypass the bureaucratic system in the city.

An indication of the broader reasoning around these issues is detectable in the review that was completed in late 2013 of the structure and management of the municipal companies in the city. The focus of this review was a to ensure a more “effective political management” of these companies. This, it was stated, was expected to require both “structural and cultural changes”, in particular in the face of what was noted as an “established culture where the companies act with considerable independence, in spite of the fact that both the municipal budget and the directives for the companies emphasise the need for cooperation and coordination in pursuit of the broader political goals.”55

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54 Tjänsteutlåtande, Stadsledningskontoret, 2012-08-16, diarienr 0406/12, Repro nr 249/12

55 Stadsledningskontoret, Tjänsteutlåtande, 2013-10-10, Diarienr 1721/11; Repnr 248/13, page 6
As a result, it is proposed that the previous common practice where individuals from the Executive Committee (Kommunstyrelsen) could also sit on the board of specific municipal companies be disallowed so as to avoid “the obvious risk that key strategic questions are taken directly to the executive committee”. This recommendation is subsequently endorsed by the Executive Committee.

**THE INTENDED LOGIC OF THE NEW MODEL**

Overall, the new organisational structures that were put in place, seemed to build on the idea that open, transparent and co-creative processes would be able to create firstly a shared sense of purpose and secondly also generate practical strategies that would be co-owned by the different municipal entities in the city. Coordination of the different Municipal Agencies and Standing Committees (Facknämnder) would in this sense be possible to ensure - the theory goes - through a shared sense of direction emerging out of a broader co-creative engagement, without the need of a strong central authority imposing its will from above.

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Figure 8.

The figure illustrates the intended logic of the new envisaged model, where transparent co-creative processes would ensure a common perspective on the project which would generate a set of coherent and synergistic proposals.

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56  Stadsledningskontoret, Tjänsteutlåtande, 2013-10-10, Dlarienr 1721/11; Repnr 248/13, page 6, page 15
It is an ambitious idea, and in hindsight it is unclear to what extent it was actually this belief that generated the institutional structure, and to what extent it was the new political reality that did not allow for any alternative structure to emerge. For example, the intention early on in the vision process was that an independent project organisation would have been created, with its own decision making power. That would probably have facilitated coordination, as individuals representing different perspectives and interest would under such a scenario at least be united by a shared institutional context.
1.2. THE BROADER TRENDS

1.2.1. A new networked economy

The move away from the era of heavy industry

RiverCity Gothenburg does not emerge in a vacuum. Rather, the project should be understood as the practical attempt in Gothenburg to adjust municipal planning and more generally governance practices to a number of deeper and more long-term trends, playing out locally, nationally but also internationally. This is what gives the project its broader relevance.

In order to appreciate this, it is useful to dig a little deeper into what these broader trends are and how they combine to influence the project. A starting point for doing this is to ask what it actually means at a deeper level to move away from an industrial economy towards a new emerging knowledge economy, or possibly neo-industrial economy. While these terms are far from clear, it was nevertheless very much in these terms the RiverCity Vision was formulated, explicitly and implicitly. This very broad framing of the project ambition, in spite of all its shortcomings, also helps us identify certain key issues.

The broad suggestion here is that the question of what this really means is usefully addressed by highlighting the underlying shift in economic logic that underpins this transition: from relatively centralised value producing processes to more decentralised and networked such processes. This is what at a more fundamental level is driving both the ambition to transform the physical structures in the city and the need to also address the institutional structures.

In simplified terms, the industrial era was characterised by value producing processes that depended on large concentration of physical capital, “the factory" being the paradigmatic example. The new emerging knowledge economy is instead characterised by a more decentralised and networked economic logic, where the value producing processes largely take place in the form of a decentralised, and sometimes at least seemingly chaotic interactions of different groups of people with complementary ideas and experiences. The “factory" in
the industrial era, is replaced by the “creative environment” as the quintessential value producing entity in the new knowledge economy.

This underlying shift in economic logic is obvious in the infrastructural ambition in RiverCity Gothenburg. The massive empty docks in the former ship yards remind us very clearly of the heavy dependence on highly concentrated physical capital in the industrial economy. They are very tangible manifestations of an economy that in many cases depended quite literally on bringing massive amounts of steel together in one place.

The new ideals of mixed use environments, or blandstad, instead reflects the alternative world of decentralised production. The new ideal is amply illustrated in the vision statement, not only through the explicit strategies, but also through the many graphic illustrations. Here the massive gaps in the land structures left behind by the former docks are now narrowed down and new connections are made through a multitude of bridges. The guiding principle is quite clearly no longer to harbour large amount of steel, but rather to attract and connect as effectively as possible individuals with ideas and ambitions.

**New emerging governance practices**

Just as the successful industrial past of Sweden and Gothenburg, had left a heavy physical mark on the infrastructure of the country and on the city, the same is true for the institutional structures, in Sweden in general and in Gothenburg in particular. As was also explicitly acknowledged in the vision process, changing the physical structures of the city would require changing the institutional structures of the city.

To understand the struggles of the project it is therefore useful to spend some extra time exploring the meaning of this underlying transition from a centralised to a more decentralised economic logic means for the institutional structures.

Charles Sable offers a good starting point for this, with a sweeping account of what he refers to as the international shift in governance practices towards what he refers to as “experimentalism”.\textsuperscript{57}

\textsuperscript{57} Charles Sable, Beyond Principle-Agent Governance: experimentalist organisations, learning and accountability, WRR
Ministries, administrative agencies or high managers parsed complex tasks into simpler, more manageable ones; organisational routines specified how to parse, execute and review the compliance of tasks. […] After 1980, for reasons we do not know, and may never fully understand, the world becomes too volatile for hierarchies. Again for reasons, and by a path, that we are far from understanding, a new kind of organisation emerges in response. The canonical form of this organisation is federated and open. Decisions of higher units are shaped by lower ones.

Sabel then elaborates on what characterises these new organisations that were emerging:

General goals or designs are set provisionally by the highest level - parliament, a regulatory authority, or the relevant corporate executives - through benchmarking. […] Then the provisional goals are revised in light of proposals by lower level units responsible for executing key aspects of the overall tasks.

This very generic description of experimentalism captures many of the ambitions that shaped RiverCity Gothenburg. Centrally in RiverCity Gothenburg is the ambition to specify only broadly defined and provisional ends in the vision statement and leave the more specific means to be used open, so that they can instead be defined as part of a flexible and iterative process. In this process also the broadly formulated ends would have to be reinterpreted and be given a greater specificity.

The underlying challenge in RiverCity Gothenburg is how to implement this new more flexible and fluid way of working in the context of the relatively hierarchical planning and governance practices that had characterised Gothenburg and Sweden in the past. To understand this challenge better, it is useful to look more deeply into where these planning and broader governance practices were coming from, and how they were gradually being reformed.

The more specific focus here is on two of these underlying trends, as they are particularly important to understand in order to appreciate the nature and complexity of the challenge that was implicit in RiverCity Gothenburg: firstly, the trend towards less hierarchical planning practices in Sweden in general, and, secondly, the undermining of the old corporatist governance model, Gothenburg.
1.2.2. Less hierarchical planning practices

THE OLD PLANNING PRACTICES

The legislation that formally defines the planning process in Sweden is known as the Plan- and Building legislation (Plan- och bygglagstiftningen). The law in its present form dates back to 1987, but has a precedent in Byggnadstadgan from 1959, and before that Byggnadslagen från 1947. The law is generally referred to simply as PBL.

Formally, this law sets out that every municipality must develop a comprehensive plan (en översiktsplan), which should give a general indication of how the land in the municipality is intended to be used, and in particular how it accommodates national interests. Additionally, the PBL legislation sets out how to move from the comprehensive plan, to the detailed plan, where the latter sets out in detailed and legally binding terms how and for what purposes land in the municipality can be developed and used.

The responsibility for managing this legal process is given to the Standing Committee for the built environment (Byggnadsnämden). Through this law, municipalities in Sweden thus have a monopoly on deciding what can be built where and for what purpose (eg. industry, commerce, housing, etc).

When the legal practice of comprehensive plans first emerged, in the early 20th century, the purpose of these plans were understood largely as a way to help protect national interest from developments by municipalities.

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58 I am indebted to Nils Björling for many of the insights underlying this section. For more detail, see his separate contributions to Fusion Point.
They were drawn to indicate the broad economic activities intended for different areas, eg. agriculture, industry, commerce, housing. The purpose of the detailed plans, in turn, was largely to protect municipal interest from private initiatives. The practice of developing detailed plans, such as it evolved in the post war era in Sweden, was thus largely a process driven by public initiative. Projections made at municipal level of the needs for housing, industrial developments and commerce, formed the basis for the production of detailed plans. Public support, in the form of loan guarantees or direct subsidies, would then be used to make sure the desired plans could also be realised. Overall the legal planning framework as it evolved historically thus had a strong top-down structure, reflecting the broader economic interests at the time.

**THE PRESSURES TOWARDS MORE BOTTOM UP INPUT**

Gradually this more hierarchical and state led process would begin to change. Firstly, as the regionalisation of urban economies became more pronounced, the regional level took a more active role in planning. In the case of Gothenburg this was manifested for example through the voluntary cooperative association of municipalities, known as Göteborgsregionens kommunalförbund, an association that would later on be replaced by Göteborgsregionen. Secondly, municipalities in Sweden were gradually losing their dominant role in the process of producing detailed plans, with a substantial shift taking place towards more private initiatives and influence in the planning process.

59 Gösta Blücher (2006)
The second of these trends accelerated sharply with the housing and financial crises of the 90s. One reason for this was that the housing crisis hit municipalities such as Gothenburg very hard, with its public housing companies ending up close to bankruptcy. This experience, which also triggered ambitious governance reforms to the local municipal housing companies, translated directly into a much reduced faith in the ability of bureaucrats to project future housing demands.\(^{60}\) Another related reason was that the broader financial crises at a national level triggered a significant reduction in public support for the housing development more generally.

In both these cases the effect was a rapid withdrawal of the public role in the planning process both at a municipal and a national level. The inevitable result of this was that private initiative would gradually play an ever more important role at the municipal level. Such new practices had however been emerging for some time, and were merely accelerated with the financial crises of the 90s.

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**The underlying changing economic logic**

These broad trends towards new planning practices are usefully looked at from the perspective of the underlying shift in value producing logic, from centralisation towards increased decentralised and networked production. Sticking to the simplified story of this transition, the core economic interests in

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\(^{60}\) See Ingemar Erixon, Bengt Stymne, Bo Persson, Göteborgsmodellen för ägarstyrning av kommunal verksamhet - verksamhetsutveckling i de allmännyttiga bostadsföretagen, IMIT Report 1999:109
the industrial ear were embodied firstly in nationally controlled natural resources - timber, iron ore, etc - and secondly in the nationally extended industrial production system through which these natural resources were refined and sold and transported onto a world market.

This basic economic logic means that there were strong reasons at the national level to insist on certain features in the comprehensive plans at a municipal level so as to ensure that development activities at the municipal leave would not undermine interests at the national level. At the municipal level, the planning task within this simplified economic logic became relatively technical in nature. Central projections of economic and population growth were translated in the needs for new factory space (industriområden) on the one hand, and new housing areas (bostadsområden), on the other. Since these two functions were largely thought to be separate - one place for the workers to live, and one separate place for them to work - the planning or design challenge did not really have to engage with the question of how to combine these different aspects of the city in effective ways. Road and transportations links were used instead to connect the two kinds of areas spatially.

In Gothenburg, the most obvious physical manifestation of this logic was Angeredsbron, the bridge connecting the large housing estates to the north east of the city with the industrial areas on Hisingen. The bridge is unsurprisingly heavily underused today, reflecting how the value producing logic and thus shifting employment patterns have taken a new turn. The bridge illustrates powerfully a way of looking at the planning or design challenge that makes it appear easier, and more of a technical task. There consequently appears to be less need for diverse input from companies and individuals in the planning process.

This stylised picture is, however, put on its head in the new emerging knowledge economy, where the key factors of production is really the ideas and knowledge in the heads of people, and the new new ideas and initiatives that emerge when people interact. In this decentralised logic, the national interest is suddenly turned from primarily protecting natural resources and the industrial systems that served to refine these, towards instead focusing on the creation of environments that attract and stimulate creative engagement between individuals.

In an economy driven by people, in this sense, access to a bigger labour market becomes essential. The effective integration of broader regions around economically productive cities consequently becomes crucial, as indicated by
the centrality given to the big regional infrastructure package in Gothenburg, Västsvenska paketet. This was clearly intended to help power the emerging knowledge economy in Gothenburg by creating a more effectively integrated labour market, as part of the broader ambitions behind the RiverCity Vision. The neat line between national interest and municipal, and indeed private interests, is thus no longer so clear.

Furthermore, if the focus on value creation is on the stimulating environments that attract and fertilise entrepreneurs and knowledge firms, the planning of these environments will inevitably have to be done by engaging the firms and these individuals. Opening up the planning process to broader participation from below thus becomes important, not only for democratic reasons but also to ensure that the best possible conditions for economic value creation are in place. Municipal interest in this sense begins to merge with private interests. Thus also the previously neat line between municipal interest and private interests becomes increasingly fuzzy.

Given the slow moving nature of institutional change, large elements of the old hierarchical planning logic is still hard wired into the system, obviously now coming up against the new interest at both a national and municipal level in supporting and stimulating the new decentralised knowledge producing systems. One example is the legal demand from the national level that the municipality of Gothenburg, in its development effort does not undermine the possibility of using the river through the city for heavy water transportations. This significantly increases the challenge of how to connect the two sides of the river inside the city, which would further the growth of the knowledge industry in the city.
Another equally obvious example is the national interest in keeping the rail line to the heavy port in Gothenburg open, as a way to safeguard a nationally important transportation link. But this legal demand from the national level at the same time makes that natural expansion of the new mixed use areas on the northern shore of the river substantially more difficult.

Again, in both these cases, we can physically see the emerging contradictions in the institutional system, themselves the result of a gradually transforming economic logic.

The emergence of new types of planning processes

The long-term trends shaping RiverCity Gothenburg, and indeed providing the basic impetus for the project were, in this sense, the breaking down of the clear hierarchical divisions between state-, municipal- and private interests. This naturally reflected the new emerging economic realities, both as regards the new more integrated knowledge economy that was emerging and the shifting role of the state in the planning process.

What this resulted in, as a broad trend in Sweden, was an increasing number of new kinds of planning processes and planning documents being introduced as an additional layer on top of the legally mandated practices. New regional discussions generated regional plans, which in turn would have influence on both the comprehensive plans in municipalities as well as on the detailed plan. Within the municipal planning process, new processes and documents were being introduced in particular to accommodate the need for much greater sensitivity to investors and real estate companies, but also to tenants and to civil society.

Thus a new more complex picture of different planning processes began to emerge with an increasing number of more or less formalised planning processes and the RiverCity ambition very clearly fits into this broader picture. The early impetus for the project clearly came from regional discussions, that in turn had implications for the municipality. The ambitious participatory vision process for the project very clearly sought to give renewed meaning to the idea of public consultations by more ambitiously seeking to bring a broader array of voices in the very early phase of the project. Similarly the use of the, so called, cooperative model in RiverCity Gothenburg signalled an ambition to more effectively absorb the insights of private actors, but also to accommodate their interests in the planning process, through forms of risk sharing.
As RiverCity Gothenburg evolved a host of additional processes were created to improve the overall planning process, such as eg. the Stadsutvecklingsprogram ("Urban development programme"), and the Markägarprogram ("Landowner programme"), etc. The key purpose of these new planning processes, form this point of view, was to improve that process of two way mediation between state and private interests. From this perspective, RiverCity Gothenburg should very much be understood as one illustration of how different municipalities in different ways sought to adjust their planning processes in response to new conditions, in particular changing and increasingly less dominant role of the state in Swedish society, both at a national and municipal level.\textsuperscript{61}

\textsuperscript{61} For a much fuller treatment of the argument in this section, please see the paper by Nils Björling presented as part of the Fusion Point Project.
1.2.3. The corporatist political model in Gothenburg

The inherited corporatist model in Gothenburg

Politically, Gothenburg has in the post war period been one of the strongest bastions of social democracy in Sweden, while retaining also a strong liberal identity, as a city for trade and seafaring.

The political model that emerged in the decades prior to RiverCity Gothenburg could be characterised as corporatist model, where the industrial labour union held a tight grip of power in the dominant Social Democratic Party, but where this power was executed through a pragmatic dialogue both with industrial leaders and with the conservative opposition. This reflected the broader corporatist logic which was dominant in Sweden at the time.

The personification of this corporatist political model was Göran Johansson, the long-term leader of the local chapter of the Social Democratic Party. Johansson had risen through the ranks of the labour union at SKF to become the Chair of the local wing of the party. He was the dominant voice in the city for several decades, and served as the Chair of the Executive Committee (Kommunstyrelsen) from 1988 to 2009, with only a brief three year stint in opposition from 1991 to 1994. Under Johansson's reign a heavily centralised decision making process in the city was established, with most key decisions taken by a small group of confidantes around himself, almost exclusively male. At the same time, Johansson was known for his pragmatism and he cultivated very open connections both to industry, to the opposition party as well as to the industrial workers with whom he had a strongly shared background and identity.

Throughout his career Johansson is reported to have been deeply distrustful of professional bureaucracies. This has been attributed to his childhood experience of watching his family be evicted form his childhood house, which city officials had decided should be torn down to give space for new construction.62 This does, however, appear a simplified or at least only partial explanation. There is a long history of hostility within the Social Democratic Party towards the established state bureaucracy in Sweden. Prime Minister Tage Erlander is for example reported to have harboured serious misgivings as late as in the mid 60s that the professional groups working for the state would pose a problem for the implementation of social democratic policies. Thus, the conflictual relationship between the social democratic party and the state bureaucracy would seem to go well beyond the personal experiences of Göran Johansson.63

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62 See Wågersjö (2015)
63 As accounted for in Rothsteins B (1996) p 67, quoting Ruin (1990, 213)
Rivalling sources of legitimacy

What is notable about this corporatist model that emerged in Gothenburg as well as more generally in Sweden is the dual sources of legitimacy it rests on: one that is based in the party structure and more broadly in the labour movement and its alliance with big industry, and one that is based in the Municipal Council (Kommunfullmäktige) and the electoral process.

On the one hand, Johansson, as the most obvious person embodying this corporatist model, thus received his political legitimacy through his deep roots and credibility in the labour movement and through that in industry. This gave him a strongly shared cultural identity both with labour and with industry, as well as deep understanding of the perspectives and needs of these key constituencies. Johansson’s power - and his legitimacy - was thus deeply embedded in and intertwined with the industrial structures and movements that had built Gothenburg into the industrial success case it had become. On the other hand, Johansson received his legitimacy through the municipal election, where the Social Democrats for long remained dominant.

These two sides of the municipal state structure do thus present rivalling claims to political legitimacy: one based in municipal elections and one in the Social Democratic party structure, and in its formal and informal allegiances.
The role of municipal companies

A notable peculiarity of this corporatist model in Gothenburg is the unusually common use, also by Swedish standards, of municipally controlled corporations as a mechanism to execute political ambitions. While these municipal companies - in some cases extremely well capitalised - are working under a non political management, they are formally controlled by political boards appointed by the different political parties as a result of the negotiations following the election result.

As such these corporate structures offer an avenue for direct political influence that is not mediated through the parliamentary structure of Standing Committees (Facknämnder) and Municipal Agencies. These companies and the use of them thus reflect the dual sources of legitimacy in the system, as well as the historic tension that has existed between the social democratic party and what is sometimes referred to as the “bourgeois state”.64

Given the large balance sheet and impressive solidity of some of these companies, this offered a dominant political party an effective lever to use to drive political initiatives relatively unencumbered by the parliamentary and bureaucratic process. Also, to the extent the initiatives could be funded through the balance sheet of these companies, it also offered an instrument of direct actions that was independent from the parliamentary controlled budget process.

During Johansson reign, this practice of setting up municipal companies as a means of exerting direct political control in key areas of the management of the city increased. Characteristically, Johansson was himself chairing many of the most important of these companies, such as Framtiden AB. Johansson also appointed closely trusted individuals as CEOs. Notable examples here were Kurt Eliasson who was appointed to run by far the most well capitalised of the municipal companies, the housing conglomerate Förvaltnings AB Framtiden, as well as Bengt Tengroth who was the CEO of the municipal development company in its early stages.

While Johansson was on the board of Älvstranden Utveckling, he was never the chairman of this company. He would still however use his influence as Chairman of the Executive Committee (Kommunstyrelsen) to take control over the company when he deemed that important. An incident from June 1998, quoted by Åsa von Sydow in her doctoral thesis illustrates this.

64 See Rothstein B, (1996)
It retells Johansson’s reaction when the Planning Office had expressed their opposition to participating in a planning process as part of the planning of Lindholmen Science Park, as it may have resulted in the destruction of one of the old buildings in the area:

“As a result the chairman of the City Executive Board called the city planning authority’s management to a meeting to chastise them regarding this kind of behaviour. Instead, he declared that NDC [the Municipal Development Company] would coordinate the entire process with the planners on one side and Ericsson on the other side and report directly to the chairman of the Executive Board.”

“Göteborgsandan” and a history of success

Overall, this political model appeared for long to be working well. It earned Gothenburg a reputation of pragmatism, effective leadership and a generally well functioning and cooperative political environment. The city was know for “getting things done”, and the cooperative atmosphere earned its own label, the Gothenburg Spirit (Göteborgsandan). Johansson expressed this in the following way:

“We call a meeting with politicians and officials form the City management as well as representatives from the trade and industry groups, consisting of some twenty large companies. ‘This is the case, this is what we will do, and this is how we should heap each other. I guess this is quite unique in comparison to other municipalities.”

“What is Göteborgsandan? Nothing but a network of people from industry and politics. Aren’t there any risks with that? The trade unions and industry of Gothenburg support us when it comes to that, This city isn’t bigger that you know everyone. You don’t deal with each other through intermediaries as in bigger cities. This is what creates the atmosphere known as Göteborgsandan”

The perceived success of the Gothenburg spirit extended to urban development projects. Here the early developments in Eriksberg, Sannegården and Lindholmen must most certainly be included. Another success story was the ambitious redevelopment of Gårdsten. This is a notably isolated modernist urban enclave to the north east of the city which that originally been built in the late 60s but which had ever since been falling in popularity so as to become in the late 80s a place of plummeting property values, criminality and social problems.

65 von Sydow Åsa, (2004), p 103
66 von Sydow Åsa, (2004), p 103
In the early 90s, Johansson working tightly with Kurt Eliasson, the CEO of the municipal housing company, Förvaltnings AB Framtiden, designed a large scale intervention, investing approximately US$70m to upgrade the physical properties in the area and to begin a long term and ambitious set of social programmes. The project has since been praised both nationally and internationally as a model for ambitious and systemic public interventions in socially challenged suburbs, and the project has been replicated across Sweden.67

Characteristically, both these projects centrally relied on the use of municipal companies, both as a source of finance and as a flexible and direct vehicle for targeted political ambitions. In the first example, it was the preexisting land value on the balance sheet of Eriksbergs förvaltnings AB that was leveraged to kick start a broader development project. In the case of Gårdsten, the project was funded by the transfer of approximately US$70m in equity from the other municipal housing companies into a new company formed to work exclusively to upgrade Gårdsten.

This practice of relying on municipal corporations would appear historically to be both an effect of the schisms that existed between the leadership of the dominant Social Democratic party and the professional bureaucracies, as well as a significant factor reinforcing it.

![Diagram](image)

Figure 15.

The figure illustrates how the Social Democratic Party and a small informal management committee within this party could ensure a fair degree of coordination on the administrative structures in Gothenburg through informal personal networks and through the use of the municipal development companies.

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67 Most notably in Hovsjö, Södertälje, where a similar municipal structure was set up in the form of the company Telge-Hovsjö to develop and drive a systemic set of interventions in Hovsjö.
1.2.4. Trends undermining the corporatist model

Globalisation and the weakening role of the state

With the national election of the conservative government in Sweden in 1991 the roll back of the state and the introduction of more market oriented policies gained pace in Sweden. This was given extra impetus by the financial crises and the collapse of the housing market in 1991, which forced very significant cuts in state programmes. Clearly, this was also linked to broader international trends at the time.

Most controversially, the school sector was opened up to private entrepreneurs, as were later the markets for health and care. During the ensuing decade the public involvement in the housing market also shifted, with radically reduced government support for new construction and generally a much greater reliance on private investments and initiatives in the urban development process. Large parts of the previously publicly managed housing stock was also being privatised, though considerably less so in Gothenburg compared to Stockholm.

As a consequence of the Swedish membership of EU in 1994, the broader legal landscape was also changing. A particular change here was the new competition regulation that was being introduced through EU membership that put very clear limits on the use of public interventions in market processes.

The 90s and early 2000 also saw radical changes to the structures of industry in Sweden in general, but in Gothenburg in particular. Most notably Volvo Cars, which is by far the largest employer in the city with close to 15 000 employees, was sold to Ford Motor in 1999, only to be sold on ten years later to the Chinese car manufacturer Geely. Astra Zeneca is another Swedish industrial star, with one of its three international research centre in Mölndal, the municipality next ot Gothenburg. Following the merger between Swedish Astra and British Zeneca in 1999, and the subsequent move of the global research headquarter from Sweden to Cambridge, UK, there was real fear in Sweden that the sites in Sweden would suffer.

In both these cases, early fears that new ownership would lead to weakened investment links to Gothenburg have so far proved unfounded. If anything investments have increased in recent years, in particular in the case of Geely who recently took the decision to locate one of the three global R&D centres to Gothenburg. At the same time, these changes in corporate ownership and thus
leadership have undoubtedly changed the relationships between the corporate leadership of these corporations and the political leadership in the city. The close links that used to exist between the political leadership of the city and the leadership of the large companies in the city are now a thing of the past. As a striking illustration of this point, Dagens Nyheter, the Swedish main broadsheet, noted very recently that both Martin Lundstedt, CEO Volvo Group, and Håkan Samuelsson, CEO, Volvo Cars, now officially reside in Stockholm rather than Gothenburg.68

**Political fragmentation and the rise of populism**

Gothenburg has also not been immune to the increasing tendencies towards political fragmentation and uncertainty that has swept across Europe and the world in the last decade. When Johansson stepped down as Chair of the Social Democratic party, as well as the chair of the Executive Committee (Kommunstyrelsen), he did it as a result of increasing internal opposition to his role in the local Social Democratic Party. While his stepping down was dramatic, and at the time characterised as a coup, it is clear in hindsight that it was also the beginning of the emergence of a much more fragmented political landscape in Gothenburg.69 Importantly, this affected not only the Social Democrats but also the main opposition party, the conservative party known as Moderaterna.

The new fragmentation became obvious in the 2010 local election, where the Social Democratic party lost its historical dominance of the local parliament and ended up roughly the same size as the conservative party, Moderaterna. The trend would accelerate in the elections of 2014 where the Social democrats lost 7 percentage points of its support. Still, the Social Democrats managed to hold on to power for another four years, through a very uneasy and loose coalition with the Left, the Greens and the recently formed feminist party, Feministiskt Initiativ.

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68 Volvos chefer nobbar Göteborg för Stockholm, Dagens Nyheter, 19 december 2019 
69 Wågersjö, (2015)
Following the election in September 2018 the Social Democrats did finally have to relinquish power, in spite of record poor electoral performance also from the main opposition party, Moderaterna. This election also saw the rise of a new party that seemingly out of nowhere managed to capture 17% of the vote. This newly formed party - Demokraterna - campaigned almost exclusively on its opposition to Västlänken, the planned rail tunnel that was an integral part of the very substantial infrastructure packaged that formed the backdrop to RiverCity Gothenburg. Interestingly, opposition to the on-going urban development projects in Gothenburg - and arguably to the underlying ambitions behind them - thus seemed to have absorbed the populist sentiments that in the rest of the countries to a large extent were channelled as opposition against immigrants.

**THE IMMEDIATE SIGNS OF CRISES**

The effect of the new political fragmentation - itself the consequence of deeper underlying trends - was to undermine one of the basic tenets for the centralised and corporatist political logic that was characteristic of Gothenburg. Without a stable and dominating party in the Municipal Council (Kommunfullmäktige), and without political leadership within the parties with stable backing, the old governance model would have to give way. There simply was no room any more for the kinds of centralised party based leadership that had characterised the governance of the municipality before.

The increasing market orientation of Sweden pushed in a similar direction. With greater reliance on private investments and initiatives, a much greater flexibility was required from the public bureaucracy. This became obvious in the new markets for welfare services that were emerging, such as schools, hospitals, etc, but also in the urban development markets. More generally this seemed to call for a more decentralised and indirect approach to public governance.
Lastly, the globalisation of business changed the connection between the business leadership and the political leaders of the city. Nowhere is this more obvious than in the case of Geely, where the political dealings with the Chairman of Geely, Li Shufu, are often mediated by the government in Stockholm.

The immediate sign of crises came in the form of a series of corruption scandals that broke in the summer of 2010, affecting in particular the municipal housing companies. This could quite reasonably be interpreted as a sign that the informal culture of pragmatic dealmaking, often outside of the formal bureaucratic structures, was beginning to backfire. The previously positively loaded term the “Gothenburg spirit” was with increasing frequency used as a term of ridicule. Gothenburg was jokingly being referred to as “Bribenburg” (“Muteborg” in Swedish).
1.3.1. The implicit change management challenge

By highlighting the underlying trends that helped shape and give impetus to RiverCity Gothenburg, the change management challenge implicit in the project stands out more clearly. Indeed, viewed from this perspective, it is quite clear that the ambition of new ways of working which were outlined in the vision process were far more radical than they may have appeared at the time.

The project represented not only an attempt to respond to the need for a more bottom-up approach to planning, where private interests were becoming increasingly hard to distinguish from municipal interests, and where municipal interests in turn were becoming hard to distinguish from regional and national interest. Additionally, the project represented an attempt to do this at the same time as the old governance logic that in the past had held the municipal machinery together, would have to be replaced by something new.

This situation led to the central predicament in RiverCity Gothenburg. While on the one hand the new networked economy was making coordination of the different arms of the municipal government ever more important, the broader change in governance logic made it so much harder. Furthermore, new sources of legitimacy would need to be generated, to sustain the ambitious involvement of public actors in the project.

More broadly this meant that a very large set of strategic questions were simultaneously coming up for renegotiation. Most obviously, the relationship between the political sphere and the administrative sphere was radically altered. But at the same time the relationship between municipal companies and municipal agencies would seem to change. As the Social Democratic party fragmented internally and subsequently lost power, a strategic vacuum also emerged as regards the overall management and oversight of the effort.

In any situation where this number factors change simultaneously the natural outcome is one of rather significant ambiguity and uncertainty. So also in RiverCity Gothenburg.
1.3.2. The institutional ambiguity

Very early on in RiverCity Gothenburg it was becoming clear that the ambitions as set out in the vision statement were coming up against forces pushing back. An obvious example of this was the reluctance to create an independent project organisation with real decision making power that would govern the project. The established bureaucratic structures seems to have pushed back against this idea. Instead a kind of “facilitating group” was formed, that never really appears to have gained a real control over the management of the project. Instead, the real power was kept within the different municipal agencies. This seemed to partly undermine the ambitious vision for a more integrated and systemic urban development model, as laid out in the RiverCity vision.

Overall, this pushback created a certain ambiguity about where the project was heading and thus what needed to be done. This ambiguity also appears to be genuine in the sense that it accurately reflected the diversity of views that existed in the city about how the project should evolve.

It is interesting to note in this context, that this kind of ambiguity was to some extent part of RiverCity Gothenburg from the very beginning, although the effects of it would gradually grow more significant. Most notably, this ambiguity was apparent in the shift that appears to be taking place in between the early developments on the northern shore that preceded the launch of RiverCity Gothenburg in 2012, and the developments that followed this launch. A simplified depiction of this change helps bring out this shift in the thinking underlying the effort.

In the first case, the municipal development company was used essentially as a relatively straight forward public tool to open up new markets, by offering complementary forms of support to market actors so as they would be willing to begin construction on Hisingen. In this sense, the municipal development company was simply the spear head which helped expand the city in a new direction.

In the second case, after RiverCity Gothenburg had been launched, a rather different form of logic appear to have taken root and begun to influence the project. This was probably partly due to the ambitions expressed in the vision about a new development model, but also more mundanely, because of the fact that the areas to be developed and the broader market conditions looked very different. The central problem at this stage was not so much to push unwilling market actors to expand the city, but rather to somehow entice and guide these
actors so that a “better city” from a public point of view would emerge.

Thus, while the challenge in the early developments was simply to use public efforts to help accelerate market developments, the challenge in the later part of the developments was rather to steer developments. In this sense the deeper purpose and basic logic of the effort was shifting, which would be expected to have rather significant effects for how the different organisations involved would be managed. At the same time, the institutional structures that were used were largely the same as before, and the people who were doing the job were largely the same.

This institutional ambiguity would seem especially clear in the tension that exists within the management of the municipal development company, Älvstrand Utveckling AB. While the directive of this company clearly states that the role of the company is to “help realise the vision statement” - ie a broad and holistic role - the financial management of the company discourages the company from looking at the long term appreciation of values, and rather pushes a fairly narrow focus on cash-flows. Different forces thus seem to pull this central actors in different directions: the directive towards a more holistic and long-term approach; the financial demands towards a much more transaction oriented and short-term approach. This kind of internal tension, is emblematic of the broader institutional ambiguity.

1.3.3 The deeper ideological ambiguity

The institutional ambiguity that could be traced to the very early phase of RiverCity Gothenburg was not confined to ambiguity around the roles and responsibilities of the different actors involved. Rather it reflected deeper ideological ambiguity permeating the project. To illustrate this, a number of key ideas can be highlighted, which are both fundamental to how the governance of the system is organised and which all also appear to have been deeply contested. They can all be clustered around the fundamental question of what the role of public engagement should be in the urban development process.

Is the role of public engagement, as it appears to largely have been in the early stages of development, simply to help give market developments a push so as to speed up developments? This question seemed furthermore to overlap with the question of how to help produce a “better city”. Should we understand the key focus of public agencies in this area to be primarily to expand urban growth,
by increasing investments, the number of housing units available, as well as the number of commercial or civic enterprises?

This idea clearly had a lot of influence in the days of rapid industrial growth in Gothenburg. During this era, a key tool to boost the middle class was simply to offer more housing in urban areas that in turn would allow more workers to enter the industrial labour force and thus also help alleviate a crucial constraint on industrial growth and hence on the growth of the welfare state.

This understanding of the basic purpose of public engagement in the urban development process furthermore suggests a rather straightforward role that public agencies and the municipal companies should play in this process. This would be primarily to boost urban growth and private investments by ensuring quicker development processes and by helping to assume risks that market actors struggle to carry. This rather crude position towards urban development can be summed up as, simply, “more is better”.

Alternatively, is the key role of public engagement in urban development not to expand the city, but rather to make it “smarter”, or more “productive”? The idea here would be that adequate engagement of public agencies would allow a different kind of city to emerge, where different social groups would intermingle more effectively, where a new class of knowledge workers should feel attracted to come and live in the city and where the environmental footprint of the city could be reduced?70

This understanding of the role of public engagement appears to have been the dominant idea in the RiverCity Vision. This is also an idea that pushes towards a rather different form of public engagement in the urban development process, where the role of public agencies is much more that of an agile facilitator that helps to weave different interests together, and nudge the emerging dynamics in direction that appear democratically more attractive.

These different ideological views of the role of public engagement in the urban development quite clearly also feed into the institutional ambiguity mentioned above. Furthermore, as the ideological balance of power in the city gradually shifted, as an effect of new election results, the ideological divisions grow wider rather than more narrow.

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70 This idea that is traceable to the economic thinking that helped shaped the role of the municipals housing companies (Allmännytan), has more recently been prominently revived in the ideas around “mission based” organisations, and more specifically mission based national investment banks. For references to Allmännytan, see Hans Lind, “Allmännytans roll som bostadsbyggare: historia, teori och framtid”, both in Nyttan med Allmännytan. For references to the recent popularisation of these ideas, see, most notably, the writings of Mariana Mazzucato, UCL, eg. Mazzucato (2016).
PART 2
- THE STRUGGLE TO REALISE NEW PRACTICES
2.1. FOCUS ON ADMINISTRATIVE SOLUTIONS

2.1.1. Emerging problems and new institutional responses

Emerging management and coordination problems

A few years into the implementation of RiverCity Gothenburg it was becoming increasingly clear that things were not moving as smoothly and effectively as intended. Coordination challenges and friction, as well as the stop and start process in Frihamnen, appear to illustrate these problems.71

Overall what this indicates was that the coordination and overall management did not work as intended. The problem manifested itself in several ways. Firstly, investment or resource allocation decisions in different municipal agencies were not optimally coordinated, which led to unnecessary bottlenecks as the actions of one agency was held up by the delays in another. Secondly, rivaling ideas about what development strategies to promote where (ie. Where to place parks? What densities to have where? etc.) led to friction and conflicts, as well as to the perceived need to stop and restart planning processes that were already underway. Thirdly, the different financial calculations appear not to have been properly built, tracked and integrated, which resulted in budget uncertainties.

One key fact underlying all these problems, would seem to be that the cooperative approach through which responsibilities would be decentralised but coordinated, did not work as smoothly as intended. The early ambitious idea that the new coordinating organisations - set up as a common forum for project planning, but without formal decision making mandates - would be sufficient to ensure effective strategic management would appear to have proved overly optimistic.

INSTITUTIONAL RESPONSES

During 2016 and 2017 a broader review of the organisation that had been established for the project was conducted. What this review brought out was a perceived ambiguity around the role and purpose of the organisation that had been put in place, especially as regarded its relationship to the established municipal agencies as well as between the Älvstranden Utveckling AB and the Planning Office in the actual projects. What had become known as the “Double Leadership Model” ("det dubbla projektleaderskapet") did not seem to work satisfactorily.

Interestingly, the review also pointed to “an insufficient appreciation of the complexity and resource requirement of the project ambitions”. This seemed to include also some criticism of the City Management Office in not having lived up to the expectations from the early phase of the project. It was also noted that the Municipal Agencies exhibited a lack of understanding of what it means to drive projects ("bristande projektmognad").

A number of institutional responses were put in place to manage the perceived deficiencies in the project.

Firstly, a common management system was introduced. A decision was taken already in January 2016 by the heads of the four municipal agencies involved in the project to implement a general project management system known as XLPM. The same decision was made by Älvstranden Utveckling AB, which means this same tool would be used by all the municipal entities involved in RiverCity Gothenburg.

The key role of his tool was to ensure that there would be a common understanding of the different phases and elements of the overall project, as well as of who was responsible for which bit. The idea was that “by ensuring that critical activities within the development process are coordinated, and securing the quality in delivery in terms of timing, costs and content, the overarching aim was to create a more effective process that could ensure more value to the citizens of Gothenburg.”

Secondly, the role of the City Management Office was strengthened. The City Management Office was given a more active role in “coordinating, leading and following up on the project”. It was explicitly recognised that there was a need for “decisions across the boundaries of Political Committees and Municipal

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72 Tjänsteutlåtande, Stadsledningskontoret, 2017-05-15, Diarienr 1658/15, page 5
73 Tjänsteutlåtande, Fastighetskontoret, 2019-11-18, Diarienr 0515/2018, p 3
Agencies”. Similarly, it was recognised that additional resources would be needed for the City Management Office to carry out its new functions, estimated to be between 1 and 3 people.74

As part of this change, the City Management Office also took over the role as chair of the RiverCity organisation, which had previously been held by the director of the City Planning Office. Additionally, the reporting tool for the project, known as Färdplanen, was given a more central role whereby it would now be explicitly linked to the annual budget and be formally and regularly endorsed by the Municipal Council (Kommunfullmäktige).

The reporting in this tool was supposed to focus on key strategic choices as well as on key timelines and decision points. The hope was that this new central reporting mechanisms would allow the Municipal Council (Kommunfullmäktige) to ensure a more effective coordination of the necessary resource allocation of the different municipal agencies, not least by allowing the City Management Office to “put clear demands on the municipal agencies and the municipal company to deliver clear follow-up on the overall plan endorsed by the Municipal Council.”75

A broader assessment of the new capacity needs for the City Management Office was also initiated. This subsequently lead to the decision to form a new portfolio management office, placed straight under the City Management Office.76 The purpose of this office was to ensure that the broader ambitions of each sub-project would be clearly defined and that they would interplay synergistically.

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74  Tjänsteutlåtande, Stadsledningskontoret, 2017-05-15, Diarienummer 1658/15
75  Tjänsteutlåtande, Stadsledningskontoret, 2017-05-15, Diarienummer 1658/15
76  Tjänsteutlåtande, Stadsledningskontoret, 2019-05-07, Diarienummer 0691/19
Thirdly, a decision was taken to develop a new deepened addition to the new structural plan (fördjupad översiktsplan) for the RiverCity, as part of the process of producing a new comprehensive plan for the city. The implicit idea seems to have been that narrowing down the openness in the design challenge through a more detailed structural plan would make the remaining design challenge easier to resolve through the co-creative process envisaged.

2.1.2. Focus on administrative capacity rather than design

FOCUS ON THE ADMINISTRATIVE FAILURES

Overall the ambition with these reforms appears rather clear: on the one hand, to limit the openness in the process by introducing a more worked through and deepened comprehensive plan; and, on the other hand, to beef up the coordinating infrastructure as well as the capacity in the system to ensure this coordination would take place through more direct central command.

A common feature of these reform efforts was that they seemed to treat the management and coordination challenges that had become apparent in the project as if these were essentially of an administrative kind. The guiding thought appears to have been that if only the openness of the planning and design challenges could be somewhat reduced (through a new deepened comprehensive plan), the more effective administrative control would be able to handle the remaining difficulties.
The basic management problem, in other words, appears to have been thought of as a question of how to coordinate many different but in themselves rather clear work processes. This idea is illustrated, by the role envisaged for the new management system adopted, XLPM. While this tool in a useful way focuses on how different work processes are supposed to be managed and coordinated, the system gives no guidance on how each of these processes would need to be conducted and run. The deeper assumption in these new reform initiatives appears to have been that there are no important underlying and unresolved conflicts about how to take the project forward which needed to be addressed, or about how to go about solving these conflicts. In this sense, the underlying management problems appears to have been treated more like a technical problem.

A SHIFT IN FOCUS BETWEEN 2013 AND 2017

There is a clear contrast in tone, as well as in underlying analysis, between on the one hand these decisions to improve the process taken in 2016 and 2017 and the early discussions that guided the thinking in the Vision Process, as well as the early attempt to implement the vision in 2013. Most obviously, a much more prominent role is granted to the City Management Office. The evaluation of the organisation as it had begun to function also quite clearly seemed to land in implicit criticism of the rather hands-off approach adopted by the City Management Office in 2013:

"[i]n minutes from the meeting with the Steering Group and the Project Group, there are few signs of the City Management Office having responsibility for the overall coordination in the project. The role and mandate of the City Management Office in the implementation of RiverCity Gothenburg is perceived as unclear".77

However, more generally, there also appears to be a more general shift away from the emphasis on iterative and co-creative processes back towards a tighter, centrally placed administrative control. For example, the ambitious idea in the vision statement - that an iterative learning approach would allow for a gradual translation of a value based vision statement into a set of coherent plans for the area - seems to have been downgraded. Instead, the new changes indicated the falling back towards more established practices, whereby the Planning Office was tasked with producing a deepened comprehensive plan for the area:

"[t]he many planning projects and the complex location in central Gothenburg, puts increased demands on the overall planning for the area, and on strategic

77 Tjänsteutlåtande Stadsutveckling, 2017-05-15, Diarienr 1658/15, p 6
choices to be made between the goals and strategies for the city that run across
the different sub-projects. A unified approach to these questions in the form
of an endorsement of a deepened addition to the comprehensive plan should
alleviate some of these difficulties. Thus the urban development processes in the
central city can be made more efficient”.78

It is notable that such a “unified approach” to the planning challenge managed by
the Planning Office would appear to be precisely the kind of approach what the
RiverCity Vision had suggested the city move away from and rather replace by a
more co-creative and open process.

### 2.1.3. The overlooked problem of how to agree

**A complementary hypotheses: a faulty design process**

Importantly, there are potentially complementary ways to interpret the reasons
for the management problems that occurred in RiverCity Gothenburg.

In particular, the “administrative diagnosis” outlined above, could be contrasted
with an alternative approach that could be referred to as the “design diagnosis”.

According to the “design diagnosis” the reason for the coordination problems
that occurred should be sought not primarily, or at least not only, in the
shortcomings of the administrative procedures. Rather they should also be
sought in the difficulty of developing a clear and convincing answer to the
question of how to actually take the project forward in a certain place and at a
certain time.

In other words, the source of the management and coordination problem would
be sought in the lack of a potentially unifying development idea, as opposed to in
the lack of strong central administrative capacity. Thus while the administrative
diagnosis will ask the question of how different actors can be more effectively
coordinated around a clear and legitimate way forward, the design diagnosis will
instead ask the prior question of how to come up with a compelling way forward,
around which different actors can be effectively coordinated.

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78 Tjänsteutlåtande, Stadsledningskontoret, 2017+08+03, Diariosnr 1083/17, p 1
From this complementary perspective, the lack of effective coordination of the actions and decisions of the different municipal agencies would be seen not primarily as an administrative failure, but rather as the consequence of unresolved conflicts or just ambiguity about what the best road forward would be.

A challenge exists in that these underlying conflicts that may threaten to undermine a design process may not be so easy to spot. The reasons is that these underlying conflicts may be hidden under vague formulations around which an ostensible agreement exists. There may in other words appear to be agreement among the different actors involved about the best way forward. Potential hidden conflicts, and thus potential deficiencies in the design process, may consequently remain undetected. Still, when real commitments have to be made and costs as well as risks allocated contractually, the ostensible consensus may unravel with the result that the whole process comes apart. Quite possibly this will lead to the need for a re-run of the whole design and planning process.

This alternative, or complementary, hypothesis would thus be able to help explain the many problems that were experienced in the early phase of RiverCity Gothenburg, but to do so through a rather different hypothesis of what constitutes the core problem.

Furthermore, this alternative hypothesis would point towards a partly different solution. After all, if the key problem is that there is no clearly and widely accepted idea about the best way forward, then it will take a significant amount of pressure from above to hold the process together. Conversely, if there is a clearly agreed way forward that is generally shared, then there will be little need for force from above. Either way, the emphasis ends up falling on how compelling the arguments and justifications for a certain way forward appear, not on the administrative capacity to force actors together who may not themselves immediately perceive a reason in joining the effort on given terms.

ASSESSING THE HYPOTHESES IN RELATION TO THE OLD AND THE NEW MODEL

The two different hypotheses are usefully assessed also with reference to the two stylised models referred to above: the "old" model and the "new" model.

What characterised the “old model”, as it is described above, is that the broader political and administrative system is held together by the Social Democratic Party that is dominant, but also widely seen as legitimate. Furthermore, the legitimacy of ambitious political ambitions in this model only partly come from the popular
vote. An additional source of legitimacy is the way the party is also embedded in the labour unions as well as big industry, and more broadly in society. What this means is that it is possible to enforce with legitimacy centrally defined and agreed policies without necessarily having to establish the legitimacy anew.

What characterises the “new model”, as described above, is rather that that there is no prior dominant and legitimate party or other source giving it stability. Instead, this model needs to function in a way that allows it to be “self-legitimising”\(^\text{79}\). In other words, there is no authority in this model that would allow a central unit to define and legitimately enforce a certain set of policies. Instead, the processes through which a certain set of ambitions or strategies are defined, must also have the kind of properties that allow these ambitions that emerge to seem legitimate to a broader public. This is the kind of model envisaged for the RiverCity Project, referred to as a form of "experimentalism" above.

These are clearly stylised models. In reality, there will be no clearcut distinction, but rather a continuum, where the sources of legitimacy to a relative degree stem more from one source rather than another. Still what these stylised models help bring out in rather clear terms, is how the focus on securing central administrative capacity, rather than more effective co-creative and therefore self-legitimising processes, would seem to represent a step back towards the “old” model and away from the ambitions to push towards a “new” model.

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\(^\text{79}\) See Markovits D (2012)

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The figure illustrates how the “old” and the “new” model built on very different ideas for how the essential coordination of the fragmented municipal administration would happen.
Furthermore, this way of illustrating the two different approaches may also throw some doubt on the extent to which administrative solutions should be the primary strategy for solving the kinds of problems that were visible in the project. After all, a core reason for why the city sought to move towards the “new” model was precisely because the political preconditions for the “old” model no longer seemed to be in place. Recreating a stronger central administrative authority in the absence of a strong and legitimate political authority may therefore not work. In the worst case it may even backfire, as policies and strategies that are not deemed fully legitimate will not be possible to execute with greater force.

**THE NEED FOR LEGITIMACY, NOT ONLY EFFICIENCY**

The discussion above becomes even more relevant, if the broader context is considered.

The core predicament for the city administration in Gothenburg was framed above as the increasing need for coordination, at a time when the old mechanisms and tools to ensure this coordination was no longer available. But crucially, this predicament was also framed within the context of a sense of falling public legitimacy. Indeed, the need to renew a sense of legitimacy - not least in the wake of the corruption scandals in Gothenburg in 2010 - appears to have been one of the key drivers for the launch of RiverCity Gothenburg in the first place. Furthermore, one of the perceived problems with the RiverCity organisation that emerged out of the evaluation in 2016 was precisely its perceived lack of legitimacy.

From this perspective, the coordination and management challenges that became apparent in the project would need to be assessed also from the legitimacy perspective. The question is thus not only what it would take to ensure that the different development projects could be effectively implemented, but also what it would take to ensure that the implementation of these projects was perceived to be legitimate.

The central distinction between the administrative and the design diagnosis can form this perspective be framed as that between the problem of not “doing things right” (the administrative diagnosis) and the problem of not “doing the right things” (the design diagnosis). Both these perspectives clearly need to be incorporated into any proposed solution.
In some cases, it is quite possible that merely doing things more effectively, and ensuring that proposed developments are actually implemented on time and on budget, will be sufficient to also ensure legitimacy (i.e. doing things right, is enough to also give legitimacy, and a sense that the right things are also being done). However, it is also quite possible that there will be cases where this is not the case, and where doing things more effectively, will involve quite literally bulldozing the interests and legitimate concerns of groups, or perspectives, which have not adequately been considered.

The significant opposition in Gothenburg to Västlänken, the rail tunnel that is being built under the city, would seem to illustrate a project where the core problem is legitimacy, rather than effectiveness. Indeed, it is hard to see the opposition to this problem go away, as the result of reforms to drive the project more effectively. If anything, that would likely make the opposition worse.
2.2.1. Lack of discipline in the design process observed

TWO WAYS OF EXPLORING THE ALTERNATIVE HYPOTHESIS

In order to explore the alternative hypothesis above, two complementary approaches have been adopted.

The first approach was to test with the individuals involved in a series of practical planning processes the extent to which there was a shared understanding of where the process was heading, whether this understanding was adequately expressed in the planning documents or not. This test was carried out in specially organised workshops as part of the planning for Centrala Lindholmen, Masthuggskajen and well as Frihamnen.

The second approach was to do a deep study of the planning documents that were underlying these planning processes. The purpose of this exercise was to explore whether there was a clear development idea that could be detected in these planning documents, and thus the extent to which these different planning documents served to support and reinforce each other.

The two approaches complement each other in the sense that one looks at the implicit understanding of the purpose of a certain project, and the other at the explicitly stated ambition. Jointly the two approaches thereby allow for the fact that there may be a shared but implicit understanding of where a certain development process should be heading. This would not appear to be an unlikely situation in a city like Gothenburg where there has historically been a strong focus on consensus driven decision making where implicitly shared norms and values are sometimes as important in guiding a process as more explicitly shared arguments or position statements.

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I am indebted in this section to Fredrik Nilsson, Lars Marcus and Åsa Swan who help organise, conduct and analyse the different workshops that were held as part of the Fusion Point project with the specific aim of exploring the coherence and specificity of the design process as it is practices in RiverCity Gothenburg.
The underlying question in carrying out these tests was whether problems in
the design process may have contributed to the management and coordination
challenges that had become apparent in the project.

AN OVERLY AMBIGUOUS ARGUMENTATION

A reflection that stands out from this closer study of the planning processes in
the city, is the relative degree of ambiguity that characterises these processes.

Firstly, this ambiguity is detectable in the way in which the broad ambitions
underlying a certain development project are formulated. More specifically,
in the examples studied, it was unclear what kind of contributions a certain
development project was expected to make to the broader functioning of the city,
and how this in turn was expected to help realise a set of politically endorsed
goals at the city level.

The development process at Centrala Lindholmen can be used as an example to
illustrate this. As part of this process, four different architectural firms were
asked to provide ideas for a structural plan for the area. However, when looked
at more closely, the question posed to these different firms appeared to contain
a lot of ambiguities, leaving its more precise intentions open to significant
interpretation. What this means is that the different suggested plans that resulted
from the work of the four architectural firms, quite possible were answers to
rather different interpretations of the initial question. To the extent that this is
the case, evaluating the relative merits of the different proposals is not only a
difficulty thing to do, it is theoretically impossible.

Secondly, this ambiguity is detectable in the way the kind of “answers” that were
provided to these “questions” are expressed. What is meant by this is that the
tangible plans or designs for a certain area that are proposed also tended to
contain significant ambiguities in what they sought to accomplish. Indeed, what
was repeatedly observed in studying the planning processes was proposed plans
that purported to “perform” in a certain way, but where this claim was not clearly
supported by a more detailed analysis of the proposed plan.

The development process both in Frihamnen, but also in Masthuggskajen can
be used as examples illustrating this problem. In both these cases, there were
physical developments proposed which were purported to perform in a certain
way - eg, channel the movement of people along certain roads rather than others
so as to concentrate urban life around these streets - but where it was not clear
that this was the likely effect of the proposed plan. The problem in this case was not so much that the intentions with a certain development plan were unclear, but rather that there appears to have been an insufficiently firm command among the people involved in the design of what kind of effects different kinds of urban structures are likely to have, ie. of how the physical plans can be expected to “perform”. 81

**THE PRACTICAL EFFECTS OF THIS AMBIGUITY**

The immediate effect of this kind of ambiguity is that the design process becomes relatively forgiving.

If “the question asked” is unclear, it is hard to see how one could evaluate the quality of the “solution” provided. This means that significant investments may be made in developing alternative design proposals, as was the case in the example of Centrala Lindholmen above, but where there is no clear rational basis to evaluate which proposal is the best one. Conversely, with unclear claims about what solutions are as a matter of fact proposed, the ambiguity in the underlying question is not called out. The ambiguity in the planning process in this sense runs two ways, with the overall effect of weakening the accountability checks in the process.

This has three practical consequences.

The first consequence is that the planning process is not as effective as it could be in closing down development options. What this means is that underlying strategic choices, around which there may well be conflicting views in the city, are not brought to the surface where different ways forward can be explicitly discussed, compared and evaluated. Instead, these underlying strategic choices risk remaining hidden, with the underlying conflicts of values or interests unresolved.

An unfortunate but not unlikely result of this, is that a planning process can proceed for some time without key strategic issues being resolved, as there is ostensible agreement around a way forward. This planning process can then proceed until it is time for implementation when responsibilities, costs and risks must inevitably be clearly allocated and contractually agreed. At this time, underlying ambiguities will be pushed to the surface and unresolved conflicts make themselves known. At this time, however, the development process may

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81 I am indebted to Lars Marcus is pointing this out to me in the course of the project, and illustrating the problem in connection to the workshops in Fusion Point.
have gone so far that a full re-take is necessary, at considerable expense to the public and with significant delays as the result.

There appears to have been an element of this going on in the early process in Frihamnen, which would help explain why the developments in Frihamnen were stopped and the process started over again. This is more fully illustrated below.

The second consequence of this ambiguity is that different kinds of public interventions may be ineffectively combined, or indeed may even be counteracting each other.

An example of what could be interpreted in this was was observed in the closer study of the development process at Masthuggskajen. In this project, there was a stated ambition to preserve certain kinds of cultural activities in the area. Public subsidies were made available to allow for this, for example in the form of possible rent subsidies that would allow key cultural organisations or establishments to be able to remain in the area also after the physical interventions were made.

Importantly, however, these cultural characteristics were deemed desirable because they reflected the old identity of the area. But this identity would itself largely seem to be an effect of the broad urban qualities that had traditionally characterised the area. In the case of Masthuggskajen and Järntorget, the characteristic qualities were those of an “edge-condition”, as these areas traditionally had marked the western edge of the inner city. But these were now the conditions that were very intentionally being undermined by the ambition to make the area a much more integrated part of the expanded inner city.

Thus, at the same time as the ambitions to preserve certain cultural activities were pushed to preserve the cultural expressions of an “edge condition”, significant physical developments were proposed that were directly intended to increase the centrality of the area. The proposed physical changes in this sense seemed to directly undermine the characteristics of the area as the “edge to the west”, which would appear to explain why the cultural activities that were seen as desirable were located in the area in the first place. In other words, physical interventions were proposed that directly undermined the conditions for certain cultural activities, while public subsidies were used to preserve these characteristics.

It is important to note that there is not necessarily a direct contradiction here. Indeed, it can be quite reasonable to use long term physical interventions to
push the characteristics of an area in one direction, while using more short term interventions, such as subsidies, to hold back these developments to some extent and thus lessen the pace of change. Still, the case nevertheless indicates the risk for direct contradictions in policy prescriptions, where different public tools are used with opposing intents, thus reducing the overall efficacy of the public interventions.

The third consequence of this ambiguity, is that certain potentially important alternative developments paths may remain unexplored, as the challenges or even contradictions in the options that have been formulated remain hidden by the ambiguity in these proposals. This situation seems to have occurred to some extent in the process in Frihamnen. In this case fairly vague development proposals were put forward. Furthermore, in this case the very vagueness of these proposals seems to have had the effect of allowing partly ill founded assumptions about the city and about what interventions to push to be sustained.

The indirect effect of this was that these underlying assumptions were never fully challenged and that the possible weaknesses or strengths of the underlying assumptions were never fully tested. For the same reasons, more radical alternatives were not properly explored. Instead, the design process seems to have closed down prematurely with proposals that satisfied superficial but generally shared assumptions about the city. The design process thereby seems to have played the role of confirming rather than challenging prejudice.

**AMBIGUITY UNDERMINES BOTH EFFICIENCY AND LEGITIMACY**

Overall what this shows is that an ambiguous design process threatens to undermine both efficiency and legitimacy.

As argued above, ambiguity risks leading to the inefficient use of resources, either through less than optimal interventions or through stops and restarts of development processes. As such it clearly risks undermining the efficiency of the process. But, importantly, underlying all these practical problem is the ambiguity and lack of precision in what more precise objectives and strategies are being pursued. The practical problems illustrated above, in this sense, serves as indicators of a broader problem. This is the lack of a clearly described and broadly agreed way forward. This broader problem in turn, quite clearly risks generating confusion, friction and delays. After all, if there are a multiple number of actors involved, and not a clearly defined and cohesive strategy, significant friction and tension should be expected.
The fact that this rather significant ambiguity was observed in several instances of the planning process in RiverCity Gothenburg thus provides a complementary hypothesis of why the broader management problems in RiverCity Gothenburg occurred: the lack of a clearly agreed way forward, as opposed to lack of administrative capacity to coordinate actors. Crucially, this alternative hypothesis points towards a rather different kind of solution. Before, turning to that question, however, it is useful to explore in greater depth the kind of ambiguity involved and how it probably helps undermine effective management and coordination.

### 2.2.2. Illustrating the problem: the case of Frihamnen

**THE DIFFICULTY OF IDENTIFYING AND TRACKING CORE IDEAS**

The planning process for Frihamnen can serve as a more in depth illustration of the three problems with the planning process that are noted above: firstly, that the process does not effectively close down the development options available; secondly, that the process does not effectively help coordinate different interventions around the same development strategy; and, thirdly, that alternative possible development ideas remain unexplored. More broadly it illustrated the ambiguity and lack of precision in the proposed way forward.

To see this, it is useful to start by outlining the different planning documents that were supposed to set the broad ambitions as well as the more specific strategies for how to develop Frihamnen, in the spring of 2018 when the study was carried out.

![Image of planning documents](image-url)

**Figure 20.**

The figure outlines the different planning documents that are supposed to guide the process of translating the Vision Statement into a Detailed Plan for a specific urban development project.
In the case of Frihamnen, these documents range from the vision statement at the highest level, the interim level of documents - the Programme, the Directive, the Sustainability programme and the Manifest - and then at the most tangible level the actual Physical plan. These documents furthermore must be interpreted in the context of a broader set of strategies endorsed in the city outlining the overall urban development ambitions in Gothenburg.82

The purpose of these planning documents is to ensure a cumulative planning process whereby early and general decisions taken in the city are carried through also in the more specific developments. As such the planning documents serve to constrain individual planners, or groups of planners, from straying from the broader democratically endorsed plans for the city. The planning documents thereby also serve as counter weights to strong interests among private developers, who may seek to tilt the development process in the direction that is most advantageous to their interest.

It is notable that these documents are generally well written and extensive in what they cover. At the same time, it is also clear that these planning documents are not written in a way that makes it easy to single out a limited set of core ideas that in turn can be focused on as a way to give the broad direction of developments. The kind of argumentation that is supposed to bind the various planning documents together after all need to be able to hook on to some relatively clearly defined features of the physical environments proposed. Indeed, without this it becomes very challenging to judge when a certain description of an urban environment turns into a description of another urban environment. It thus becomes very hard to know what to focus on when assessing the consistency between these documents, or, to put it differently, how to think of the success criteria for the developments.

At a broad level, this illustrates the general problem of ambiguity highlighted above. The problem is more fully explored below.

**THE INEFFECTIVENESS IN CLOSING DOWN OPTIONS**

The core messages in the vision statement is that Gothenburg should develop in line with Brundtland’s three legs of sustainability: social, ecological and economic. The three strategies are explicitly formulated as local and urban manifestations of these three ambitions. A well known challenge with Brundtland’s definition, however, is that it gives little guidance, firstly, as to how these different aspects

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82 These include in particular the Comprehensive Plan (Översiktsplan), the Traffic Strategy (Trafikstrategin), the Green Strategy (Grönstrategin), the Strategy for Housing development (Strategin för utbyggnadsplanering) as well as the Strategy for a more equal Gothenburg (Strategi för ett jämlikt Göteborg)
of sustainability should be manifested locally, and secondly, as to how possible conflicts between the three should be handled. Also the vision is silent on these issues, something that was intentional in the River City process and also appeared to be seen as desirable when the vision was endorsed.⁸³

At this level of formulating the ambition for Gothenburg, many questions remain regarding the question of how to implement the vision in Frihamnen. The vision statement is also largely silent on this question. In the programme, however, and in subsequent documents it is made clear that Frihamnen should be developed with a dense inner city structure that helps extend the inner city across the river.

Importantly, however, no rational argumentation for why this is the right way to implement the three legged idea of sustainability in Gothenburg is given. The step from the Vision to this central assumption in the Programme in this sense lacks rational underpinning: it does not clearly follow from a careful reading of the vision and the best available research. This assumption, furthermore, matters significantly, as it would later turn out to be a key driver for the very high costs associated with the proposals that emerged for Frihamnen.

It is possible to detect in the text, a general sense that “dense” inner city structures are good, especially if they contain mixed use. There are also formulations in the structural plan from 2009 that set out the importance of a dense inner city.⁸⁴ But since the idea can hardly be that there should be dense mixed used urban environments everywhere in Gothenburg, an additional argument would seem to be needed to justify this particular choice in Frihamnen. That is not given. Rather it seems to be an assumption that is taken for granted.

Two implicit arguments seem to be at work here.

The first argument seems to be based on the ambition to “strengthen the core” of the region as a way to support economic growth and the transition to a creative knowledge economy. This ambition is clearly expressed in the Vision. However, it seems to somehow have been translated into the much more specific idea that Frihamnen should be developed into a dense area that expands the inner city across the river and also helps bring together the different nodes of strong growth that presently exists, at Kvillebäck/ Backaplan; Centralen/ Brunnsparken; Järntorget; and Lindholmen.

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⁸³ Tjänsteutlåtande, Göteborgs Stad Stadsledningskontor, 2013-01-08, diarenr 1453/12
⁸⁴ Göteborgs Översiktsplan 2009
This step in the argument would however seem to require independent justification. What is the hidden assumptions or the empirical evidence that makes this argumentative step compelling, or at least reasonable? Clearly the assumption can not be taken for granted. Indeed, it is conceivable that a more effective way of “strengthening the core” of the city is to leave Frihamnen as sparsely developed as possible, firstly, to save very significant amounts of money that needs to be invested here to make it ready for construction, but also, secondly, to avoid diverting financial and creative energies from the other already organically emerging nodes in the city. In this sense, rather than strengthening the core in Gothenburg, it is conceivable that dense developments in Frihamnen would serve to dilute it.

Furthermore, there is certainly no immediate reason why a “strong core” for the region could not consist in a circle of nodes around eg. a park, a large body of water, or potentially a smaller largely residential area. If that “multi-core development path” is excluded for Gothenburg, it would seem that rational argument backed up by evidence would need to be given.

The figure illustrates a development strategy whereby the core of Gothenburg is strengthened through dense developments in Frihamnen.

The second argument that seems to be implicitly at work here seems to emerge from the ambition that is clearly expressed in the vision to “heal the city”, in a socio-economic sense. This idea seems to have been translated into the idea of
developing a dense urban fabric in Frihamnen. The broader implicit argument seems to have been that creating a substantive and dense urban fabric in Frihamnen is the best way to bridge the two sides of the city. But again this step is taken without rational justification, and would require independent support.

More generally, in view of these rational gaps in the argumentation, it seems possible to argue that what has been going on in the case of Frihamnen is that certain assumptions about what qualifies as “good inner city environments” have been unreflectively taken for granted. In the case of Frihamnen, the process may have been particularly influenced by the overwhelming popular support for the very vague ideal of “mixed and dense inner city environments ("tät blandstad").

This would suggest that the design process in Frihamnen, because of insufficient clarity in the formulation of the planning documents, may have fallen pray to the surge of broad public policy pressures, in precisely the way in which “project drift” has been documented to happen in other projects. Here clearly the very significant political focus on the housing crises most probably played in as well, pushing to maximise construction volumes wherever possible.

Again, it is important here to note that the argument here is not that the decision to develop Frihamnen into a dense urban fabric is the wrong design decision to take. Rather, the point is a more limited governance point, that the step to that conclusion lacks rational underpinning, and in this sense exposes the process to the risk of accountability failure.

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85 See, Flyvbjerg B (1998)
THE INEFFECTIVENESS IN DEFINING ONE CLEAR DEVELOPMENT STRATEGY

While the planning documents that follow after the Vision are fairly clear on the ambition to develop an “inner city environment” in Frihamnen - whether this is justified or not by the Vision - there is far less clarity around what precisely this means. There are after all rather different urban environments that could pass as “inner city environments”. It is also unclear how large a part of Frihamnen should have this characteristic: only the areas near to Hjalmar Brantings gatan, or also the environments on the piers?

This illustrates the ambiguity around what interventions and thus what more precise urban structures are being proposed. Importantly, the ambiguity around the idea of an “inner city urban environment” is no small issue. Indeed, what interpretation is given to the idea of an inner city environment has very significant consequences for what connections that need to be ensured to nearby areas so as to secure adequate flows of people. This means that the interpretation given to “inner city feel” potentially has very significant cost implications.

To illustrate the ambiguity around the term “inner city environment”, three different areas where at least the first two would naturally qualify as “inner city”, can be used as examples: Haga, Brunnsparken and Eriksberg. These areas however are radically different among themselves, especially as regards their relative location in the city. A simple way to illustrate this is by focusing on the number of people passing through them, with Haga having a through flow of people of approximately 500 per hour, Brunnsparken 5000 per hour and Eriksberg 50 per hour, as very indicative figures.

If the implicit aim in the planning documents is that a centre should be created in Frihamnen with similar properties to Brunnsparken, this has very significant consequences for the linkages that are created. With such an implicit understanding of the term “inner city feel” it would therefore be quite natural to regard the first proposed plan as deficient in its connections.

If, on the other hand, the planning documents are interpreted to suggest that an “inner city feeling” more akin to that in Haga is the aim, which would seem like at the very least a not wholly unreasonable interpretation of the planning documents, that may lead to a less negative view of the proposed plan.

Furthermore, what interpretation one adopts of “an inner city feel” is likely to have a significant implication for the means one sees as available to push the ambition to secure social diversity.

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86 I am indebted in this section to arguments, analysis and images provided by Lars Marcus. This analysis, and its relevance to broader questions of urban development, is extensively elaborated in his separate contributions to Fusion Point.
If an environment like Brunnsparken is realised in the heart of Frihamnen, social diversity will follow fairly unproblematically, simply as a result of the volume and diversity of the flows passing through such a place. Thus, few other means may be seen as necessary to employ in such a scenario. Also, a large park adjacent to such a centre would probably have fairly good chances of developing the diversity intended. However, if one rather strives to create a centre in Frihamnen that has the characteristics of Haga, then additional means would seem to be required to ensure the social diversity intended, such as, for example, place making initiatives or controlled rents.

This simple example thus again illustrates the general point: very different interpretations are possible of which way to push the developments in Frihamnen, and none of these follow unambiguously from the planning documents. Furthermore, these different alternatives have potentially very different implications for the broader socio-economic dynamics and they most certainly have radically different implications for the cost and incomes generated.

Again, the lack of more stringent formulations in the planning documents, potentially supplemented with a more frequent use of real world examples, exposes the project to a risk of drift, influenced by personalities, stakeholder interest, or sudden shifts in public opinion. Furthermore, the lack of a clearly defined development strategy means that coordination of the actions and budgets decisions of the different municipal agencies becomes more difficult.

THE HIDING OF ALTERNATIVE DEVELOPMENT IDEAS

A third problem highlighted above, is the risk that an ostensible consensus around a way forward hides conflicts, but also prevents alternative possible development ideas from being formulated.

To illustrate this, one may, for example, imagine there to be a development strategy for Frihamnen that does not seek to develop a dense inner city feel, but rather seeks to keep new construction in the area to a minimum. This would illustrate a radically different development idea, which would nevertheless conceivably meet the ambitions laid out in the early planning documents. As such it would constitute an alternative that should at least be considered and transparently evaluated.

A possible rationale for such an alternative strategy may as outlined above be based on an argument that neither the strategy to "heal the city", nor that to “strengthen the core”, actually need a dense urban fabric in Frihamnen to be successful. Instead, one may argue that a combination of open public spaces,
strategic bike lanes and public transport through the area could accomplish these two objectives as well, but in a different way.

This means that two rather different strategies may now emerge that both offer ways to satisfy the political objectives of “healing the city” and “strengthening the core” but which do so in very different or possible even opposite ways. In cases where these alternatives are otherwise largely deemed equivalent, what ought to sway the argument one way or another is the expected costs and the risks to the public involved in each respective strategy.

If it turns out that one could confidently say that a “densification strategy” for Frihamnen, where the city seeks to realise an urban environment that is comparable to Brunnsparken, would be possible to realise while securing a net income to the city of eg. sek500m, then this might seem like a very attractive strategy to chose. A lot of new residential and commercially very attractive space would be created in the heart of the city while creating an economic surplus to taxpayers.

If, however, development costs are such that this kind of “densification strategy” can only be realised in Frihamnen at a net cost to the city of sek500m, then this strategy would seem a lot less attractive. This would especially be the case if it also turned out that a much less intense and thus a lot less costly development in Frihamnen were possible at the same cost to tax payers, as the option to build in the future remains in such an option.

The general point here is that good governance in these type of situations require that multiple coherent strategies are articulated, and that their broad advantages and disadvantages as well as their costs and risks are being compared. The public choice would then be between a set of different narratives, that in different ways promise to bring the kind of values that are democratically endorsed, by where a comparisons of the costs and risks involved would be an integral part of the public choice.

The more specific point is that such cost and risk comparisons are only possible if the more precise definitions of what the different strategies involve are actually given. As illustrated above, the cost and income scenarios of creating “Brunnsparken” in Frihamnen are certain to be radically different from those of creating “Haga”, or “Eriksberg” for that matter. Cost and risk assessment in this sense rely on precise definition of what the proposed development strategies actually involve. When this is missing, not only is the process liable to accountability failures, cost effectiveness is almost certain to fall short of what it could be.
2.3.1 A process overly reliant on intuitive agreements

THE IMPLICIT RELIANCE ON INTUITIVE AGREEMENTS

The kind of ambiguity that was observed in the development processes studied leaves ample room for different kinds of interpretations of what should actually be done. Alternatively, one may argue that it makes the stability of the process heavily dependent on there being a prior shared understanding of what is really meant by the ambiguous formulations used.

In a situation where there is a strongly shared but only tacit understanding of what constitute a good city and what kinds of interventions would be likely to push in that direction, the kind of ambiguity in the underlying planning documents may not matter so much. The crucial interpretations and adjustments to circumstances can instead be handled based on a shared intuitive understanding of what is to be done. Still, while such an intuitive model may work reasonably well in certain contexts, it gives a lot of formal freedom to the individuals with the final decision making power to interpret and adjust planning documents as they deem fit. It would then be a model that must be heavily reliant on a strong sense of trust in these decision makers.

When there is no such strong shared and intuitive sense of what should be done - as in the three cases explored here - the lack of clarity and precision in the planning documents present a more significant problem. In such a situation, the crucial interpretations that need to be made are likely either to be left in a fairly arbitrary way to individual civil servants, and/ or be subject to sudden whims of decision makers or to targeted campaigns by influential constituencies. In either case, the consequences for the broader legitimacy of the project are likely to be negative.
THE RISK OF PROJECT DRIFT AND THE CHALLENGE OF COORDINATION

Overall, what this illustrated is that the planning documents do not in the cases studied serve as the accountability check they are supposed to serve as. This leaves the development process open to what could be referred to as "project drift", where one set of intentions with a project gradually get reinterpreted so that the direction a project is taken gradually comes to change radically, without any formal discussions to that effect ever being taken.87

The lack of precision that was observed in the planning documents has the additional effect of making interagency coordination harder. The reason is that if it is not clear what more precisely is required by a set of interventions, potentially hard questions can be avoided or postponed. Again, the risk of this is that an ostensible agreement is preserved, even in cases where there is no actual agreement. An example of this may be when the aim for a certain area is that it should have "inner city like qualities, like in the case of Frihamnen above.

If it is not specified in a case like this what more precisely is meant by the "inner city like qualities", different views of what kind of investments are required to reach this goal may quite likely be allowed to prevail. Given budget constraints and conflicting needs even within different municipal agencies, it is for example quite possible that the agency who would have to pay for the infrastructure developments will chose an interpretation that is less demanding in terms of new infrastructure investments. This however means that the investment strategies of different municipal agencies may in fact be less that perfectly coordinated. The risk is that this results in both bottle necks, inter agency tension and sometimes in poorly coordinated investment strategies.

THE SHORTCOMINGS OF A FOCUS ON ADMINISTRATIVE CONTROL

When the underlying ambiguity in the planning documents is brought out in this way, it should be quite clear why strengthened central administrative capacity will only solve one part of the broader problem.  

While strengthened central administrative support in RiverCity Gothenburg is likely to be important, it will only go so far. To the extent that the management and coordination challenges in RiverCity Gothenburg are due the lack of clearly agreed development strategies, what is needed instead is the generation of more

87 This is the problem that was illustrated at some length by Bent Flyvbjerg in his famous study of the Aalborg bus project, in his study Rationality and Power. Flyvbjerg's central argument here is that the project was set up to help realise one set of, but was eventually completed in a way that made it help realise a rather different and sometimes opposed set of benefits, but without any formal decision taken to this effect, The project in this sense "drifted". See Flyvbjerg B (1998)
development ideas that offer alternative ways forward which in turn can be transparently evaluated. One of these ideas may in turn have the potential to become an idea around which a new and at least partial consensus about what to do can form. Once that is in place, a stronger central coordination function will be crucial. Before that is in place, it is less obvious what direct benefits such a central administrative capacity will bring. The reason is that the problem in the cases highlighted above is not only the lack of enforcement of an agreed way forward, but also the lack of a clear agreed way forward around which such an enforcement could take place.

The latter problem, however, tends to remain hidden under ambiguous formulations in the planning documents. The ambiguity in the design process, as highlighted above, would thus seem to help hide underlying disagreement and thus help sustain an administrative focus on the reform effort. An ambiguous use of language in this sense hides rather than helps resolve disagreements or important strategic decisions. Furthermore, the accountability concerns in the project provides independent justification for why ambiguous and forgiving nature of the design process, as it is practiced, should be understood as a problem. It quite clearly leaves the development process insufficiently constrained by prior expressed democratic ambitions and thus subject to serious risk of project drift.

2.3.2. The new need for rational justifications

THE NEW IMPORTANCE OF A COHERENT UNDERLYING ARGUMENTATION

The governance ambitions underlying RiverCity Gothenburg was described above as “experimentalist”, where the focus is on co-defining with a broader range of stakeholders both the more specific ends to pursue in a certain development project, as well as the more specific strategies, or means, for doing so. Thus the Vision Statement was intentionally left as a broad statement, largely as a way to express a set of values illustrated through very broadly defined through, so called, “strategies”.

The advantage with such an experimentalist approach is that it allows for more flexibility when it comes to addressing complex problems, both in that new voices can be let into the process to help define the answers and in that the answers are allowed to emerge gradually through a co-creative process.
A challenge with such an experimentalist approach, however, is that accountability is not as easily ensured.

If clearly defined and ideally quantifiable success criteria can be provided from the start, then the follow-up will also be fairly straight forward. Either the success criteria are met, or they are not. That is the advantage, for example with the kind of governance arrangements that have become known under the label New Public Management. One important disadvantage with such an approach, however, is that it tends to generate rather narrowly defined ends, precisely so as to allow for clear follow-ups. But this in turn means that more sophisticated or nested challenges will not be targeted effectively. Clarity is thus ensured at the expense of addressing the more thorny issues.

Experimentalist approaches are intended precisely to avoid the problem of an overly narrow formulation of the key problems to focus on. Instead, the ends as well as the means are initially left vague, to be defined jointly with a broader group of actors, with their own views and their own hands-on understanding. But this in turn leads to a greater challenge when it comes to following-up on the success of an intervention. This is clearly the case, for example, when the success criteria take the form of a broad and value based vision statement. Indeed, it is far from straight forward to settle what in such a case will count as success.

The way experimentalist approaches seek to get around this problem is to focus on “reason giving”, rather than criteria, or, to put it differently, on a compelling argumentation for why a certain strategy should be seen as the best response in a certain situation to a broad value statement.

"Accountability [in experimentalist models] requires not comparison of performance to goal or rule, but reason giving: actors in the new institutions are called to explain their use of the autonomy they are accorded in pursuing the corrigible goal."\(^8^8\)

Furthermore, this kind of reason giving is not something that is done once. Rather, it is a continual exercise:

“Experts and interests... must justify themselves, again and again, in public, to deeply informed challenges to, respectively, their expertise and their claims of the legitimacy... of their interpretation of what their needs compel. Contrast this idea of continuing contest ability of professional expertise in particular with the conventional presumption that fully certified professionals are qualified to make

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\(^8^8\) Sable, Beyond principle-agent governance: experimentalist organisations, learning and accountability, p12
complex decisions on the basis of their own informed judgement alone, and are answerable to colleagues only if there is suspicion of negligence.\textsuperscript{89}

What this points to is the need in the “new” experimentalist model envisaged in RiverCity Gothenburg for the continuous provision of legitimate justifications for why certain ends are pursued with certain means in different specific development projects. More broadly what it means is that the legitimacy and thus accountability concerns - which indeed were central to the whole RiverCity Project from the very beginning - provides an independent reason to focus not only on administrative problems, but also on the quality of the design process. Indeed, it shows how a fully and coherently argued support for a certain design idea is important, even if it would not directly impact the effectiveness of the implementation.\textsuperscript{90}

\textbf{THE NEED FOR AN UNDERLYING “THEORY OF GOTHENBURG”}

The new importance of a coherent argumentation brought out here suggests an important broader blindspot in RiverCity Gothenburg. This was the failure to appreciate the need for a general and more explicit theory about how to develop Gothenburg so as to meet the different objectives that had been democratically endorsed through the Vision Document.

What such a theory would do, if it did exist, would be to help bridge between the RiverCity Vision as a general value statement, and the tangible development strategies required in the different development projects. Crucially, it would do so not through a tighter administrative control of the different steps in the process and of the different actors involved. Rather it would do so by offering normative justifications, for why certain design choices in certain places and stages, offered a more compelling way to translate the vision statement into a practical project management tool.

The way this would happen is that such a theory would spell out central insights about why Gothenburg has developed as it has, what characterises the resulting city fabric, what implications this city fabric has for social, cultural and economic life and thus what opportunities and challenges exists as the city is about to take the next step in its development. If such an articulated theory did exist, alternative strategies for how to seek to develop the city could be anchored in different readings of this theory. This way, disagreements in what to do, could be

\textsuperscript{89} Sable, Beyond principle-agent governance: experimentalist organisations, learning and accountability, p20

\textsuperscript{90} For a much fuller theoretical treatment for this idea of “reason giving” as accountability checks, see G Calabresi (2016)
traced to more precise underlying disagreements about what there is, i.e. of how to read the history of the city or how to interpret its key features, or of what is possible to change, or indeed, what kind of change will be desirable for the city to be able to effectively meet new assumed emerging trends.

In short, if such a theory did exist in some form, clear rational argument could be provided for different proposed ways forward, and these in turn could be compared and contrasted as part of a rational discourse. This discourse, and the different arguments it may contain, could subsequently be referenced in the planning documents to give these the desired clarity. Such a “theory” would clearly need to be constantly evolving, by being challenged and reassessed. It would in this sense very much need to be a living document.

The role such a theory would serve would be to complement the comprehensive plans for an area, or the deepened comprehensive plans, by indicating what to do where, but rather how to address these questions also when they emerge in unexpected forms. In other words, it would offer a logic or methodology for how to go about addressing the core design challenge. This can be contrasted by the attempt in the new reforms to limiting the design challenge by imposing a new comprehensive plan or assuming tighter administrative control over it, as was the response of the city.

A CITY ADMINISTRATION SHYING AWAY FROM THIS PROBLEM

The arguments above thus point to a complementary, but also fundamentally different, approach to the management and coordination challenges that were identified in RiverCity Gothenburg. This approach takes its starting point not in the administrative question of how to coordinate different actors more effectively, but rather in more basic question of how to help facilitate agreement among the different actors involved. This crucially includes how the underlying rationale for a certain design idea is articulated.

It is notable that the reforms that were introduced to help improve the management and coordination of RiverCity Gothenburg shied away from these arguably more basic deficiencies in the design process. Instead these reforms focused, firstly, on narrowing the scope of this problem through a deepened comprehensive plan, and, secondly, on creating more effective administrative procedures for coordination. It is interesting to reflect on why this was the case.
One possible hypothesis here is that the embedded practices in the city reflected the idea that disagreements of a political kind firmly belonged in the sphere of politics, and not in the sphere of the city administration. To the extent this is true, the reactions of the city administration could be seen as reflecting past practices in the city. Thus the broader reform effort could be understood in a broader context as the city, when faced with immediate problems, defaulting back into its established ways of doing this. Another hypothesis is that the rather dominant industrial culture in Gothenburg meant that there was limited appreciation for the kind of difficulties involved in a design process, and in particular of the importance of creativity.

Again, these two hypotheses may quite possibly both be true. Both point to the need for a more fully articulated exposition of what a design process that could adequately meet the demands of the new envisaged experimentalist model would look like, what difficulties it would need to deal with, and hence what new capacities would be needed to make such a design process work in the city.
PART 3
- THE HIDDEN CHALLENGES TO OVERCOME
3.1. THE IMPLICATIONS OF THE AMBITION

3.1.1. The challenge to operationalise the vision

A new envisaged process

The immediate challenges that underlies the ambition to operationalise the River City Vision were both well know and clearly formulated already early in the vision process.

The broad question was formulated in terms of how to translate the broad vision statement into detailed plans for the 8 areas which RiverCity Gothenburg was initially divided into: Backaplan, Centralenområdet, Frihamnen, Gullbergsvass, Lindholmen, Ringön, Södra Älvstranden och Hisingsbron. The last of these, Hisingsbron, would later on be excluded form RiverCity Gothenburg and instead be given its own management structures. In the very early stage, Centrala Staden was also its own separate area.

Figure 23.

The map illustrates the different development areas in the RiverCity Project as well as how these are supposed to be phased over time.
There is clearly nothing new with these questions. Indeed, there is a well established and partly legally regulated planning system in Sweden designed to outline how this process of breaking down a broad political ambition into detailed plans for an area should take place. The novelty with RiverCity Gothenburg was rather that it had as an explicit aim to reform the traditional processes for doing this. In particular, the ambition was to open up the process so as to allow for more voices to come in, and to ensure a more effective systemic integration of both perspectives and interests in the process.

Thus, while the established practices in the city were perceived to be overly top-down, with too many of the strategic decisions about the future of the city taken behind close doors by a handful of bureaucrats and politicians, the new ambition was to develop a much more participatory and iterative methodology. In this regard the project should really be understood as the culmination of broader trends in Sweden towards less hierarchical and more participatory planning practices which also mirrored international trends.

However, in order to see what this ambition in the vision involves in practice, and thus to be in a better position to understand the challenges underlying the ambition, it is useful to consider in slightly more detail what this process of breaking down the vision into both desirable, but also practically and economically viable sub-projects actually consists in. That in turn allows us to explore with greater clarity the new kind of capacity that could be expected to be required in the city administration.

THE TWO UNDERLYING STRATEGIC QUESTIONS

The delineation of the 8 different areas in RiverCity Gothenburg is clearly somewhat arbitrary. The two key challenges identified are thus helpfully given a more generic formulation. The first challenge could then be formulated as the question of how to move form a broad political vision statement to a set of plans describing what structures should be built where. This could be referred to as the WHAT-question. The second challenge is to ensure that a desired project can be cost-effectively realised from the public point of view, so that as much of the public values which the project seeks to bring about can be realised at the lowest possible cost for the public. This could be referred to as the HOW-question.
There are two sets of considerations that must go into answering the WHAT-question:

(i) How to make sure that a detailed plan is aligned urbanistically with the specific opportunities at the site in question, including its location, its potential connection to other parts of the city and nearby amenities, etc.?

(ii) How to make sure that a detailed plan combines well with nearby areas, as well as reflects the broader strategic ambitions in the city as set out in the vision documents for RiverCity Gothenburg?

While the answer to the WHAT-question is ultimately regulated in the detailed plan which lays out in legal terms what structures can be built where, the answer must emerge as the outcome of a much broader planning process taking into account both national interests, overall municipal interests, as well as private and civic interest.

Similarly, there are two sets of considerations going into the HOW-question:

(i) Are there contracts defined that allow private investors to participate in the project, while also meeting their internally required rates of return on investments?

(ii) Is there a project plan in place that coordinates the required actions from the different municipal agencies, and are the necessary budget decisions taken to allow these agencies to act in accordance with this plan?

If the former is not in place, then there will be no private investments and the plan will not be realised, unless of course very substantial public investments are made instead. Without the latter in place, operational risks (of delay, cost over runs, etc) are certain to rise, and the investment interest hence likely to fall.
In both cases the underlying purpose of getting these two questions right is to allow public interests to leverage private investments to the largest possible extent. The broader point of this is to be able to realise as much of the democratic ambitions laid out in the vision as possible, to the lowest possible cost of the public.

Formulated this way, it should be clear that what is here referred to as a process of “breaking down a vision statement” should really be understood as an active design process, or as a kind of innovation process, through which new creative proposals are put forward about how new physical designs can help integrate different interests in society in more effective ways. The broad approach proposed in the vision statement is referred to as "experimentalist" ambition above. The essential focus of such an approach, in this context, is not on a physical design but rather on a socio-economic ambition which in turn is given embodiment in a physical design.91

3.1.2. The output called for by the ambition

A UNIFIED INTERFACE BETWEEN PUBLIC AND PRIVATE AMBITIONS

The key challenge in managing the River City project from the public point of view can thus be understood in an idealised way as the challenge of designing an integrated interface between public and private interests which at the same time handles both the WHAT- and the HOW-questions.

This interface must be thought of as including, firstly, a detailed plan designating land use rights; secondly, a set of contract structures allocating costs and risks between engaged parties; and, thirdly, an implementational plan outlining how the physical plan will actually be realised.

Crucially, these three aspects of the interface must be thought of as integral parts of a larger whole, not as three separately managed parts that are simply added together. The WHAT- and the HOW-questions, as outlined above, must consequently be understood as deeply interrelated questions.

If a detailed plan is drawn in a way that offers a lot of possible private gains, ie. in the form of attractive building rights, it will be easier to develop the contract structures that will allow the project to be implemented.

91 An example of a broader theoretical framework that aligns with this approach is provided by Karadimitriou N (2007) and Karadimitriou N (2010)
If however a detailed plan is drawn so as to rather favour public interests, it will be more demanding to ensure investment interest. At the extreme, the plan will not prove possible to realise.

Importantly, however, this argument also works in reverse: the more effective the contract structure is at allocating risks between engaged actors with different risk profiles, or the more robust and effective the implementational plan is, the more room is created for public values to be designed into the detailed plan.

**ILLUSTRATING THE ARGUMENT**

This interplay between the WHAT and the HOW-questions can be illustrated, using as an example the fairly common situation where the public is facing the seeming trade off between selling public land to private developers to get public income, or using this land for public spaces to rather generate a broad set of public values. While this may appear like a simple conflict of values, a well designed interface, in the broad way the term is used here, may significantly alleviate the conflict or eliminating it all together. This may be done, for example, through the design of a physical plan that allows for a synergistic mix of public and private spaces. This would be a case where an effective physical design creates new opportunities to bring public and private values together.
However, as the same examples can help illustrate, the potential synergy may also lie in a well designed contract structure. For example, the sale of private land may be structured contractually in such a way that the costs of public investments are partly clawed back through the long term appreciation in the value of the private land which is caused by the creation of public spaces, but which accrues to the private property owners over time. This would be an example of how well designed contracts allows for a more effective risk allocation, and thus creates more space for public and private values to co-exist. In this way, good physical design interplays with good contractual design, so as to form part of a larger integrated public private interface.

Lastly, the importance of the implementation plan can be included in the example because the ability of public actors to engage private investors in these kinds of structures crucially depend on their ability to promise an effective implementation process. If investors perceive a significant risk that the project will be delayed or mismanaged by public actors, the risk premium they would use in their internal financial calculation would immediately rise, and thus the potential income to the project falls. The ability of the public to leverage private investors effectively in these kind of more complex project structures therefore depends not only on the ability to create a good physical design and a good contractual design, but also, crucially, on the ability of the public actors also to manage the overall projects in an efficient manner, without delays etc. The more sophisticated the physical and contractual design become, the more focus is likely to fall on the basic question of whether the project can practically be implemented in an effective manner or not.
3.2. THE HIDDEN CHALLENGES

3.2.1 The need to integrate very diverse perspectives

The need to move across scales

The generic challenge in RiverCity Gothenburg can thus be understood in terms of the challenge to create a design process in the city able to generate these integrated legal interfaces, both at the level of individual sub-projects and at the aggregated level of the overall project. The broader purpose of this is thereby to find the best answer to the WHAT and the HOW question, and thus also achieve the best possible balance between private and public interests in the project.

The example above shows why this continuous integration makes a difference. It does so by showing that whether it is worth attempting to integrate social and economic concerns in a certain location, through a certain physical design, crucially depends on whether it is possible to do this at a reasonable cost. But whether this is possible or not depends on what contract structures that can be developed. In other words, there is no way of separating an optimal physical design from the costs and risks (financial and operational) involved. Thus the physical design, the contract design and the design of the implementation plan must go hand in hand.

Crucially, there are two additional constrains on this design process, which were also understood in the early phase of the vision process.

The first constraint is that the design process must be able to function across scales, so that the result in a specific location supports the broader plans for the city and so that the formulation of the broader plans are adjusted to be sensitive to the local conditions. This in turn requires some form of iterative process, whereby the design of the parts is done in view of the design of the whole, and vice versa. The need for such an iterative dynamics in the project management was explicitly recognised in the vision process.
For example, in deciding to put a park in a certain location, the question is only partly where a park, from the broader point of view of the city would ideally be placed in order to support a certain development idea. The question is also where it makes practical sense to build a park. Different local geological conditions, or commercial investment interests, will crucially influence not only the cost of constructing a park, but also the opportunity cost of foregone income from the sale of building rights.

The question of where to locate a park must consequently emerge out of a process that simultaneously considers the different overall benefits from having a park in different locations, and the different costs of placing it in different locations. This is, in other words, necessarily a process that moves from the overall picture to a very local picture and up again.

What this means is that the idealised interface between public and private interest, must be simultaneously assessed at the level of a specific project and at the level of the overall ambition. This process of zooming in and out between these complementary forms of output must furthermore be continual.
THE NEED TO MOVE ACROSS THEMES

The second constraint is that the design process must work across the different themes the broad political vision is built around. In simplified terms this could be seen as the social, the economic and the environmental themes, as these three themes are reflected in the vision statement for RiverCity Gothenburg.

In deciding to locate a park in one place rather than another not only people’s access to the park is affected, but also the social and economic characteristics of different parts of a city. In reconsidering the optimal location for a park, one must consequently also reconsider the social and economic consequences this would have at different scales. What this means is that as the design process moves across scales, it must also be able to move across themes. All different questions and scales must in other words be integrated at the same time.

To ensure this continuous integration of perspectives in the design process was, arguably, the key ambition in the vision statement. Indeed, a core stated ambition in this document was to avoid an overly hierarchical and fragmented way of running the design process, where each entity in the municipal bureaucracy would make its own analysis and decisions and where these would then be put together at the end. Instead, the ambition was to ensure that these different perspectives would all be present simultaneously in the design process.

The broader purpose with this was to ensure that additional efficiency gains would be reaped, both as regards the actual physical design and as regards the implementational benefits, but also to allow new input and new information to come into the design process.
THE NEED TO INTEGRATE DIFFERENT INSTITUTIONAL PERSPECTIVES

The underlying difficulty of securing this kind of systemic design process in RiverCity Gothenburg is closely related to the decentralised nature of the municipal government in Sweden.

In this system, the highest political authority in the municipality is the Municipal Council (Kommunfullmäktige), but thematic responsibilities are vested with different and independent Standing Committees (Facknämnder). There is, for example, one such committee with the responsibility for the land use and the built environment in the municipality (Byggnadsnämnden), another one for the traffic system (Trafiknämnden), a third for parks and recreation (Park och Fritidsnämnden) and a fourth with the responsibility for any private sale of land for development purposes, as well as with the responsibility to ensure adequate supply of housing in the municipality (Fastighetsnämnden), etc.

These standing committed are independent form the Municipal Council (Kommunfullmäktige) in that neither the Municipal Council (Kommunfullmäktige) nor its Executive Committee (Kommunstyrelsen) can intervene when the Political Committees (Facknämnder) exercise their authority according to national legislation.

Figure 29.

The figure illustrates the organisation of the municipal government, with thematic Political Committees answering only to the Municipal Council and with Municipal Agencies answering to the different Political Committees.
The logic behind this dualism is that the Political Committees (Facknämnder) are primarily responsible for implementing national policies and laws, while the Municipal Council (Kommunfullmäktige) makes overall priorities concerning financial and other conditions for this implementation, primarily through the budget process.  

There is, in other words, no equivalent of a Mayor as it exists in many other cities, or a government as on the national level in Sweden, ie. there is no central elected executive with the authority to ensure that systemically informed decisions are prepared and pushed through. There is the Executive Committee (Kommunstyrelsen) which comes closest to the role played by an elected executive in other systems. However, the responsibilities of the Executive Committee (Kommunstyrelsen) is only to coordinate between the different thematically focused Political Committees (Facknämnder). The central tool at its disposal to ensure such a coordination is the annual budget process. It does not have the authority to overrule these other committees.

In addition to this layer of independent and thematically divided Political Committees (Facknämnder), each Political Committee also has its own municipal agency to support it, populated by non-elected bureaucrats.

The role of these agencies is to prepare and provide the necessary decision support for the Political Committees (Facknämnder). These municipal agencies answer only to their Political Committee. In this sense also they are thematically separated from each other. Their formal task, in other words, is to assess policy ideas and proposals from the perspective of the responsibilities of its political committee; their job is not to assess or challenge ambitions from a broader holistic perspective. This is rather the role of the Municipal Council (Kommunfullmäktige) with support from the Executive Committee (Kommunstyrelsen).

Also at this level there is a coordinating body, the City Management Office which is placed directly under the Executive Committee (Kommunstyrelsen). Again, however, just like the level of the Political Committees (Facknämnder), this is a coordinating function, not a function able to over-rule the other agencies. Again, the annual budget process is the key tool to ensure such effective coordination.

What this structure of local government implies is that the only political body with the authority to ensure that adequate compromises are struck between these different perspectives is the Municipal Council (Kommunfullmäktige).

92 Montin S (2015)
The way this process is supposed to work is through the municipal budget process, through which the Municipal Council (Kommunfullmäktige) decides how to allocate resources between the different areas. The structure of local government in Sweden thus implies that the challenging trade offs between different kinds of values and perspectives in the political process must happen in the Municipal Council (Kommunfullmäktige). This is the equivalent to the “Athenean square”, where different political visions and policy proposals should be debated and dissected, so as to allow democratically satisfactory compromises and syntheses gradually to emerge.

This structure of local government thus sets up the general challenge of how to ensure effective coordination in local government, but also to produce the required syntheses that can serve as decision support, both for Political Committees (Facknämnder) and for the Municipal Council (Kommunfullmäktige).

While this problem is clearly general and affects all aspects of the city government, the challenge becomes particularly stark in the case of the large scale urban development project. The reason is that poorly functioning coordination in the case of such a tangible and complex effort will not only harm the effectiveness of government at the margin; rather, with different arms of the local government pulling in different direction, it may make effective project management impossible altogether.

This generic need for coordination thus becomes absolutely vital in a large scale urban development effort, both in the planning and the execution phase.

### 3.2.2 The new challenge of coordination

**Coordination in the old corporatist model**

As mentioned above, Gothenburg was for many years well known for its well functioning cooperative environment, both within government and between government and business. What become known as the “Spirit of Gothenburg” in the 80s and 90s, was widely admired as an example of a pragmatic and systemically focused local government. In this sense, Gothenburg during these years was known as a great example of a city where systemic coordination of government seemed to function very well.
However, the model for ensuring this systemic coordination of government was heavily centralised, and built on a dominant role of the Social Democratic Party, which was in turn chaired by a local party leader, Göran Johansson, who himself had a very dominant role within the party. The political power in the system was in this sense centralised in the dominant Social Democratic Party, and furthermore within this party. The Social Democratic party, in turn, had legitimacy through its broad electoral support, but also through the deep institutional, cultural and personal connections to the labour movement, and through that to big industry.

This centralisation of power allowed key decisions to be made for the city amongst a fairly small group of elected and non-elected individuals who trusted each other and who shared political values and visions. The decisions that were made in this environment could subsequently essentially be imposed on the broader city administration through the Municipal Council (Kommunfullmäktige) and the different Political Committees (Facknämnder), all dominated for several decades by the Social Democratic Party. Personal connections and informal channels appear to have played an important role in bringing the city administration along.93

Importantly, there was an additional feature in the corporatist model in Gothenburg. This was the established use of municipal development companies as “mission based” organisations that could be tasked with holding bigger development projects together. This does for example appear to have been the case in the early developments in the Eriksberg and Sannegården or the rejuvenation of Gårdsten. Systemic coordination, was in this sense ensured from above, through the effective centralised management of the dominant party, which could in turn impose its will on the broader city administration.

Two broad trends combined to undermine this model, as argued above.

Firstly, the new planning landscape was getting more complex - with new types of planning processes emerging, fudging the neat separation that had previously existed between private, municipal and state interest. As a result, the municipal organisation was in effect losing its relative autonomy over the overall planning process, which was instead getting more intimately woven into national, regional and private areas of interest. The result of this was that a significantly more sophisticated process of synthesis and coordination would be required as part of the municipal planning process.

93 See Amnå, Czarniawska, Magnusson, Tillitens gränser, Granskningskommissionens slutbetänkande, 2013
Secondly, the increasing fragmentation of the political landscape, and more specifically, the break down of the old corporatist model that had dominated in Gothenburg, meant that the structural conditions for coordination and synthesising were radically altered. There simply was no longer the broad overlap in interest between the major interest groups in Gothenburg, that would allow for a more centralised power structure. The result of this was that new more bottom-up governance practices were called for in order to secure the essential unity and thus coordination of the municipal bureaucracy.

Both these trends were acknowledged, at least tacitly, in the build up of RiverCity Gothenburg, and new structures were set up to deal with them. A new model was thus envisaged that would be able to ensure coordination in the new landscape that as at the same time more complex and more fragmented.

**COORDINATION IN THE NEW ENVISAGED MODEL**

In the new model envisaged in the RiverCity the idea was that responsibilities would be decentralised, so that clear mandates would be allocated to the different parts of the decentralised bureaucracy. These different parts of government would then be made to interact fluidly and transparently so as to allow for systemic integration of decision making.

In simplified terms, one may say that the ambition was to move from a model where systemic integration took places through the personal interaction of a smaller group of centrally placed individuals and then imposed from above, to a model where the systemic integration rather took place through the institutional interaction of representatives from different arms of the municipal government.

The vision process in the early phase of the project fit into this picture. One part of its intended purpose was to create a generally shared value based sense of what should be accomplished. The new coordinating structures that were subsequently set up, were supposed to be able to build on this generally shared sense of direction and manage the inevitable trade offs and compromises that would inevitably have to take place in the more specific development projects.

Both processes and structures were thus set up to ensure that there would be a substantial amount of co-creative interaction taking place between the relevant actors, so as to sustain and reinforce the shared understanding of what was to be done. Broadly the idea was that this would allow a shared sense of direction to emerge from below and thus bring unity to the system this way. Thus, the idea was that the coordination would be handled within an environment characterised
by a shared and value based sense of purpose, established through the vision process and kept alive through the constant presence of the RiverCity Vision as the highest steering document for the project.

Importantly, with the new role of Älvstranden AB, the old implicit role of this municipal company as the mission based actor in the system that would be responsible for holding the overall effort together was removed, or at least significantly weakened. Thus some new force would be needed to ensure that the process of coordination could be held together.
THE COMPLEX QUESTIONS TO COORDINATE AROUND

It is useful at this point to remind ourselves around what kind of questions the different municipal entities need to be coordinated. This will help bring out more clearly the challenges that would need to be managed in the new envisaged and more decentralised model.

To do this, the natural starting point is to go back to the two core questions that the new institutional structures in RiverCity Gothenburg were supposed to help answer. The first question - the WHAT-question - was what built structures to seek to realise where in the broader urban development project. The second question - the HOW-question - was how to do this cost-effectively from the public point of view. As was noted above, the two questions need to be answered together, and this, furthermore, needs to be done through an iterative process so as to allow the answer to the questions to emerge gradually.

Given the broader social ambitions with RiverCity Gothenburg, a good example of a question around which some coordinated agreement needs to be achieved is the question of what urban structures to promote where in order to enhance social integration in the city. This furthermore would have to be done at reasonable costs to the public purse, and without overly challenging the other ambitions of the project, such as the ambition to attract the investments from new firms so as to boost the knowledge economy in the heart of the city.
However, there is clearly no easy answer for how to do this. Instead, a likely approach would include a lot of different proposed design features to the proposed urban structures, in different parts of the new developments. Furthermore, the approach may include recommendations of some public subsidies, either to allow a more broad array of social groups to live in a certain area, or for open spaces and possibly cultural or sports activities, that would attract these groups to the area.

For example, one approach to the question may be to propose a series of open spaces that interact so as to encourage a socially mixed flow of people to populate them. This in turn may be combined with the proposal of a new bridge helping to overcome a natural barrier, such as a highway, to allow two areas of different socio-economic composition to function in a more integrated way. Furthermore, the approach may rely on a particular placement of the schools as well as the kindergartens, to encourage these environments to have a more representative socio-economic mix. Lastly, some subsidised housing may be part of the overall approach.

Quite obviously, these different aspects of the approach would have to be understood as a combined strategy - not as a set of discreet interventions from which public officials can pick and chose. What this shows however is that many of the issues around which there needs to be coordination, and thus agreement, should not really be thought of as issues, but rather as “strategies” or possibly even “theories”. As the example also shows, these strategies will in many cases be full of different and complementary value based judgement as well as empirical assumptions, all of which may be questioned in the process of trying to seek agreement and thus coordinate actors around the proposed interventions. Importantly, each of these value based judgements or assumptions may also be questioned by or at least be in tension with the value judgements and assumptions made in the different Political Committees (Facknämnder).
3.2.3 The new more ambitious role for planning documents

The transition from personal to an institutional decision making

What the argument above shows is that this process of coordination must not be thought of as some mechanical exercise where different preferences of different municipal agencies are compiled and then simply combined in proposals everyone can agree on. Rather, it must be thought of as a much more elaborate process, where different coordinated strategies for different ambitions are put forward and compared, contrasted and assessed. These strategies would furthermore have to be articulated, in what could be referred to as a strategic narrative, or a “design narrative”.

The first demand on these narratives, for them to serve the role they need to serve, is that they are precise and extensively articulated. This may seem obvious, but it involves an underlying cultural shift compared to the “old” model, which is not insignificant. It can be summed up as the shift form a personal decision making culture to an institutional decision making culture.

In the old corporatist model, key decisions had been taken by a relatively small group of individuals with strong personal connections. What this means is that the many difficult and systemic judgements that are constantly made in the course of a large scale urban development project could be handled within this fairly tightly knit group. An example would be the question of how to balance economic gains from the sale of land against other benefits such as the social good of a more inclusive environment. Another example would be the question of how to trade off the importance of new investments by international firms against good school environment for children. These are not simple questions.

In the old decision making culture, which was marked by strong personal connections and largely shared perspectives on urban development, there was a limited need for extensive argumentation to underpin these decisions. A set of well established practices and values could instead serve as the glue that would keep this otherwise very challenging decision making process together, as well as the oil that would make the process move forward. The key reason for this is that the “rules” for how to handle these difficult question in such a model are tacitly set through an established way of doing things. In the case of Gothenburg,
this “established way of doing things” was furthermore continuously re-enforced by a strong leader who was widely perceived to be legitimate. Thus, in the old personalised decision making culture, even questions that are very difficult to handle because of their intrinsic complexity, can be managed without the need of an extensive amount of formal documentation and underlying argumentation.

The new envisaged model was explicitly intended to break with this past practice: to open up the decision making process, make it more transparent, and decentralise the decision making. The consequence of these ambitions, however, is that decisions can no longer be based merely on an intuitive sense of agreement. Instead, much greater clarity and precision is called for in the underlying argumentation. Overall what it means was that completely new demands were put on the city administration in charge with producing the new required decision support.

It is worth noting here, that these demands on formal and explicit argumentation may be particularly challenging in a strongly consensus oriented decision making culture, like that in Gothenburg. In such cultures, as long as there is underlying trust and some homogeneity in culture, things can move quickly and smoothly. However, once that is gone, or no longer proves sufficient, the opposite may turn out to be true. Indeed, as the underlying arguments and assumptions have never been formulated, the risk is that the decision making process stops altogether once the overall and intuitively shared sense of consensus breaks down. Implicit in the RiverCity vision, and in particular in the ambition to move towards a more transparent and decentralised decision making process, there was thus a deep challenge to the old informal, personal and consensus based decision making culture in Sweden and in Gothenburg.

**A NEW ROLE FOR PLANNING DOCUMENTS**

These broader shifts in the way decisions were taken in the city, also has significant consequences for the role played by the many planning documents in the urban development process.

In the old model, these documents had essentially served as a way to give legal legitimacy to decisions already taken within the political sphere. Their role, in this sense, was primarily to ensure that political positions that were already established could be legitimately and effectively implemented through the bureaucracy.
In the new model, the role of these planning documents changes. Now the purpose of these documents is no longer to shepherd political decisions through the legal system, but rather to define possible ways forward around which support may be possible to build.

A useful way of thinking about the planning documents that would have to be produced in the new model is as documents whose essential role it is to give expression to the new bottom-up consensus that has been formed, or is about to be formed, and which should form the rational basis for a broader coordination of municipal actors. Practically, this means that these planning documents would have to be able to weave together the patch-work of different and only partly overlapping planning documents and other municipal mandates that are being generated, not only by the different formal and informal planning processes in the city, but also by national legislation.

The planning documents would thus have to cover not only the over-arching development ambitions in the city - as expressed, for example, in the vision statement - but also, as the project moved forward, they would also need to relate to and integrate the many practical development projects that are being carried through. Rather than seeing the planning documents as rationally deduced from prior politically endorsed documents, through an expert led administrative process, this perspective instead suggests that they should rather be understood as part of a continual process of testing and developing a broader more complex narrative about the city and its possible development path.

The result of this process would not necessarily be a set of hierarchically organised documents. Rather what would emerge may be better thought of as a web of overlapping and mutually reinforcing documents. Some tensions and contradictions would inevitably remain in such a web of documents, but the ambition would be to constantly strive for an ever greater coherence.

**THE NEW LEGITIMACY DEMANDS ON THE PLANNING DOCUMENTS**

Needless to say, creating these planning documents that are able to weave the multitude of different existing planning documents into a more coherent narrative, that can also give practical direction, is an unavoidably political task. It is not a neutral or technical task. There is thus a real issue of how such a process can gain democratic legitimacy.
Theoretically, there is an obvious candidate here, which is the traditional idea of the bureaucrat as the “the rational expert”. Indeed, there is a long tradition in Sweden, stretching back to Axel Oxenstierna, of the unbiased and rational bureaucrat. Traditionally bureaucrats in Sweden have thus been given a lot of trust by the public to interpret political ambitions and propose the best way forward, in a practice that has historically largely been deemed democratically legitimate.

In the case of RiverCity Gothenburg, however, it was largely the perceived lack of legitimacy of the “expert led” development ambition that created the impetus for the project in the first place. The corruption scandals that broke in the summer of 2010, and more importantly, the subsequent criticism of the city administration in managing the urban development process since makes this road forward less than promising.

An alternative theoretical source of legitimacy would instead be that which can be generated through a transparent, open and participatory process. This is the idea of experimentalism referred to above. It is the kind of approach that was intended in RiverCity Gothenburg. The idea seems to have been that different municipal actors, together with actors both from the market and from civil society, would co-create the way forward in an open and transparent fashion.

The underlying logic for this seems to have been, firstly, that this process of open and transparent co-creation would allow for more expertise and perspectives to be integrated in the design process, and thus result in better design ideas. Secondly, the idea seems to have been that an open and participatory process would generate a set of ideas, or “narratives”, that were shared among the actors involved, and thereby also be seen as legitimate, both by the actors directly involved but hopefully also by the general public.

There are, however, at least two additional demand on such a process, for it to generate narratives whose legitimacy can firstly be established and secondly sustained.

The first such demand is that the narratives that emerge are sufficiently clearly articulated and sufficiently detailed, so as to bring out underlying tensions and strategic alternatives rather than to hide these. This is important, because for a participatory process to serve as a source of legitimacy, it tends to be important that those participating in it perceive it as fair and transparent.
For this to be the case, participants must be made aware of what the difficulties are that need to be navigated, and what different strategies are available for doing so. This thus puts a lot of pressure on how the different problems and possible solutions presented to participants in such a process are formulated, and thus on how precise and extensively articulated the underlying narratives need to be. Furthermore, it suggests that different and alternative ways forward need to be presented so as to allow the audience to clearly understand the different alternative trade-offs that are possible so as to see more clearly the implicit value judgements being made.94

The second such demand, is that the narratives that emerge are perceived by all actors involved as aligned with their legal mandate, as perceived by the individuals working for that actor. Thus, while the individuals in an organisation may feel personally convinced by a new narrative, this is not sufficient to give it legitimacy. There must also be an argument for why this narrative also meets the institutional obligations of the entity this individual is working for. The emerging narratives must in this sense function also institutionally.

This puts significant additional constraints on how these narratives are structured and formulated. What it means is that it is not enough that the different levels of planning discourse is woven together - ie. the regional, the municipal and the private - but the resulting narrative must also be made to fit with the different thematic responsibilities within the municipal bureaucracy.

94 This is the point made by Yale Urban Design Workshop in the introduction to their contribution to Fusion Point when they say that “the design of cities must respond to a - and be seen to respond - to a fundamental political responsibility for a transparent, inclusive and comprehensible process”
3.3. THE NEW CAPACITY REQUIRED

3.3.1 The new need for articulated design capacity

The capacity to manage an integrated design process

The most obvious new capacity demand in the new model is the need for people working in the system in support of the public ambitions who have the skills and competencies necessary to produce the new kind of planning documents required.

This involves the ability to drive a design process that moves across scales and themes, and furthermore the ability to create the kind of narratives that makes the underlying reasoning available for others to follow, but also makes it as persuasive as possible. Additionally, these individuals would need to have the abilities to attach cost and risk calculation to the different development narratives produced.

These individuals consequently need to have have very refined design abilities that allows them to put together compelling physical designs or plans, that to the largest extent possible can bring together the kind of diverse interests that exists in the city, and furthermore do so in a way that keeps costs and risks to a minimum. Indeed, it is by the constant production of such high quality design proposals that the inevitable and challenging trade offs and value conflict in the city can be made slightly less challenging.

THE CAPACITY TO ARTICULATE THE UNDERLYING SOCIO-ECONOMIC ARGUMENTS

Importantly, however, this more traditional design capacity through which multiple interests and perspectives are accommodated in one physical “product” or plan with costs and risks attached, only represents one part of the key skills required.

The other part of the skill set required, is the ability also to articulate the reasoning behind the set of design proposals that is being put forward. The point
of this is to ensure that it is made as clear as possible for others to follow how the different design features included in a given proposal help to accommodate the interests of the different stakeholders who must give their support in order for the proposal to be implemented. The idea is that only by making this underlying reasoning explicit - including key assumptions and uncertainties that may be possible to question - is it possible to allow other groups to relate to the different stages in the argument, and thus see the process as transparent and legitimate.  

Importantly, the arguments underlying these designs here must be presented in a form and in a language that makes them available to all relevant stakeholders, to the largest possible extent. This suggests that at least the early parts of this argument should not be framed in terms of built form but rather in terms of the broader socio-economic ambitions different kinds of built form would serve to promote. The reason for this is that for these narratives to maximise their chance of gaining legitimacy, at least the early part of these arguments must serve to create a common ground for all the stakeholders involved, whereby all the different stakeholders are able to relate to these arguments easily and see them as potential arguments for them.

This suggests that the language in which these basic unifying arguments are framed must be a language that is as widely shared as possible, which is probably not the language of built form; more likely, it is the language of socio-economic development. There is thus likely to be the need for a two-part argumentation that would need to be articulated to give adequate rational underpinning to the more specific design proposals that are being proposed.

The first part of this argumentation would set out the socio-economic ambitions behind a certain development. In other words, what kind of socio-economic life is it that the public bodies engaged would like to promote over all in the city, and given this, what socio-economic development is it that they would like to see promoted through a certain development project in a more specific part of the city. This part of the argument, framed in these very general terms, would thus allow the different stakeholders that need to be engaged in the process to relate the arguments more easily to their own language and institutional interests, and thus also be in a better position to frame their contributions and give their buy in. The second part of the argumentation would then build the bridge from a broad socio-economic argument about what needs to be done, to a more specific

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95 For a theoretical argument relating to this, see Daniel Markovits, Market Solidarity - Price as Commensuration Contracts as Integration, Yale Law School, Inaugural lecture, 2012.
set of design proposals where different rivalling strategies can be presented for how these broader socio-economic ambitions can be promoted through built form.

The overall ambition of structuring these narratives in this way, would be to more clearly differentiate the different kinds of arguments involved, so as to thereby reduce the complexity involved in understanding where different actors may make different assumptions or value judgements. By seeking to clarify the discourse in this way, there are reasons to believe that agreements and disagreements can be more easily isolated and handled.\textsuperscript{96}

3.3.2. The need for a unifying mission based culture

The need to overcome a natural tendency towards fragmentation

In addition to the need outlined above, for individuals in the system with strong and articulated design abilities, there are also new capacity demands on an institutional level to sustain and ensure the very best is brought out of these skills at an individual level.

The reason is the resistance any individuals are almost certain to meet in trying to formulate these new articulated and unifying narratives described above. The basic reason for this is that the very purpose of these articulated narratives must be to clarify disagreements and propose ways around them, partly by proposing compromises. However, both at an individual and institutional level, there tends to be a built-in resistance to willingly acknowledge either that there is a conflict or that a compromise may be called for. The natural tendency, instead, tends to be to resist the conclusion that there is a conflict that needs to be managed.\textsuperscript{97}

This natural resistance, both at an individual and institutional level, means that there will be a constant pressure in the system to formulate ideas and proposals that cause as little institutional friction of this kind as possible. In this sense, there will be a natural push towards hiding rather than dealing with difficult

\textsuperscript{96} Support for this argument can be found, for example, in the literature on Narrative Mediation. See, for example Winslade & G Monnik, (2000).

\textsuperscript{97} The research by Sara Broström notes that the planning discussions in RiverCity Gothenburgs tend to postpone dealign with disagreements, thus lending support to the claim that this is a problem in the development process in RiverCity Gothenburg. Observations made in the research project Följeforskning Bostad2021 makes similar observations about the broader development process in the city.
conflicts, just as appears to have become fairly common in RiverCity Gothenburg. Furthermore, this means that there will not be a natural tendency towards a more coherent overall narrative. Rather, the natural tendency will point in the opposite direction, towards a divergence in this narrative.

DIFFERENT INSTITUTIONAL LOGICS PULLING TOWARDS FRAGMENTATION

To see why this is so, it is useful to consider the many different “institutional logics” that permeate the different parts of the city administration. What is meant by this here is that the formal roles of mandates of the different administrative entities, as well as the practices and cultures that have been developed within these, tend to point in different direction. Thus, while the formal responsibility of Älvstranden Utveckling AB is a holistic one: to help realise the vision behind the project, the formal responsibilities of many of the other Political Committees (Facknämnder) are explicitly specific and limited, which may even in some instances be in conflict with the vision behind RiverCity Gothenburg.

For example, the Political Committee for housing (Fastighetsnämnden) has the formal responsibility to ensure that an adequate number of satisfactory housing units are built in the city. The Political Committee for transportation (Trafiknämnden) has the formal responsibility to ensure transportation needs are met in an as effective and environmental friendly way as possible. The Political Committee for the environment (Miljö- och klimatnämnden) has the formal responsibility to ensure that laws governing the environment are followed, and to lead the city’s work on climate mitigation and adaptation.

Each of these actors thus bring their own perspective on the strategies in RiverCity Gothenburg. These perspectives, furthermore, will in each case be embedded in a broader theory about how to translate the formal mandates each committee has into practical recommendations for how to develop the city. Also, each of these actors has as their formal responsibility to defend their particular perspective and implicit theory when it comes into conflict with others.

As argued above, there is a natural tendency in any system for the different actors to default into their basic institutional logic and thus to avoid conflicts or compromises that may force them away from this default position. Thus, given the different institutional logics of these different entities are not aligned, there will be a natural tendency towards fragmentation in the system, rather than

98 Theme in this section is elaborated on much more comprehensively in a separate contribution by Ulf Petrusson and Filip Bladini to Fusion Point.
towards coordination. Some external force or momentum would thus seem to be
required to counter this natural tendency towards fragmentation.

**UNDERLYING VALUE CONFLICTS PULLING TOWARDS FRAGMENTATION**

In addition to the inbuilt institutional resistance to coordination and the tension
that exists between the different directives to the different municipal agencies,
there is also the additional problem of real underlying conflicts in perspectives,
values and assumptions between these agencies.

There is little reason to believe that these different perspectives or interests
will always be consistent with each other. Indeed, there is almost certain to
be conflicts of interests and perspectives deeply embedded in these different
narratives that are not easily woven into a broader more coherent story.

This is true, firstly, in the case of the different levels of development discourse.
Thus, for example, there may be clear agreement on the regional level for the
need of an infrastructure packaged to support the broader growth of the region,
while there is little or no support in the municipality for the consequences of
such a regional infrastructure package. The controversy in Gothenburg around
Västlänken, the rail tunnel planned to go under the city, amply illustrates this.

Secondly, it is true in the case of the different municipal entities. Thus, for
example, the ambition for an efficient transportation system, as advocated
by the Political Committee for Transportation may have consequences that
are not approved by the Political Committee for the Built Environment
(Stadsbyggnadsnämnden). An illustration of a such a possible conflict could be
when the Political Committee for Traffic (Trafiknämnden) argues for a fast tram
line through a certain area, which however would have the effect of creating a
physical barrier through the area which may be deemed highly undesirable by the
committee for the built environment.

What this means is that there is little reason to expect these unifying narratives
that are needed to ensure coordination in the system to emerge naturally. Indeed,
in situations like these, the natural tendency of the actor engaged is rather to
try to develop ways to make the different narratives fit, without actually needing
to deal with the underlying disagreements and conflicts. This natural tendency
is strengthened by the deeper institutional interest of the different entities
responsible for the preparation of decision support, as outlined above.
THE NEED FOR A UNIFYING "MISSION BASED" CULTURE

The general tendencies described above mean that the process of producing the required unifying narratives will have a natural tendency of hiding rather than identifying and resolving conflicts. The risk is therefore that a superficial consensus is established through these processes.

This would produce a semblance of agreement, but this semblance of agreement would risk being blown apart once a particular development project is actually supposed to be implemented, and contracts needs to be signed and real commitments made. Arguably, this is one important dimension of that what happened in the early phase of RiverCity Gothenburg, where delays, coordination challenges and budget overruns triggered a rethink and the introduction of new institutional mechanisms.

There is consequently the need to embed the process of creating these unifying narratives in an institutional context where there is a core interest in not hiding such underlying disagreements. Naturally, this would require an actor, or a set of actors, with the responsibility to ensure that the practical developments in the project are actually pushed forward in a satisfactory way, both in terms of the economics and timing of the project and in terms of the qualities of the result. Such an actor or set of actors, furthermore, would need to have both power and legitimacy to play this role. In short: new creative development proposals with a potential to unite the relevant stakeholders around new energising ideas will not emerge on their own.

This suggests that the process of constantly developing new ideas, and testing how these would allow the different narratives to be synthesised into a more coherent narratives must be backed by an organisational or a set of organisational structures that “live a mission based culture”. - This is turn should be understood as a culture that has its focus on ensuring a satisfactory overall product, ie. on the quality of the overall synthesis. In short, it is an actor that is both creative and driven by the end-result.

In order to see this, it may be useful to bring in a distinction made by Bo Rothstein between the mission based “cadre organisations” and “traditional bureaucracies”. According to Rothstein, the mission based “cadre organisation” is driven by substantial rationality, or the ambition to get certain results in place. The traditional “bureaucratic organisation” does instead, according to Rothstein, tend to be driven by the ambition to do things correctly, or by formal rationality.

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99 This tendency of the bureaucracy to postpone challenging questions in the planning process, as opposed to identifying them and proposing ways to handle them, is noted in the research by Sara Broström.
To translate this to the discussion here, an organisational culture driven by “formal rationality” in a context of institutions occupying different institutional logics, will tend to drive towards increased fragmentation. This is rather intuitive: if individuals in an organisation are driven by doing what is formally right, and the institutional mandates are not aligned, then there will be a tendency towards a continued drifting apart. An organisational culture driven by “substantial rationality”, i.e. by the desire to get certain end results, will instead strive towards striking compromises and reaching for syntheses in the face of these kinds fragmentation.

Rothstein’s basic classification of these two kinds of cultures thus helps us identify a kind of cultural capacity that would seem to need to be in place to ensure effective coordination. Rothstein broader argument also indicates the importance of this. In his study of the success and failure of ambitious reform programmes in Sweden, Rothstein concludes that ambitious administrative change ambitions in Sweden only tend to succeed if they are driven by a mission based culture, or a “cadre organisation”, as opposed to be a traditional bureaucracy. His underlying argument is precisely the need to overcome the natural tendency towards fragmentation in a political ambition.100 Urban development projects, when they are supposed to manifest ambitious political goals could arguably be understood in similar terms, as small scale institutional change projects, and would thus also be subject to similar challenges as those outlined by Rothstein.

FROM ONE KIND OF MISSION BASED CULTURE TO ANOTHER ONE

When the ambitions in RiverCity Gothenburg are examined from this perspective, it helps us see hidden qualities in the “old” model which may not otherwise be readily visible, in particular the institutionalisation of a mission based culture. This in turn helps pinpoint the need to reproduce this mission culture in a new form in the “new” model. The distinction borrowed from Rothstein thus helps us pinpoint an important dimension of the change ambition that would otherwise easily get lost.

In the “old model” this demand for a “mission based culture” would appear to have been satisfied by the legitimate and dominant role of the Social Democratic Party. This in turn, it would appear, allowed for a small informal group of individuals around the party leader, Göran Johansson, to not only yield substantial power but to do so legitimately. This group was furthermore clearly an example of a mission based “cadre organisation” in Rothstein words.

100 Rothstein (1996)
Indeed, in his broader study of bureaucratic reforms in the social democratic state, the Social Democratic Party, and more broadly the social democratic movement, is the quintessential example of deeply mission based organisation.

In the old model, this small group of mission driven individuals, also had at their disposal the use of municipal development companies. This gave them access not only to formal power, but to practical capacity and the financial resources to actually translate formal power and resources into results on the ground. In this sense, the municipal companies served as the direct tools of the mission driven social democratic leadership to ensure systemic interventions at a more practical level in the system.

As noted above, the decision making logic in this model was also largely informal and person-based, which allowed difficult adjustments and reinterpretations of what the best way forward to be made continually and informally, without the need for extensive formal engagement of the broader city administration.

A defining feature of the “new” model was the more fragmented political context. This meant that the city administration could no longer react to a strong and unified political force, in the form of the Social Democratic Party or more broadly, the social democratic movement. Instead, the “new” model was characterised by the need for the city administration to govern itself to a larger extent. A key question here however is where the mission based logic in the new model is going to come from.

As the “new” model was originally envisaged in the vision process, the idea was that the new organisational structures created in RiverCity Gothenburg would be given the status of an independent project organisation which would furthermore have been infused by the values of the RiverCity Vision. Had that been fully realised, it would potentially have served the purpose of ensuring that there was a clearly mission based organisational culture at the heart of the project, i.e. to bring the vision for the RiverCity company into reality.

Fairly early on in the process, even before the new organisation had been fully put in place, it did however become increasingly clear that there was not the political support for this kind of project organisation. In the course of the project, the effect of this would appear to be a gradual shift of power away form this new organisational structure that was intended to take a leading role, towards the municipal agencies. At the same time, it was becoming increasingly clear that the municipal development company, Älvstranden Utveckling AB,
would no longer be allowed to occupy the same kind of mission based role in the system as it had done previously. The company was instead brought closer to the established municipal agencies, both through the changes in its formal directives and through the earlier decision to reduce the size of its balance sheet.

In the early phase of RiverCity Gothenburg these developments appear to have created a bit of a vacuum in terms of the mission based culture in the project. This seems to have been a key factor underlying the reported sense of ambiguity and lack of clear leadership. Strengthened administrative control over the project have added necessary stability. The key question remains, however, of how to reinsert a strong mission based culture into the project, especially in the context of a heavily fragmented political landscape. More specifically, the key question would seem to be what would be required of the City Management Office and its new portfolio management office, for it to be able to serve as the new source for a mission based logic in the new model?

3.3.3 Towards a stronger City Management Office

The trend towards a stronger Central Management Office

The discussion above underlines how the developments in RiverCity Gothenburg - and the shift form the “old” model” to the “new” model” - put a lot of pressure on what more precisely the new role of the city management office would be, what powers it would be given and more generally how it would work.

This question had surfaced already in 2013, when the City Management Office was asked to recommend how to institutionalise the RiverCity Vision. The proposal presented at this time was however by many perceived to be rather too weak to play the intended role. This furthermore appears to have been confirmed by the subsequent review of the new structures in 2006 and 2007, conducted by the City Management Office itself.

Subsequently, a number of additional changes were made, with the City Management Office taking over the chairperson role of the new RiverCity organisation, with the introduction of a new portfolio management office, as well as the strengthening of the reporting tool, Färdplanen. Through these changes the role of the City Management Office was gradually given a more prominent role.
This trend towards a stronger City Management Office would continue to evolve. In the spring of 2019, the Head of the City Management Office, Eva Hessman, also assumed the role as the CEO of Stadshus AB, the holding company for all the municipal companies in the city. Around the same time a proposal was presented whereby the City Management office would also formally be given a strengthened role in the urban development process.\(^{101}\) As part of this process a new organisation was proposed to replace the old RiverCity organisation from 2015. This new organisation would have the portfolio management office at its core and a representative from the City Management Office as the chair.\(^{102}\) Overall, what these reforms seem to be pointing towards is the ambition to revive the idea that had initially been championed in the vision process of a cohesive project office, but this time built around the City Management Office.

**THE NEW DEMANDS ON SUCH A NEW OFFICE**

Given how relatively recent these later changes are, it is still obviously very much an open question what organisational culture will emerge around them and thus how they will function in practice. It thus remains to be seen whether these new reform ambitions will be able to ensure that a mission based culture can take root in the strategic management of the project or not.

Still, based on the findings presented in this report, some basic observations are possible to make, about the capacities likely to be required in the new City Management Office, for it to serve its intended purpose as interpreted here. In doing so, it is useful to go back to the classification of the “new” model made earlier, as a kind of “experimentalist ambition” in the way that Charles Sable defines this. This, according to Sable, is an ambition where “multiple actors work through some form of cooperation not only to formulate the means to meet a predefined end, but also to formulate an adequate end”.

This was clearly how the iterative design process in RiverCity Gothenburg was intended to work. The idea was that the design process would begin with very generically formulated “strategies” expressed in the vision statement. Gradually, these would then be turned into more tangible ideas about what role each area should have in the larger city, ie, what the ends of each area should be, and thus what built form should be promoted in that area so as to realise the desired ends for that area. This process would furthermore be iterative, so that both ends and means for each sub-area would continually be reconsidered.

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101 Strategisk ledningsfunktion - fortsatt utredning om facknämndernas organisation, Tjänstemannautlåtande, 7 May 2019
102 See Reviderat Förslag Organisering för Alvstaden - Förslag från det interna portföljkontoret, 2019-09-02
What research into these kinds of practices shows is that for these co-creative processes to generate high quality proposals, there needs to be an independent judge with the ability and mandate not only to reject ideas that are deemed inadequate, but also to impose penalties for poor behaviour. In the light of the discussion above, this makes sense. The natural resistance to coordination in a municipal bureaucracy - be that due to the different institutional logics present, or the natural tendency towards conflict aversiveness - simply means that it takes an outside actor with power to force the process towards new development ideas, thus preventing it from falling back into a comfortable, non-challenging logic.

The new central authority that is required would thus from this perspective need to have as its core purpose to infuse this co-creative context with a “mission based logic”. The creativity of the process would in that sense not need to live in any one actor, but could rather be a property of the way different actors interact.

For the City Management Office to assume this role, however, it would seem that this office would need to have the capacity and the authority to engage at a detailed level with the more specific development proposals that are being put forward, be that by municipal actors or by market actors. The reason is that in addition to having the mandate to reject outright poor proposals as not aligned with the core values of the project, such an independent judge would also need to have the ability to recognise ambiguous proposals or proposals that disguise rather than resolved underlying conflicts, ie. proposals that appear to be combining different ambitions in a sensible way, but which really rather tend to hide these differences.

To put this differently, the central authority created, for example in the form of an increasingly important City Management Office, would need to have certain critical abilities, closely associated with “design skills” as the term is used here. The reason for this, is that this central authority would need to be able to push back on proposals being generated, and thus allow a certain conflictual tension to emerge between the actors proposing designs and the central authority reviewing them. Ensuring that such critical abilities and their associated design skills are built into the portfolio management office or linked to it, may be the next crucial step in the continuous evolution and learning in RiverCity Gothenburg.

103 See C Sable and D Rodrick, Building a Good Jobs Economy, Working Paper
The ambiguity and the accountability gap

The broad conclusion is that the transition in Gothenburg, from the “old” to the “new” model, has proven more challenging than what appears to have initially been expected within the city administration. The internal review in 2017 seems to confirm this.

The result is that a rather unfortunate ambiguity was allowed to emerge and linger for longer than would have been ideal. Thus, while the institutional learning process envisaged in the RiverCity Project does appear to work, the question must constantly be asked how it can be further improved, and learning speeded up. This also stands out as the key question where other similar efforts in Sweden and elsewhere can learn from Gothenburg.

An unfortunate side effect of this ambiguity is that it seems to have brought with it also a kind of accountability gap. The old source of legitimacy - provided by a stable political leadership in the city -was being undermined by long-term structural trend; but the push towards a new model - where a potential new source of legitimacy could be established through more transparent and co-creative processes - was being held back and not completed as quickly as one might have hoped for.

One key difficulty in completing this leap appears to stem form cultural factors, and in particular, the difficulty of making the move from a personalised decision making culture, to an institutional decision making culture, where the cohesion is ensured less through social and personal trust, and more by clearly articulated and precise argumentation.
Another key difficulty is that it appears unclear that there was and still is political support for the kind of ambitious experimentalist model that was implied by the early formulation of the project. Thus, while a formal commitment to the vision statement remains, as the highest steering document for RiverCity Gothenburg, it is not as clear to what extent the content of this vision document has actual political support, or substantial support from the individuals actually engaging with it.

These two difficulties clearly interplay: without a clear and generally shared understanding of what precisely a certain ambition implies, it is hard to build or sustain political support, or even knowing to what extent it exists. The risk is that ambiguity begets ambiguity, with the risk of further loss of legitimacy. An unfortunate element of this appears to have infested the project.

**Strengthening existing reform effort**

In spite of the ambiguities that are still present, there are reasons to be optimistic about the direction of RiverCity Gothenburg. As shown in the report, there has been a continuous evolution of governance arrangement since the formal adoption of the River City Vision in October 2012. This is furthermore still very much on-going: new practices are constantly emerging and new proposals are constantly being considered about how to evolve the management of the project.

What these on-going efforts furthermore point towards are ambitions to fill some of the key capacity gaps that still exist and which are highlighted in this report. The most obvious example of the continued effort to strengthen the capacity of the City Management Office to offer more hands on strategic direction for the project.
At the same time, it is important to acknowledge that these on-going reform ambitions are likely to bump up against precisely the same counter pressures as have previous ambitions in this direction, not least in the form of deeply held cultural practices and institutional baggage of the kind outlined in this report. One particular risk here is that the focus on administrative control becomes too dominant, and drowns out the crucial focus on creativity and design, as highlighted in this report.

The ambition with this report is to bring attention to these pitfalls so as to help the city administration counter them proactively, and as effectively as possible. The hope is furthermore that this kind of more structured and research based reflections on how the project has so far evolved and on the kind of challenges that have emerged and still remain, will add to the necessary learning going forward. Possibly, it may also give an indication more generally of the kind of structured learning and reflection that could be built into, or linked more closely to the project going forward.

Reviving the idea of an "independent advisory council"

More broadly, the findings in this report leads to the reflection on how the essential learning in the project can continuously be improved, not least to prevent the kind of ambiguity and accountability gaps highlighted above from emerging again.

One way to address this concern, could be to revive the old idea of an independent advisory board for the project. This is an idea that features already in the vision statement. Furthermore, it is included in the organisational proposals for the RiverCity Organisation in 2015. However, for some reason, this idea has never been introduced. Possibly - again - this is because the “learning challenge” in the project was underestimated.

This idea could now be revived with a potentially very important impact. Precedents for such independent boards also exists, which could be studies and learned from.¹⁰⁴

¹⁰⁴ See Vision Älvstaden, page 40, as well as organisational plan proposed to the Steering Group of RiverCity Gothenburg in 2005.
Based on the observations made in this report, the function of such a board would probably be not only to offer independent advice on broad strategic questions in the project, but also, more directly, to help avoid that ambiguity in roles and responsibilities can linger for as long as it currently appears to have done. The focus of such an advisory board would in other words be to oversee the extent to which the RiverCity Vision - including both an urban design ambition and an institutional change ambition - is in fact being implemented.

To function well, such a new function would probably also need to constitute or be closely linked to a structured reflection and learning process, as illustrated by eg. Fusion Point. Importantly, the role of such an independent board would be to push issues to the surface even when these are deeply uncomfortable for the city administration or for politicians, and which would therefore run the risk of getting covered up or denied. The implication of this, is that the independence of this kind of ombudsman-function, if it were to be institutionalised, would likely be crucial.  

105 A high-profile precedent for such an independent advisory board function exists in the form of the London Sustainable Development Commission. The experience from this body may be able to offer important lessons.
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