Dilemmas of Planning

*Intervention, Regulation and Investment*

Savini, F.; Majoor, S.; Salet, W.

*Published in:* Planning Projects in Transition

*Citation for published version (APA):*
Dilemmas of planning: Intervention, regulation, and investment

Federico Savini, Stan Majoor and Willem Salet
University of Amsterdam, The Netherlands

Abstract
Planning through processes of “co-creation” has become a priority for practitioners, urban activists, and scientific researchers. However, urban development still shows a close instrumentalism on goal-specific tasks, means, and outcomes despite awareness that planning should enlarge possibilities for social change rather than constrain them. The article explores the dilemmas of planning agency in light of the contemporary need to open spaces for innovative practices. Planning is understood as a paradox; a structural tension between organization and spontaneity. The article provides a detailed profile of three specific dilemmas stemming from this condition. We distinguish and conceptually explore the dilemmas of intervention, regulation, and investment in current practices. The article provides a specific understanding of today’s planning dilemmas, exploring the key notions of “space and time” in the intervention dilemma, “material and procedural norms” in the regulation dilemma, and “risk and income” in the investment dilemma. We suggest that planning practice today needs to make sense of these dilemmas, navigating through their extremes to find new contextualized forms of synthesis.

Keywords
dilemma, interventions, investments, regulations, urban development

Since the 1990s, approaches oriented to co-creation and collaboration in planning have been extremely fashionable in all dimensions of spatial planning policy, from strategic visioning to urban management and from strategic area transformation to neighborhood regeneration. Major European planning interventions are initiated with the explicit aim to address economic efficiency and growth on the one hand, in combination with ideas of ecological and social sustainability and principles of socially responsive planning and...
co-production on the other. Examples of this complex mixture of intentions are found in the original proposals of Forum in Barcelona, La Défense and La Rive Gauche in Paris, Potsdamer Platz and Adlershof in Berlin, London Docklands, South Axis Amsterdam, and Ørestad Copenhagen. However, the legacy of these large-scale projects all reveals the same fundamental problem: although planners and engaged politicians are fully aware of the importance of inclusionary and responsible planning, their practices are criticized for being exclusive, unresponsive to demands, and over-standardized. While most of these projects start with open processes, they turn out to be too inflexible to adapt to the ever-changing context of new socio-economic circumstances in the long run (Gualini and Majoor, 2007; Salet et al., 2012). The current economic downturn and the rise of austerity-driven public policies have further sharpened these inherent contradictions between ideals of sociocratic discovery and modernist urban transformations. However, it has also provided a great opportunity for reflection and radical innovation in the discipline (Feindt, 2010). Facing new sources of uncertainty and a diffuse sense of “failure” in such interventions, policy makers, civic society, and academics start to question consolidated planning methodologies.

This article is rooted in our perception of a certain dissatisfaction over established models in planning practice, but current theory has not yet achieved a lucid definition of the problem at stake. This is due to a problematic understanding of the relationship between urban changes and approaches to urban transformation (Campbell, 2012). When confronted with failing projects, most planning agents (from planners to development corporations) point at issues of inefficient performance, thereby neglecting the complexity of underlying social order. They strive to discover tools and methods to boost projects and finally realize planned objectives. This approach does not question the content of long-term urban agendas or the fundamental understanding of socio-spatial patterns and the main concepts driving planning action. In Moroni’s terms, “many land use planning systems continue to be modeled on a traditional notion of planning based on the belief that social systems are simple […] and controllable by way of a directional set of (mainly concrete and specific) rules” (Moroni, 2010: 142). On the other hand, new streams of radical thinking strongly underline the need to integrate logics of self-organization and adaptability in planning. There is a move towards more inclusive theoretical frameworks, able to make sense of socio-spatial practices that do not correspond to the linear logics elaborated in the last two decades but that entail problems with a higher complexity of order, often difficult for planners to identify (De Roo et al., 2012; Innes and Booher, 2010).

The questioning of dominant teleocratic planning models (Moroni, 2010; Van Rijswick and Salet, 2012) offers an opportunity to reflect on some fundamentals of planning theory and practice that have wider societal implications. We argue that it requires a new understanding of an old problem, which is the contemporary articulation of the paradoxical nature of planning. While planning has always been a practice that constantly attempts to exercise a degree of control over a fundamentally complex reality, the conceptual tools that drive practical responses through this paradox are context and time dependent (Rittel and Webber, 1973). Post-positivist thinkers consider planning a task performed in order to open opportunities for context-dependent forms of spatial organization, providing (controlled) spaces for spatial change and market responsiveness rather
than pre-constituting them (Allmendinger, 2002; Andres, 2013; Holcombe, 2013). However, at what point does planning become a practice of control rather than enablement? What are the limits that planning intervention poses to social dynamics? These questions require a clear down-to-earth theoretical understanding of the major dilemmas that planners face every day.

In this article, we propose a particular conceptualization of the paradoxical nature of planning action. We come up with an analytical framework to heuristically profile this paradox; even if planning is and will be paradoxical and contradictory by nature, everyday practices of urban development entail more specific and concrete dilemmas. It is by addressing these dilemmas that new planning methodologies can be designed and tested. This article sets an agenda for empirical studies over the next 3 years (the international research project <name project>), elaborating a selection of exemplars in the context of strategic area development practices. We conclude by saying that the notion of dilemmas helps both to embrace the dualism of today’s planning and to open space for pragmatic, contextualized navigation and exploration of the complementary values of both guidance and self-organization.

**Dilemmas and paradoxes**

Portugali (2008: 250) characterizes the main discrepancy in the domain of urban and regional planning as its focus on the (usually implicit) assumption of predictability of development—codified in plans, laws, and regulations—while current urban theories, particularly complexity theories, are suggesting that cities are complex, self-organizing, and non-linear systems. These aspects make their future, in essence, unpredictable. Planners have used different tactics to cope with this discrepancy in the past. At one extreme are radical modernist streams of thinking that have mainly denied it, or at least identified it as “solvable” by creating better forecasts and more advanced behavioral models (Scott, 1998). The other end of the intellectual spectrum is occupied by pragmatic models that reason for taking smaller steps in planning and creating feedback cycles of learning and adaptation (Lindblom, 1959). The latter strategy, although realistic, has always had a difficult relationship with the demands that come from the institutionalization of planning in government bureaucracies and political systems, which condition rational comprehensive decision making.

Upcoming practices of “bottom-up,” participatory, and adaptive planning put this classic discrepancy in a renewed spotlight. Treating complexity and the emergent activity of the market and society as the source of urban change rather than government ideas is often perceived as a radical change, particularly in countries that have a strong history of government-controlled planning. To conceptualize how these new practices can be advanced, we have to analyze forms of cohabitation between demands for control and self-organization in processes of urban transformation.

The isolated logic of control is much of the raison d’être of planning in Western democracies as it attempts to provide (juridical) certainties to help and protect (potential) property owners, investors, and residents, and safeguard public goods. At the same time, the energy and input for area development come from a continuously developing “landscape of opportunities” filled with sets of initiatives, changing demands, and emerging
practices of (potential) owners and users of spaces. These activities of control and self-organization are not in opposition but form a paradox. The two propositions are part of one unified whole, the practice of area development. They are completely logical in isolation but only apparently inconsistent when juxtaposed (Lewis, 2000). This ontological relationship between control and self-organization is evident in many concrete practices of land-use planning or even urban management. For example, many bottom-up initiatives are welcomed by planners for their ability to creatively transform urban spaces towards new usages, generating innovation. Planning can be geared to enable such creativity by limiting its pressure on individual behavior or through regulatory release. Yet, those self-organized activities are themselves dependent on the capacity to control negative and positive externalities. It is this need of control that is at the same time a necessary condition and a limit to self-organization.

It is therefore important to move beyond the notion of the paradox to establish practical situated forms of cohabitation between the two demands. Poole and Van de Ven (1989: 563) criticize contemporary theory construction for being too focused on building internally consistent theories of limited scope to understand reality. They argue that if situations are characterized by tensions, then these tensions should be central in theory development to create more encompassing explanations. In this way, theories will not be statements of some ultimate “truth” but alternative cuts of a multifaceted reality. The notion of dilemma is central here to operate the shift from an interpretative analysis of planning towards a more heuristic explanation of planning practice and its effect on cities. Coping with a paradoxical situation means dealing with the different operational dilemmas that planners are confronted with. The notion of “dilemma” better illustrates how decision making is ultimately situated in a context of confronting positions where attempts to achieve a compromise between the different extreme positions have to be made. If planning is considered a practice of collective organization, then networks of actors will operate according to their preferred visions (of the costs and benefits) of each dilemma (Lawrence and Lorsch, 1967; Morgan, 1997). The concept of “dilemma” sheds light on the role of agency within the paradoxes of planning. It provides a space to understand planning as a set of choices, practices, and actions to cope with these paradoxes within contextually different situations.

Although the paradoxical nature of planning is recognized, we are interested in profiling the notions that make it possible to theorize over contextual expressions of urban development. From a theoretical viewpoint, Clegg et al. (2002) emphasize that in situations of such tensions, the relationship between the two poles should be the point of departure to find fertile ground for synthesis. The features of the changing relationship between these poles, and the role of planners in managing and addressing the problems emerging from it, are the core of today’s planning theory. The specific connection between paradoxical extremes is found in daily planning practice, constituting context-specific planning cultures and methods. Therefore, our argument is that, due to its paradoxical nature, the understanding of planning change requires a close look at the different ways of generating synthetic agency between concrete dilemmas that emerge in planning practice. Such synthesis is always temporary, site-specific, and in continuous tension, but it reveals the practice of dealing with complexity (Clegg et al., 2002: 489). Ideally, this synthesis is more than a compromise in which each side is partly forsaken. In the
above-mentioned example of controlling bottom-up initiatives, temporal synthesis between control and creativity could, for example, be found by regulating which activities would not be allowed in a certain place—to prevent nuisance—or by allowing certain functions within a limited timeframe. To do this, it might be necessary to follow contradictory and counterintuitive strategies (Smith and Lewis, 2011). In the next sections, we will further profile the fundamental dilemmas to be addressed, and the most problematic planning concepts that underpin them. We call them intervention, regulation, and investment dilemmas, while proposing a detailed explanation of the key concepts in changing urban development practice in times of complexity (Figure 1).

**Intervention, regulation, and investment dilemmas**

It is not possible, or even desirable, to oversimplify the paradoxical nature of planning practice. However, a theoretical understanding of paradoxical planning action requires a more profiled distinction of the key dimensions that affect planning practice. The question is “how do planners cope with these contradictions in organizing collective actions and spatial policies, and what are the concrete matters that they deal with?” Early understandings of urban development may be useful to distill the key dimensions at stake (DiGaetano and Klemanski, 1999; Flyvbjerg, 1998). These studies provide useful tools to explain how “planning agents” (broadly defined as major stakeholders in a planning process, including political elites) organize themselves to cope with often-conflicting demands from society (e.g. market demands vs social demands). In these fields, planning is understood as a product of the capacity to generate determined
political pressures on certain spaces and to mobilize key resources to “enforce” development agendas (Stone, 1993).

Profiling the composition of urban development policies and detecting the key features of spatial policy processes are important in understanding how and why specific developments are preferred over others, the locational choices of projects, and their socio-economic ambitions. These choices are at the core of different policy sectors (e.g. environmental, social, and economic policies) in so far as they all entail three main policy considerations that policy makers have to deal with: first, the capacity to establish territorially bordered areas of intervention in order to target specific interventions; second, the capacity to control the “rules of the game” that govern a certain policy implementation, binding individual action; and finally, the capacity to mobilize financial resources to achieve determined output and promote specific trends (Fainstein, 1994; Harding, 1997). These dimensions have been constitutive in spatial planning throughout modern times, as planning attempts to govern the geographical allocation of different types of resources. Today, even the most open and participatory processes of decision making entail a selective operation of targeting, regulating, and mobilizing resources. In all three dimensions, involved actors face the underlying tensions between control and self-organization, and situated responses have to be formulated.

Spatial planning entails these dimensions and it exists as a practice of organizing locational, legal, and economic resources across space and time. All different planning policies operate along these three dimensions, be it strategic visioning at a regional level or local land-use planning. Accordingly, it is along these three dimensions that experimentation and innovation can occur, respectively, (a) by the manipulation and creation of borders and spatial targets of action as a natural practice of prioritization that establishes hierarchies of intervention in urban spaces; (b) via the regulatory requirements of policies, which control and establish, mobilize, or manipulate frameworks of spatial policy making (Frug, 1979); and (c) in the adaptation of the way public and private resources are combined in driving spatial policy design and implementation. This is the inherent capacity of spatial policy to make different resources converge towards established objectives. Each of these dimensions poses fundamental dilemmas for planners. We call them intervention, regulation, and investment dilemmas.

**Intervention dilemma: open and closed notions of time/space**

Spatial planning is first a *practice of intervention* as it intrinsically depends on a definition of spaces and times of action within the plan-making process, such as areas, territorial targets, situated networks, and programs. As a practice of intervention, and in a context of limited resources, planning is selective. This selectiveness stems from its spatial and temporal dimensions that enable planners to distinguish different qualities of places, which are constitutive of any spatial planning policy. The intervention dilemma is today demarcated by two distinct trends that lead spatial intervention: on the one hand, the increased desire to guide urban change towards desirable future scenarios; on the
other, the belief that planning has to enable self-organization and ensure that urban space will be tailored to the use of current and future inhabitants. After almost a century of debate over the risks of modernist and interventionist planning, the latter has become an imperative in policy making. The intervention dilemma entails a dialectic between control and spontaneity, not in general terms, but concerning the specific definition of time and space in shaping urban interventions. This dilemma juxtaposes the inherent inclination of spatial plans to concretize space as a locational object with the aim to keep these choices open, flexible, and subject to consensual debate.

Time and space are the fundamental qualities of intervention in urban development, being the specific cognitive and practical tools over which visions, projects, and ideas are contextually designed. They are used to make crucial transformations from general spatial visions towards (the conditions for) concrete combinations of real-estate investment, public facilities, and unbuilt spaces. However, most urban development practice still expresses traditional conceptions of space and time despite the contemporary imperative of facilitating social change (and avoiding its constraints through selective actions). Time and space are still often geometrically defined and objectified, conceived as “containers” of social action. In the last 20 years, urban projects and area-based interventions have become a dominant mode of policy intervention in many cities, using time and space only as tools of selection and implementation (Andersson and Musterd, 2005). Space and time provide the coordinates to engage in a process of scenario making, which can be more or less rigid. However, the major problem with objectified notions of time and space occurs when the fixity of spatial boundaries and time programming becomes an unamendable condition in planning processes that excludes flexibility. What we see today is that the space–time variables of specific interventions are (a priori) fixed as a condition for interventions, while they could be the object of participatory processes. Fixing boundaries is constitutively exclusionary. In all large-scale projects mentioned in the introduction, strict boundaries of time and space were the fixed variables of intervention, turning the city space into a patchwork of prioritized real-estate developments (Swyngedouw et al., 2002).

Despite the mass of work done on developing new vocabularies, it is difficult to detach from an objectified notion of time and space (Graham and Healey, 1999). This is because space and time have always provided, and will continue to provide, the coordinates to organize collective action. Planners thus translate interests and objectives into objects in space and time to provide desirable visions of the future state of the city and to condition concrete real-estate investment projects. However, recognition that space and time are based on non-Euclidean forms of knowledge (Friedmann, 2000) has created new planning concepts that provide a more flexible, communicative, and open definition. Adaptive management (Innes and Booher, 1999), argumentative and communicative planning (Fischer, 1993), relational planning (Healey, 2007), and the actor-relational approach (Boelens, 2010) have attempted to avoid the enclosing effects of time–space conceptualization by employing more open processes to define them. They all transmit the idea that the time–space boundaries of interventions are relationally defined, permanently fluid, fuzzy, or perceived in different ways at different scales (Allmendinger and Haughton, 2009; Thrift, 2000).
At the base of these works is recognition that space and time are always an expression of exclusive powers if they are not collaboratively constructed. A less material definition of space and time thus becomes a tool to emancipate planning processes from the rational structures of teleocracy. Communicative rationality underlines that it is important to open up a reasoning process when working to define space and time, with open processes improving results. Whenever plan making consolidates areas and programs of intervention within selected zones and time frames, it is executing a coercive power, as enclosing time and space means some target groups are excluded (for their living location, for example) or that specific possibilities for future spatial change are excluded. This is where conflicts also emerge.

Opening up space and time coordinates does involve undertaking risky practices of contextualized planning, which might even exclude “plans” as a product (Boelens, 2006). In practice, this is hardly conceived as an option by planners. The problem is that the dilemma between open and closed cannot be uniquely addressed by looking at one or the other extreme: pursuing complete openness can turn into adventurous, disorganized processes while defining parameters has proven to be a technical exercise unresponsive to urban change. Planning is per definition an action that entails a link between a present situation and a desired one (Campbell, 2012). This is why deconstructed and communicative views on space and time cannot be realistically considered as prescriptive patterns of action (Mäntysalo, 2002). The problem with opening up conceptions of space is that it fails to consider the need to establish frameworks of reference to enable collective action (Hillier, 2003; Huxley, 2000). Yet, these frames often inhibit collective action. Despite the different examples, the intervention dilemma thus stems from the fact that (a) if planning pursues an open view of space and time in an intervention, it is unlikely to impact on wider urban and regional dynamics, and (b) if it defines space and time in an intervention, it becomes selective and thus excludes unpredicted possibilities. The risk posed by openness is planning becoming an endless understanding of spatial problems and relations without actual impact (Mazza, 2002).

Actual planning challenges in the Amsterdam metropolitan area give an example of the intervention dilemma. Due to the rapidly changing real-estate market, the city is rethinking the management of several large-scale interventions underway since the 1990s. Projects like the business district Zuidas, the peripheral residential development of IJburg, and the redevelopment of the northern industrial harbor have been rethought in terms of their boundaries and programming. However, the uncertainty related to their realization and spatial outcomes has generated debate over this re-programming’s risks to long-term planning of housing and office production in the whole Amsterdam metropolitan area. The Amsterdam Zuidas, a major intervention to realize a new mixed-use business district next to a major transportation hub, had clearly defined boundaries (both in its subsectors and general area) and programming of investments. In response to the recent economic crisis, new initiatives for temporary usages proposed by the inhabitants have been included in the project, but they have a difficult relationship with the existing plans that do not allow for such spontaneity. Similarly, IJburg residential development, whose building program was already established and formally agreed in the 1990s, is today attempting to redefine new temporary usages of unbuilt plots. This has generated reconsideration of the overall master plan and led to discussion over the importance of
the area to the long-term supply of houses in the region. The looser development of the NDSM (Nederlandse Dok- en Scheepvaart Maatschappij) area in the northern harbor has not been bound to a general master plan, to guarantee flexibility in view of different proposals from market actors and civic society. Yet, it is still identified as a major area of economic development by established long-term plans at different scales. The dilemma regards the future management of the more or less spontaneous activities that have been added to these projects, and the implications of localized flexible programming on expectations of regional development. Temporary functions might turn into permanent functions and the boundaries of the project might be constantly adapted (for extended explanations, see Savini, 2013; Van der Heide and Majoor, 2013).

Our argument is that the problem lies in the way open and closed notions of space and time are actually encapsulated, combined, and linked with each other in the planning process. Planners face an intervention dilemma whenever they need to choose when and where to intervene in cities. Addressing this dilemma may require a new thinking able to combine interventionist notions of planning with ideas of non-interference in social processes. It means intertwining moments of inactivity and non-intervention with more defined interventions in the city space. Ultimately, these questions revolve around the potential of uncontrolled and unmediated organization in planning. They problematize contemporary conceptions of planning as a practice of intervention that needs to be performed. Concepts of de-planning ultimately advance hypotheses of inactivity in certain areas, which are likely to impact desired futures of cities (often by governmental agents), to control the interdependency between different projects in cities, and to eventually “govern” the urban space. This also entails risks of inequality due to the uneven distribution of resources in cities. What type and degree of control do spontaneous processes of urban development need?

**Regulation dilemma: general and particular uses of material/procedural norms**

As expressions of political will, spatial plans are normative constructs aiming at a presumed improvement of spatial order. In the practice of contemporary planning, a regulation dilemma stems from the particular nature of planning action, which is intrinsically normative as it binds freedom of action. The regulation dilemma stems from the simultaneous objectives of planning practice to open spaces for self-management while limiting opportunist action through specific regulatory frameworks. On the one hand, planning is based on generic norms that condition, in general and durable ways, the autonomous performances of governmental and civic actors (without regulating the purposive ways of performance as such). These generic conditional norms provide codes for the behavior of subjects without pre-determining their particular choices to deal with these norms (e.g. property rights, liabilities, compensation rights, and general codes of spatial quality or sustainability). On the other hand, planning is often regulated with detailed norms and instructions that aim to specify action towards a specific output. While the general norms focus on universal principles and rules that fulfill an orienting and normative role, the concrete tendency of most regulators in spatial planning is to define elements and resources that produce a particular target in space and time.
Legal regulation consists of material norms and procedural norms. “Material norms” refers to the use of substantive norms to manage, mitigate, and defend against the potential conflict between different claims on space. Examples of these rules are the “areas of respect,” noise and pollution contours, buffer zones around industrial areas, as well as the whole system of building regulation. As a result of increasing instrumentalism, the problem is that these rules have built a solid apparatus of restrictions and prescriptions that tend to work “against” creative urban change. The designation of zones was conceived to protect the natural growth of specific urban functions, mitigating their conflicts. Land-use regulations eventually “inherently prevent the natural evolution and adjustment of urban form with respect to consumer preferences between land consumption and accessibility” (McLaughlin, 2012: 52). Instrumental uses of regulation create “obstacles” rather than conditions to leverage individual freedom and creative thinking in collective action making (Coglianese and Kagan, 2007). Consequently, both zoning and growth prevention regulations (i.e. impact fees, growth boundaries) are often used instrumentally by parochial governments for the consolidation of political power (Feiock, 2004).

The notion of procedural norms is similarly problematic. These norms are geared to orient and stabilize potentially complex and fragmented processes of decision making to increase the legitimacy or representativeness of planning processes (e.g. public hearings, etc.). In the 1990s, planners realized that relying on legalism as a form of spatial intervention was no longer suited to accommodate complex socio-economic change, and started to employ informal or softer formal tools of orientation (Turner et al., 2012). Instruments like strategic plans, strategic visions, and orientation maps have started to be largely employed in order to explore future directions of development in a more open way. Softer tools to enable and boost urban development have been designed to address these problems and are provided as standard devices to endow flexible or participative local governance (Savini, 2012). Procedures and guidelines have been widely exploited to design more effective policy-making and implementation processes by providing pathways for a better “management” of spatial planning (Howlett, 2005). Yet, in practice, they have tended to become highly standardized and overlapped with, rather than substituted for, more stringent legal norms governing land use in specific areas.

The regulation dilemma lies in the paradoxical evidence that spatial planning exists as a combination of two different components: legal certainty to avoid undesirable outputs and to define desirable usages of land, and, on the other hand, the need to provide grounds for unplanned innovation. While there is a search for general norms able to orient particular choices, planning tends to codify particular targeted outputs through land-use regulations and standardized decision-making models. The paradox of general norms (e.g. property rights, liabilities, sustainability, spatial quality, etc.) and particular norms (e.g. environmental zoning and building regulations) is inherent in the logic of plan making to prevent opportunistic behaviors. Governments provide specific indications to planners to ensure effectiveness, but also claim to open up possibilities for self-regulation within a framework of generic norms. At one side of this dilemma is the fact that governments have developed regulations that indicate precisely how different actors should behave and define the processes of decision making in order to ensure that specific spatial qualities will be achieved (e.g. protecting green spaces). This is often attached to political expectations of regulations, which require legitimization from electorates (Alexander et al., 2012). In this way, the agreed-upon general principles of spatial
and urban quality (i.e. sustainable, secure, and durable environments) are presumptively reduced into implementation-oriented legal instruments (Van Rijswick and Salet, 2012). The dilemma stems from the need to keep a balance between protecting certain values in land-use planning and the need to enable innovative solutions and bottom-up ideas that could achieve these same objectives but may be inhibited by particular regulations.

Examples of this dilemma can be found in several European cities. In Amsterdam, there is debate over the need to develop flexible regulation by promoting bottom-up ideas and alternative residential-productive mixes in order to enable certain spatial qualities (see, for example, the area of Buiksloterham or the western harbor redevelopment). However, the city governments are challenged by rigid research requirements and detailed restrictions on future zoning, which tend to constrain responsive and creative spatial design. In Buiksloterham, for instance, the city prepared a global zoning plan to enable the transition of an industrial area into a mixed area. During 3 years of preparation, the global plan was detailed in adherence to research requirements, environmental and traffic norms, and so forth, while being unresponsive—already at the time of its legal establishment—to the changing conditions of the market (Dembski, 2013). Alternatively, the city now makes use of a more case-based approach, attempting to achieve mixed-usage within same building, but it has to manage compatibility with the original land-use plan. In Italy, the reform of planning regulation is fundamental to enable a more effective negotiation between private and public subjects in urban development and to ensure the realization of projects (e.g. the implications of general land-use plans). Milan has, for example, recently attempted to develop a system of exchangeable building rights to enable market initiatives and densification beyond the rigidity of governmentally designed plans (Fedeli, 2012). This is an example of a framework rule that fixes the boundaries to private initiative. However, in this case, the achievement of a higher degree of flexibility clashes with the need to establish certain definitions of spatial qualities and with a series of layered legal constraints (specific conditions regarding internal living spaces, living densities, and the regulation of hybrid residential-productive spaces).

The regulation dilemma entails the tension between the need to establish general legal conditions and open procedures versus the aspiration to create legal certainty in particular performances. Our argument is that consideration of alternative options needs to start from a new navigation between these two fundamental sides of planning. This is necessary to progressively problematize the detailed and instrumentalist ways of codifying land-use control and procedures to manage complexity. The ability to condition and enable spontaneous processes of spatial change and to stimulate practices with unpredictable results is imperative. Yet, how can this be ensured without relying on the same regulatory tools that have restricted self-regulation in a first place?

**Investment dilemma: supply- and demand-led strategies of risk and income management**

Large-scale development projects have become a consolidated practice of urban transformation (Fainstein, 2008; Flyvbjerg et al., 2003; Oosterlynck et al., 2011). Despite the different models of process management, these projects are driven by what can be defined as a supply-oriented attitude towards urban development. Supply-led urban
development is focused on increasing land values, an approach oriented to the production of urban spaces that encourage a programmed social and economic condition in the city (Jones, 1996). This approach is based on a specific definition of an area, a (more or less flexible) programming in the mid and short term that is justified by predictive models of economic and demographic growth and by the marketability of the real estate. A supply-led approach generally views urban transformation projects as an “investment” in the future condition of the whole city.

Processes of financialization in urban and infrastructural projects and securitization of land assets have led this logic at its apex. More credit, produced through complex financial constructs, has released large sums of initial capital to start up larger projects (Rutland, 2010). It also facilitates leverage of further investment capital, turning these planned interventions into assets in the financial market. Urban development has tended to expand in size, with projects becoming gigantic, combined, interdependent, and at the same time generally standardized in their programming and aesthetics (Ponzini and Nastasi, 2011). Financialized supply-led urban development has turned into a constitutive component of city-regional planning based on the redistribution of the gains of certain projects into other areas (as well as city incomes). Projects generate initial debts for both private developers and cities; their returns are partly reinvested to compensate more risky and less profitable intervention, with part of the generated capital returned into public finances to support collective services. Along this logic, both land-use planning and strategic planning are instrumental in managing the prices of land, manipulating earnings, and strategically governing the urban land market to control both public and private investment returns (Adair et al., 2003).

The 2008 global economic downturn has generated a critical point for this model. The increasing uncertainty of urban economies has hindered the capacity to estimate these trends according to which real-estate supply is programmed. The difficulty to grasp exact demands of urban spaces has led planners to rethink the position of planning in the production of urban spaces. A demand-led logic radically reverses the supply chain of urban production. It proposes solutions that shift attention towards the existent and variegated local demands to incentivize urban transformation rather than perpetuating supply-led strategies to re-boost supply through cost-reduction (Aalbers, 2013). It means approaching planning as a practice oriented to grasp and mobilize locally generated demands for development before establishing financial arrangements. It involves a policy of attendance, invitation, and mobilization of local questions, and a planning attitude highly differentiated and responsive to individual needs.

The notion of demand-led development has already been investigated in the context of labor policies, housing policies (Galster, 1997), and welfare policies (Gilmartin et al., 2013), but it has rarely been applied to the planning field, where there are few reflections on post-recession approaches to economic arrangements in land development (Raco and Street, 2012). Nonetheless, an experimental move towards more responsive models of land development is more evident in countries with strong planning traditions. These new models are pinned over individual household demands, with the aim to decrease costs and boost demand with more tailored and personalized forms of development (i.e. self-developed houses, temporary and local usages, personalized architectures, etc.) (Tisma et al., 2007). They often constitute a radical change in the organization of urban
projects, bypassing intermediate steps of real-estate development, marketing, promotion, and sales in an aim to restore financial sustainability.

The investment dilemma entails the tension between supply- and demand-led development logics, and it relates to particular understandings of two notions of city-regional policy making: risk and income. Supply-led models have been based on a quantified, linear, and generally negative perception of risk (Goldin and Vogel, 2010). Urban projects are packaged in a way to control risk factors, combining profitable and less profitable interventions into complex packages. Economically riskier projects are (supposedly) connected to less risky interventions, whose returns compensate potential losses in other areas of development. Supply-led policies have been based on a quantified and econometric definition of income. Despite the increasing importance assigned to spatial quality, urban environment, and landscape design, urban projects have been conceived as tools to produce urban wealth, intended to be redistributed into poorer urban areas. The income is generated through betterment fees, value capture, and collective benefits agreements, which are expressions of the practice of proactive planning (Glenn, 2005; Sagalyn, 1997). Financial tools have consolidated this instrumental view on development, providing opportunities to turn planned real estate (or incremental perspectives) into tools to leverage further capital to reinvest in city services (Du Gay et al., 2012).

The problem with a quantified notion of risk and income is that the real-estate supply chain works as far as it can ensure a permanent inflow of city income with low public and private risk over time. On this base, new plans and new projects are produced to govern urban change. A demand-led development model proposes a less econometric notion of risk and income, based on an idea of valuable urban space that includes non-material components related to specific local demands. In demand-led planning, the risk of interventions is not distributed, diluted, or manipulated, but internalized in the expectation of city-users. Similarly, expectation of financial income for cities becomes less certain in the long run. A demand-led approach attempts to increase the environmental and social value of space that is self-managed and self-promoted by local households. It focuses on the gains brought about by spatial quality, place attachment, and social cohesion, which are hardly quantifiable. The deconstruction of quantitative notions of risk and income entails problems for a planning system that is pinned over a distribution of costs and redistribution of benefits at an urban-regional scale.

Examples of the investment dilemma are found in Amsterdam and Milan. The Amsterdam metropolitan area is today attempting to develop more user-based forms of residential development. This shift was a response to the crisis of the traditional model of active land policy used by the municipality for a long time. The city government has generally taken an active role as developer of publicly owned land in order to transfer the profit generated by selling building rights into projects of public utility (e.g. social housing, spatial qualities, and public facilities). However, the sustainability of this model is dependent on planned developed areas guaranteeing a sufficient money stream to cover the costs of other public investments, the security that the supplied developed land will be responsively built by private or semi-private actors (Janssen-Jansen, 2012; Van der Krabben and Jacobs, 2013). Milan is a different example of the same problem. Large-scale development projects, especially in the outer part of the metropolitan area, are carried out as big packages of real-estate production (Savini, 2014). However, their
realization is bound to the leverage capacity of big private investors, which is bound to the increase of portfolios and access to bank credit. Most of the large developers have thus bound their projects to the sale of programmed investments in other areas, which are now suffering from market downturn.

The investment dilemma in planning stems from the need to cope with the problems of a pure supply-led approach by achieving more demand-responsive plans, but without sacrificing the capacity of developers and investors to generate revenue streams that could sustain other projects. Supply-led development certainly offers a certain degree of control in the programming of urban production, while demand-led development appears risky, uncertain, and could bear limited results in respect to major objectives of urban change. Yet, the global economic crisis has once again shown that the former can be biased by often-unrealizable expectations that may not be fulfilled. The capacity to allow self-managed urban interventions thus depends on the risk-tolerance capacity of cities (Sagalyn, 1997). This is the ability of cities to adopt policies of maintenance, attendance, and slow growth without hindering the necessary production of social services and urban functioning (Kirkpatrick and Smith, 2011). The investment dilemma entails the paradoxical reality of economic resources in planning. On one hand is the need to mobilize urban production to address emerging demands; on the other is the desire for self-produced space, tailored to contextual demands and development needs. What risk can spatial planning bear in enabling urban development?

Navigating the dilemmas

Intervention, regulation, and investment dilemmas are at the core of daily planning innovation and they are hardly detachable in the daily work of planners. This is an analytical distinction of a complex state that may even go beyond spatial policies. In the practice of spatial policy making, planners are confronted with the task of achieving a pragmatic compromise between their need to control urban change and the contemporary imperative of embracing self-organization. As the examples have shown, this does not uniquely affect land-use planning, but it addresses major issues in the articulation between project realization, strategic planning at a larger scale, and long-term urban development policies. Despite the long history of conceptual and theoretical work that explores and recognizes the paradoxical nature of planning, today’s practice does not seem to recognize the urgency for the inclusion of openness and complexity in generally linear planning processes. Under the threat of de-legitimacy and budget cuts, practice is instead attempting to rationalize goals and instruments as a defensive strategy against economic uncertainty.

Our critique is rooted in an understanding that today’s practices of urban development and planning look for a simplification and rationalization of these fundamental dilemmas. Facing larger uncertainties, planners start to rethink the space and time boundaries of a project without questioning its nature. Interventions tend to be rationally readapted, redefining parameters by annexing other interventions and/or rethinking the expected programming (often by reducing it to a manageable degree). A project may turn out to be an undesirable intervention in areas that require time and space to flourish and mature. Planning is still instrumentally conceived as a practice that can restore and reboot
sleeping projects by adapting instruments and design strategies. Instead, projects might need more fluid processes of discussion over key objectives. Recent planning regulation reforms reveal a similar problem. Regulatory reform seems excessively oriented to enhancing the efficiency of existing regulations (e.g. streamlining existing norms). However, less attention is being given to a new approach that focuses on logics of underlying general norms that are less restrictive of creativity in different contexts, an approach that requires different reflections on the normative objectives of planning in uncertain times instead of new regulations to enhance project performance. Finally, when facing issues of economic resource management, planners and developers still need to achieve a high degree of precision in calculating risk and income streams to adhere to established (often pro-growth) urban development policies. City planning today seems increasingly tailored over (wishful) calculations of city income increase and risk reduction.

Planning will always deal with perspectives of certainty. In our view, analyzing concepts of space and time, material and procedural norms, and income and risk is a conceptual task that can make practice more aware of its limits (and potentials) than the normative mission to revolutionize current practice. These concepts are not new to the agenda of critical thinking and it is not possible, or even desirable, to provide solutions to these dilemmas. However, our initial assumption is that it is still useful to think about these fundamental dimensions of planning action because of new contextual conditions. The way planners address fundamental practical dilemmas changes in context and in time. New compromises can be found to old problems. The intellectual challenge for planning practice is to understand it as an experience that valorizes, rather than refuses, its paradoxical nature. Any radical solution towards one of the extremes would amputate planning of one of its major capacities, either that of controlling potentially disruptive events or to endow virtuous social change.

Conclusive remarks

Post-structuralism’s critique of rational planning has largely discussed the value of contextualized understanding of the dilemmas we have here discussed. Planning scholars have proposed that planning be a situated practice of navigation and exploration that eventually leads to multiple alternative views on the dilemmas (Balducci, 2011; Balducci et al., 2011; Hillier, 2011). Today’s planning theories might need, more than ever, space for such different understandings of contextual practices and clear analytical lines of interpretation. These ideas have been discussed before, but our contribution forms an addition to this thought with three specific valuable arguments for theory and practice.

First, innovation in planning practice can be enhanced by a better understanding of a set of fundamental dilemmas. The idea of “dilemma” provides conceptual openness to make sense of contextual differences regarding political systems or cultures of planning. In this article, we emphasized how each dilemma poses a fundamental question to any planning innovation: What type and degree of control do spontaneous processes of urban development need? How can this be ensured without relying on the same tools that have limited self-regulation? What risk can spatial planning bear in enabling urban development? To answer these questions, we provided a set of heuristic concepts, which we think are crucial to move in the right direction of change. Whatever the context, our main
argument is that the relationship between the two poles of each dilemma should be central in thinking and decision making: the combination of planning tools that entail close definitions of space and time (e.g. zoning and land-use plans) with more open and less defined practices; the articulation of the legal infrastructure in a way that certain space for civic initiative is not inhibited; and the definition of plans whose financial sustainability is not dependent on long-term programming.

Second, we argue that planning theory can benefit from a framework of analysis that is interpretative, inclusive, and open. We propose a three-folded interpretation of major dilemmas that planners face in order to better profile a problem at stake. This profiling can be useful to inform directions of radical innovation in planning or larger systemic reform of planning regulations. Our arguments underline that despite the general agreement over the paradoxical and contradictory nature of planning (i.e. planning is about controlling complexity), it is fundamental to better profile the elements that constitute such paradoxes and the way they are interrelated. This article ultimately suggests that the potential of innovation does not lie in a separate treatment of each dilemma. Although we analytically distinguish them, we have shown that their problems are related to each other. Inserting more open concepts of space obviously requires a better management of resources and investments. Regulations also provide the boundaries for investments and design practices. Research on such interactions can be built over the three-folded analytical framework proposed here.

Note

References


McLaughlin RB (2012) Land use regulation: Where have we been, where are we going? *Cities* 29: S50–S55.


**Author biographies**

**Federico Savini** is Assistant Professor at the Department of Geography, Planning and International Development Studies, Amsterdam Institute of Social Science Research of the University of Amsterdam. He has conducted research on the political dynamics of planning projects, with particular focus on the urban periphery. He is currently conducting a research on the dilemmas of flexibility in urban development, within the European Joint Program Initiative Urban Europe.

**Stan Majoor** is an Urban Planner and Assistant Professor at the Department of Geography, Planning and International Development Studies, Amsterdam Institute of Social Science Research of the University of Amsterdam. His research is particularly concerned in the governance and management of large-scale urban transformation projects.
Willem Salet is Professor of Urban and Regional Planning at the Department of Geography, Planning and International Development Studies, Amsterdam Institute of Social Science Research of the University of Amsterdam. He chairs the program group Urban Planning. He was the President of the Association of European Schools of Planning AESOP (2007-2009). Willem Salet takes an institutional approach in planning studies and investigates the transition of city-regions. At present he chairs a European research program on Contextualisation of Legislation and a research network on Planning, Regulation and Investment.