



# URBAN COALITIONS FOR ECONOMIC GROWTH

GNRation: a Project under the Microscope

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Dissertação submetida para satisfação parcial dos requisitos do grau de

**MESTRE EM PLANEAMENTO E PROJETO URBANO**

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OUTUBRO DE 2013



## **MESTRADO EM PLANEAMENTO E PROJETO URBANO – 2012/2013**

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*“For if you suffer your people to be ill-educated,  
and their manners to be corrupted from their  
infancy, and then punish them for those crimes to  
which their first education disposed them, what  
else is to be concluded from this, but that you first  
make thieves and then punish them.”*

Thomas More in *Utopia*



## **ACKNOWLEDGEMENTS**

Completing this cycle of studies took me a high level of perseverance and dedication. Yet, the process hasn't been a lonely road.

First of all, I would like to thank Professor Isabel Breda-Vazquez, for her unconditional availability and support, despite the challenges promoted by my absence from the country. Her attention and motivation played a prominent part in giving me confidence to take this dissertation to an end.

I would also like to thank for the opportunity of working with Regina Quadrada, one of the most enlightened persons I have ever come across in life, from whom I had the opportunity of learning a totally different approach to the urban realm issues and challenges. I hope for further challenges will come our way.

Similarly, I would like to express my gratitude towards my parents, my family, for once again, wholeheartedly supporting my decision, providing me with the incentive I needed to strive for my goals and aims.

Finally, I would like to extend these cheers to those whom I've been able to share incredible moments with, providing me with a stimulating environment that compels me to improve myself, both personally and professionally.

To my partner I would like to mention how much I treasure his contribution to this completion, for he plays a very special role in balancing my idiosyncrasies and helping me focus on what matters the most.

Thank you all for being there.





## **RESUMO**

O domínio público tem vindo a sofrer profundas modificações, obrigando a Administração Pública a lidar com dificuldades marcadas por um elevado grau de complexidade e de tal forma multifacetadas que a centralização da mitigação dos mesmos pode quer resultar numa deficiente prestação de serviços ou, ainda pior, numa deterioração da situação em vigor.

O instrumento de eleição dos governos europeus os últimos 15 anos tem sido a Parceria Público-Privada – no âmbito deste relatório tratada como Aliança Urbana, no sentido em que não se contempla apenas os setores público e privado, mas também um terceiro (relacionado com movimentos de inovação social).

De qualquer das formas, o estabelecimento de relações entre atores diferentemente posicionados, quer face ao mercado, quer face à esfera social propriamente dita, pode resultar numa tarefa muito menos simples do que inicialmente se esperava.

Se a Aliança Urbana procede a uma eficaz estruturação dos seus objetivos e percurso, e se os seus intervenientes colaboram proactivamente, o que se obtém pode não ser apenas o cumprimento das ambições iniciais mas também o estabelecimento de relações frutíferas. Deste modo, pode fomentar-se a possibilidade concretizar futuros desenvolvimentos, permitindo a expedição de bens e serviços públicos.

Por outro lado, se a Aliança Urbana é desprovida de clareza ou definição a título inicial, ou se os atores envolvidos não assumem convenientemente o compromisso, ou não estão alinhados segundo um objetivo comum, o seu sucesso está de imediato comprometido. Neste caso, não só os objetivos iniciais são fracamente (se de algum modo) expedidos, como podem resultar noutros problemas, agravando uma situação que já inicialmente era pouco desejável

Assim sendo, como se poderá garantir que a Aliança Urbana é corretamente estabelecida, e que os seus intervenientes trabalham no sentido da concretização de um objetivo conjunto? Como poderá uma Aliança Urbana ser estabelecida de modo a que o seu resultado seja superior à soma dos resultados das ações individuais de cada um dos seus intervenientes?

Ao longo deste relatório pretende-se abordar esta problemática no sentido de clarificar o cerne da questão. Assim sendo, inicia-se por explorar o conceito de Aliança Urbana, procedendo a uma análise e categorização dos seus principais aspetos caracterizadores. Procede-se também a uma análise SWOT e à reunião de uma de boas práticas.

Posteriormente, uma metodologia de análise é construída, no sentido de constituir uma ferramenta da qual a Administração Pública se poderá servir no sentido de garantir determinados níveis de eficiência e, tanto quanto possível, mitigar ou até mesmo evitar determinados riscos. Prossegue-se, pois, com a apresentação do caso da Cidade de Braga e, mais detalhadamente, de um projeto recentemente implementado – GNRation – que será, deste modo, analisado com recurso à ferramenta previamente referida.

Finalmente, procede-se a uma reflexão sobre os resultados obtidos, juntamente com a alusão a algumas conclusões e recomendações.

**PALAVRAS-CHAVE:** ALIANÇAS URBANAS, PARCERIAS PÚBLICO-PRIVADAS, ADMINISTRAÇÃO PÚBLICA, DOMÍNIO PÚBLICO.



## **ABSTRACT**

The Public Realm has been going through really severe changes, forcing Public Administration to deal with difficulties carrying a very high level of complexity and so multifaceted that centralizing its mitigation may either result in a low quality service provision or, even worse, in a deterioration of the situation.

The instrument of choice for governments across Europe for the past 15 years has been the growing variety of Public-Private Partnerships (PPP) – in this report referred to as Urban Coalitions (UC), as a means to include not only the public and private sectors, but also a third (*social innovative*) one.

However, establishing relationships between actors holding different positions both market and social wise, can turn out not to be such an easy task.

If the UC is effective in structuring its goals and path and all interveners cooperate proactively, the result may be that not only the actual goals are met, but also that fruitful relationships are built to last. Such outcomes may open the way for further developments to happening, improving the overall expedition of public goods and services.

However, if the UC lacks clarity and definition from the very beginning or if the involved parties are either not committed or not aligned with the global goal at stake, its success is instantly compromised. In this case, not only the initially intended goals are poorly (if at all) addressed, but also new issues may arise, adding up to the previously (already undesirable) situation.

Yet, how can one know whether an UC is being correctly established or not? How can the public sector ensure the establishment of a UC is done in a way that all its interveners work towards a joint goal? How can a UC be endeavoured in such a way that its result will add up to more than the sum of the individual actions of every stakeholder?

Throughout this report one aims at addressing these concerns in order to obtain some clarification on the kern of matter. Therefore, this report starts with exploring the concept of Urban Coalition and further analysing and categorizing some of its main aspects. A SWOT analysis is endeavoured and a set of best practices is gathered below.

Afterwards a methodology for analysis of these arrangements is built, so that it can constitute a tool that will allow the Public Administration to ensure certain levels of efficiency or, so far as possible, to mitigate or even avoid certain hazards.

Later on, the case of Braga (a Municipality in Northern Portugal) is presented and a newly implemented project – GNRation – is thus presented in detail and subsequently analysed under the light of the previously assembled methodology.

Finally, by the end of this report, there is the opportunity for reflecting upon the obtained results, and for drawing a few final assumptions and recommendations.

**KEYWORDS:** URBAN COALITIONS, PUBLIC-PRIVATE PARTNERSHIPS, PUBLIC ADMINISTRATION, PUBLIC REALM.



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## **ABBREVIATIONS AND ACRONYMS**

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ARGE	Association for Danube countries (Arbeitsgemeinschaft Donauländer).
ACB	Commercial Association of Braga (Associação Comercial de Braga)
AIM	Industrial Association of Minho (Associação Industrial do Minho)
BID	Business Improvement Districts.
CCDR-N	North Regional Coordination and Development Commission (Comissão de Coordenação e Desenvolvimento Regional do Norte).
CCPPP	Canadian Council for Public-Private Partnerships.
CMBraga	Municipality of Braga (Câmara Municipal de Braga).
EYC	European Youth Capital
GAT	Technical Support Group (Gabinete de Apoio Técnico).
GC	GC – Consultants Group (Grupo de Consultores).
GPL	Local Partnership Group (Grupo para a Parceria Local)
GTIM	Interministerial Working Group (Grupo de Trabalho Inter-Ministérios)
IA	Commerce Support Programme (Programa de Apoio ao Comércio)
IHRU	Institute for Housing and Urban Renewal (Programa Operacional Potencial Humano)
POPH	Human Potential Operational Programme.
PPP	Public-Private Partnership
PROCOM	Programme focused on modernization of commercial activities (Programa de Apoio ao Comércio).
SEOTC	State Secretariat for Spatial Planning and Cities
SH	Stakeholder.
SWOT	Strengths, Weaknesses, Opportunities and Threats.
TecMinho	A non-profit organization that stimulates knowledge transfer between research entities and industries.

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**Urban Coalitions for Economic Growth**

*GNRation – A Project under the Microscope*

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UC            Urban Coalition.

URBCOM    Programme focused on commercial urbanism (Sistema de Incentivos a  
Proyectos de Urbanismo Comercial).

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## **CHAPTER 1. INTRODUCTION**

The Public Realm has been going through severe changes, forcing Public Administration to deal with difficulties carrying challenges so complex and multifaceted that centralizing its mitigation may either result in a low quality service provision or, even worse, in a deterioration of the situation.

The instrument of choice for governments across Europe for the past 15 years has been the growing variety of Public-Private Partnerships (PPP)<sup>1</sup>. This clear increase in partnerships was the result of a range of conditions and prerequisites found in similar form in the majority of western nation states, namely:

- changing challenges and tasks confronting cities and localities and approaches to meet these challenges;
- competition-oriented improvement of cities aiming at an increase of the attractiveness of individual cities;
- favour of deregulation, liberalization and privatization;
- transformation of local authorities and administration;
- growing mismatch between the necessary provision of local services and facilities and decreasing financial means to do so (Heinz, 2005).

PPPs combine capability, positioning and expertise from different actors along different sectors – public, private and a third sector<sup>2</sup>. This way, Public Administration can reach further into intervening in fields and quarrels that were once absolutely out of reach.

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<sup>1</sup> This term will be, further in this report, discussed, refuted and even replaced. At this point though, it serves the purpose of introducing the problematic and its idiosyncrasies.

<sup>2</sup> The voluntary sector or community sector (also non-profit sector or "not-for-profit" sector) is the sphere of social activity undertaken by organizations that are not for profit and non-governmental. (Potůček, 1999) This sector is also called the third sector, in reference to the public sector and the private sector. Civic sector is another term for the sector, emphasizing the sector's relationship to civil society.

Accordingly, forming a PPP is often the only way of enabling the possibility of offering citizens seamless, rather than fragmented, access to a set of related services or interventions (Pollit, 2003) (Davies, 2009). That is the reason why these forms of governance were innovative and often promising in terms of delivering improved collective services and indeed containing germs of ideas that permitted greater openness, inclusion and empowerment (Swyngedouw, 2005).

The growth of PPPs has also happened due to micro-economic arguments concerning the efficiency and effectiveness of public spending, as well as around budget or macro-economic factors. (McQuaid & Scherrer, 2009) Similarly, European structural funds promote cross-sector partnerships at the regional, sub-regional and local levels in order to increase public revenue and promote economic stirring.

Along with the exponential and ever growing popularity of this trend, the urban scale has been a pivotal terrain where these new arrangements of governance have materialised in the context of the emergence of other phenomena, namely the innovative social movements ( (Le Gales, 1995), (Brenner & Theodore, 2002); (Jessop, 2002)).

In some cases, they resulted in successful projects with long lasting positive impacts and outcomes – sometimes even propelling other kinds of developments, stimulating a wave of interventions and projecting the targeted area into a higher level of regional competitiveness. In other situations, nevertheless, it is not so clear whether the overall outcome is so positively and distinctively high that it actually levels up the challenges raised by the establishment of the PPP.

Because a PPP is a joint venture often involving actors with very unique and diverse ways and fields of action, its management is usually marked by intricate and prolonged negotiation processes, and thus its operability may be lowered to a point where it constitutes more an impediment than a facilitating tool.

The question then is: how can partnerships be made to work more effectively and efficiently? How can the benefits of partnerships be increased and the costs decreased? Most important of all, in which circumstances might the costs of partnership outweigh the benefits (Montanheiro, 1998) (McQuaid & Christy, 1999)?

Moreover, when dealing within or endeavouring such an arrangement, how can one assure a minimum compliance to certain standards that may, at least, mitigate some of the difficulties most commonly dealt with?

Throughout this dissertation one aims at addressing these concerns in order to obtain some clarification on the kern of the matter.

Therefore, on Chapter 2 one aims to, first of all, further define the scope of this dissertation; then a lexical clarification is endeavoured so that potentially existent misunderstandings related to the different terms surrounding this matter can be dissipated. Consequently, the structure of these formations is also assessed and presented. Under the light of this matter, a certain set of features is presented, followed by a discussion on the upsides and downsides that are likely to come up in such circumstances. This chapter is finally closed with a collection of best practices aiming to address some of the previously identified frailties.

On Chapter 3, one builds and explains a methodology for analysis of these arrangements, in order to provide Public Administration with a tool that will allow it to ensure certain levels of efficiency or, so far as possible, to mitigate or even avoid certain hazards.

On Chapter 4 and Chapter 5, the case of Braga (a Municipality in Northern Portugal) is presented as an example of an entrepreneurial city, recently focused not only in regenerating its urban centre but also in promoting regional competitiveness and stimulating economic development. A very newly implemented project – GNRation – is thus presented in detail and subsequently analysed under the light of the previously assembled methodology.

Finally, on Chapter 6, there is a chance for reflecting upon the obtained results, for assembling the conclusion reached throughout the process and to elaborate some recommendations for further development.



## CHAPTER 2. URBAN COALITIONS AND THE PUBLIC REALM

### 2.1 PAPER SCOPE

The Urban Realm is a complex system that may take different shapes and configurations, depending on the circumstances in which it is embedded. Each and every society will have its own characteristic societal arrangements according to their cultural, historical and political background.

*“As the socioeconomic landscape has changed, so too has the political and institutional one, with a significant evolution in the nature of systems of governance to manage, respond to and lead the city (...) there has been a shift towards a style of network governance evident elsewhere in Europe and North America, as governance has increasingly operated in a multi-level manner across different sectors (public, private, voluntary) and spatial scales” (Silva & Syrett, 2006).*

Commonly, one is led to believe that whatever is concealed within the public domain should be managed by the public sector. However, unfortunately, public property does not always walk hand in hand with an adequate Public Management (Webster, 2007). Often, private enterprises come out and pay the role of investors, explorer or managers, carrying along their expertise and financial power. Accordingly, there is a shift from government to market forces and coalition-oriented governance arrangements, as a (nearly certain) chance of state failure and/or the response according to which relevant stakeholders are involved in policy making (Jessop, 2002).

In Western Europe the State has been suffering a depowering process. This path has been leading to a gradual transfer of rights and powers to rule, access or use several goods and services are being transferred from the state to other sectors. Unfortunately, this process leads to a lessening of public accountability and responsibility which raises a very important question.

If the State doesn't take responsibility about what happens within the urban realm – who does? Notwithstanding, a huge part of the criticism towards Public Administration, lacks

practical know-how of the field, thus ignoring the true complexity around Public Management, concerning its overall extent including the broad range of actors that dwell upon it (Ostrom, 1999).

Lately, alternative arrangements have arisen, in which the State does not play a welfare prominent role, as in the past. A fair amount of either incompetence or inadequacy of the State in addressing issues within the Urban Realm has led other entities (such as private enterprises or IAs<sup>3</sup>), to *“taking matters into their own hands”* and dealing with those issues themselves (Murray, 2008).

Alongside a raise in social awareness about the problems that affect the public domain, there is also a stronger sense of civic duty and an acuter impetus for self-organization from civil society (Cohen, 1992).

This introduction constitutes the ground for every urban governance discussion one may find. Considering, at this point, that *“governance refers to processes of regulation, coordination, and control”* (Blokhuis, 2010).

However, in this dissertation one does not aim to cover the whole spectrum of urban governance arrangement, focusing only on one of the most popular and multifaceted ones there are: the urban coalitions. Commonly known as Public-Private Partnerships (difference further to be explained on section 2.2), these schemes have been reshaping processes in the urban realm.

Strategic partnerships, which nowadays constitute one of the main frameworks of urban governance, emerged in UK, in the late 1990s, as part of the government’s strategy for delivering responsive, coordinated and efficient public services (Johnson & Osborne, 2003; Russel, 2001) and for meeting social, economic and environmental needs.

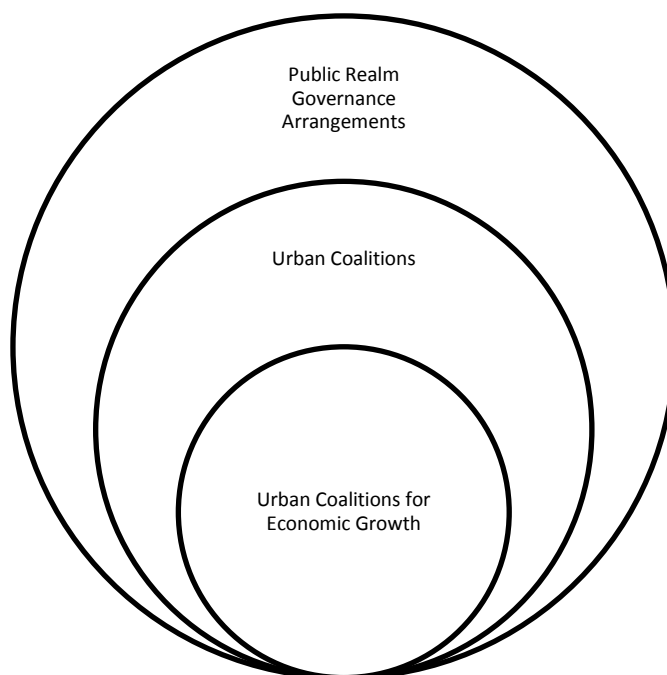
By combining the entitlement usually assigned to the state, the financial positioning of private enterprises and the social empathy of the third sector, urban coalitions have managed to face challenges that would not even be considered before.

However, the literature on urban coalitions and partnerships is broad and covers subjects from urban regeneration to social innovation. Therefore, there was the need to proceed further in narrowing the scope of this dissertation. Being that the case study at aim is a project focused on steering entrepreneurialism and stimulating economic development, the research on which this dissertation was based elaborates mostly within this range of topics. Hence, the scope of this dissertation can be considered as the one graphically represented on Image 1.

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<sup>3</sup> IAs - InformalAssociations





**Image 1: schematic representation of the scope of this dissertation.**

This narrowing may not, however, be perceivable through the course of this writing, as this assortment has been made *a priori*. For that reason, it is crucial at this point, as a matter of safekeeping, to refer to this reasoning, as in to provide the reader with a clarification on what to expect further on.

This information shall, thus, be taken in consideration from this point on, for a full understanding of the issues yet to be presented

## **2.2 PARTNERSHIPS AND COALITIONS**

Partnerships have been largely studied and analysed, which leads us to find a vast range of definitions and assumptions, among the related literature. In order to avoid any misleads or misunderstandings concerning the matter at stake, one aims, in this chapter, at clarifying the concept, based on the accessed literature.

Starting from a very simple approach, a partnership may be defined as a formal agreement to share power with others in the pursuit of joint goals and/or benefits (Kernaghan, 1993).

Public–private partnerships can also be assessed as ‘organisational structures’ created by the mobilization of a coalition of interests drawn from more than one sector (gathering at least the public and private sectors) in order to prepare and oversee an agreed strategy (or action) for a public purpose (Kokx, 2011). Ideally, a PPP would be formed in order to jointly address goals that *could not* or *would not* be met by either party separately.

PPPs can also be found under the definition of *'cooperation between public-private actors in which they jointly develop products and services and share risks, costs are resources which are connected with these products and services'* (Van Ham & Koppenjan, 2001, quoted in (Hodge & Greve, 2011)). It is important, nevertheless, to keep in mind that it shall constitute *"a co-operative venture between the public and private sectors, built on the expertise of each partner, that best meets clearly defined public need through the appropriate allocation of resources, risks and rewards"* (CCPPP, 2001).

Subsequently, a partnership approach implies a common purpose, a joint action, a framework of shared values, continuous interaction and the wish to achieve collective benefits that cannot be gained by acting independently (Stoker, 1998; Swyngedouw, 2005; Rakodi, 2003). Himmelman (2001) further adds that a partnership shall consist on an intervention bringing together a number of organizations and other stakeholders<sup>4</sup> and attempting to coordinate their actions through networking, cooperation, and collaboration (Kadushin, Lindholm, Ryan, Brodsky, & Saxe, 2005). Therefore, under a partnership environment, all partners are expected to align their own plans with the community plan and work toward specified targets (Davies, 2009).

An interesting definition is the one stated by Ahadzi & Bowles (2004), according to which *"PPPs are a rapidly growing means of procuring infrastructure assets and their associated service, signalling a fundamental shift in the relationship between State and the industry."* The term *'shift'* hereby refers to the fact that, from this point on, the State ceases to be seen as a superior, nearly God-like, entity – the (welfare) Provider. The State has, hence, the tendency to assume an ever-growing supervising/managing role.

On the one hand, the State acts as initiator and capacity building entity that aims to assure public service provision and compliance of public needs. On the other one, it acts as instigator by means of poking the other sectors into getting involved in public projects and initiatives. In Portugal, research on urban regeneration has highlighted as one of its main features, the mobilization of public and private agents and the diversity of partnership models. (Breda-Vázquez, Conceição, & Fernandes, 2009)

The term *'coalition'* is also often used under the current discussion, defined in economics and political science as joint action among two or more parties to achieve a common goal (Riker, 1962; Shubik, 1982). Yet, when it comes to the field of community interventions, the term coalition is used more broadly, as *"[a]n organization of individuals representing diverse organizations, factions, or constituencies who agree to work together in order to achieve a common goal"* (Chavis, 1995; Kadushin, Lindholm, Ryan, Brodsky, & Saxe, 2005).

The project approach of an urban coalition has become quite minimal, considering that nowadays these arrangements are also associated with policies on how the government should interact with the private sector in order to improve public services or create innovation (Van Ham & Koppenjan, 2001).

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<sup>4</sup> Henceforth, out of simplification, the 'term "stakeholder" will be further referred to as SH.

Thus, from this point further, one will make use of the term Urban Coalition (UC), throughout this entire dissertation. Under this definition not only the classically defined “public” and “private” sectors are considered, but also a third sector (a *social innovative* sector) is usually represented. In the present scenario where entrepreneurial hybridism is gaining ground, all options shall be considered, so that the most commonly (and significant) adopted configurations are covered.

### **2.3 ACTORS AND SCOPE OF ACTION**

The public domain is very broad and intricate as it comprises every aspect of human living – from land management to infrastructure provision and housing, from accessibility to social inclusion.

Until not long ago the State was seen as the overall welfare provider – actually, it was the only entity recognized by all, as entitled for that role. However, throughout the last two centuries, several changes acted upon the public domain, changing its shape, size, scale and purview. Along with industrial and technological developments, also new issues became part of the public realm. The overall infrastructure improvement brought, along all its subsequent advantages, issues such as urban sprawl, pollution and unbalanced pattern of resource and population distribution.

In the past, the State seemed to be able to keep an eye on every branch of public life, but that image is nowadays nothing but a memory. The level of complexity increased in such a tremendous way, that other entities had to start intervening more actively in the urban realm. This leads to a change in the character of the State – it acquires a coordinating (by all means less important) role, more than a commanding one.

Thus, building urban spaces and systems consists of a blend of extremely delicate particularities, resulting from the interaction between different actors and agents. This diversity can provide the situation with a very interesting outcome, when it comes to introducing new solutions resulting from a multifaceted brainstorming process. Each actor’s interests, goals and ambitions become entangled in a constant struggle for power and influence, aggravating the overall challenge that dealing with urban issues already is.

In this situation, Public Administration happens to be in the complex position of not only having to play the major role in boosting an urban environment that stimulates economic growth and social equity but also where fair-play and equality of opportunity between actors, SHs and interest groups are unavoidable preconditions. As previously stated, PPPs and UCs appeared as tools to address the recently acquired complexity of the urban realm.

The actors in coalitions performing within the urban realm are usually divided in two large groups: public and private (thus, the usual term public-private partnership). On behalf of the public party, one can usually find representatives of local governments (local authorities, public enterprises or publicly appointed representatives), while on behalf of the private party it varies from real estate companies to finance and investment institutions (like banks and

insurance companies), private companies or individual investors. The usual common asset is that they are the ones with the stoutest financial power.

Yet, nowadays it is more and more common to find a third party, which tends to represent not the *public interest* but *the interest of the public*. These are usually social movements, special interest groups or Non-Governmental Organizations (NGOs).

The different goals and interests driving these interveners carry great conflict potential, which leads to UCs constituting both, a possible solution (or at least, an attractive approach) to addressing these incompatibilities, and an added challenge in reconciling these parties into working under a common framework.

The public sector, whose main interest shall be addressing public interest, expects on the one hand, to encourage a mobilization of private funds and, on the other one, to gain access to some professional competences of the private sector, looking for an accelerated, professional realization of the project in-hands.<sup>5</sup> (One can also point out the fact that this interest in streamlining projects may be intrinsically connected to the need for positive outcomes leading to political validation and appreciation. However, these peculiarities surpass the scope of this dissertation.

Private interveners aim for access to local power and privileges, as much as for profit generation. Another possible positive outcome for private participants is gaining access to financial subsidies provided by public authorities. Moreover, there is also the enticing possibility of undertaking in a well-founded and largely risk-free project implementation (Heinz, 2005).

Third sector actors are often over-focused on a single goal or on addressing a very well defined set of aims. Since they often lack the holistic vision of the full extent of the issue in hands, they may sometimes slow down the pace of the process, diminishing public interest on behalf of the interest of “a” public.

In most UCs it is expected that both responsibility and the associated risks are shared between public and private entities, according to their strengths and weaknesses (PPP Book). Naturally, this aspect may constitute a bottleneck.

For a proper equilibrium to be achieved the conditions according to which the coalition is to work are to be properly defined and settled *a priori*. Several aspects ought to be considered as, for instance, legal bonds connecting different parties or the roles they are set to play. The features delineating the overall UC operation will be preponderant in ensuring its success.

When it comes to the scope of action, UCs cover virtually the whole spectrum of the public realm, from trans-national, national/regional strategies, to local activities and services. The

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<sup>5</sup> Yet, for public sector participants, the outcome of Urban Coalition projects is quite often ambivalent – this aspect will be elaborated further ahead in this dissertation.

range of possibilities is so wide that it is almost certain that for every case there would be the possibility of creating a UC<sup>6</sup>.

On the macro-level, one can, for instance, find several trans-national or regional projects. As an example, I cite the transnational project of the Danube Cycling Path. The River Danube is the second longest in Europe and establishes a strong connection between the West, originating in Germany, and the East, all the way to the Delta, where it meets the Black Sea (Image 2).

This project that goes under the title of “Rural Development along the Danube through Transboundary Development of the Long-Distance Cycle Route” consists of the foundation of a network of tourism organisations in South-Eastern Europe, in order to endeavour the development of the Danube Cycle Route (2008). The aim of this cross-border enterprise is to help develop revenue and improve quality of living in the regions along the Danube in South-Eastern Europe (Will, Kallmayer, Böttcher, & Gantzer-Sommer, 2006).

Under this project several ministries and organizations from all implicated countries (e. g. the ARGE Donau working group<sup>7</sup>), agreed to work together in the future towards this aim. As a result, further workshops were carried out at the invitation of the respective tourism ministries in Romania, Croatia, and Bulgaria. This cooperation between countries was established and the highest government levels were incorporated into the project.



Image 2: full extension of the River Danube.

<sup>6</sup> Whether that would be the preferable option is another question – to be further addressed.

<sup>7</sup> <http://www.argedonau.at/>



Image 3: the Danube Cycle Path.

On the micro-level, UCs are usually formed in order to address more restricted or circumscribed issues. There are, for instance, projects that aim at building stock refurbishment or city centre renewal. However, other issues can also be addressed, such as social inclusion or accessibility.

In Lisbon, for instance, there is a project that started with an assessment based on a public consultation session (which advertising poster is shown on Image 4) aiming at, on the one hand, gathering from-the-source information on senior standard of living and, on the other one, raising awareness towards the need of having a more inclusive public policy, whether addressing mobility/accessibility, social welfare, health and/or security.



Image 4: senior citizens' accessibility consultation session advertisement poster.

This project involves several departments of the Lisbon Municipality as it is supported by the POPH Programme<sup>8</sup>, holding a very strong public consultation character. The outcomes of this event have been gathered in a report under the title of *“The Streets also belong to Us”* (Infrastructure Planning Department - Lisbon Municipality, 2011) and are being used in order to establish the Lisbon Pedestrian Accessibility Plan (to be implemented in 2017).

In urban society, all construction and infrastructural improvements play a prime role. Many of these projects have not been undertaken in reaction to actual demand, but have, rather, been the outcome of a supply-oriented growth strategy, fuelled by government subsidies and private borrowing opportunities (Heinz, 2005).

Lately, it has become the major role of UCs to promote public policies that aim to address specific sets of problems like exclusion, poverty, desertion or unemployment.

Given that the panoply of different participatory arrangements is so wide and vast, it is easily understandable how impossible it is to draw a specific path that ensures a UC will have absolute liability and success. Accordingly, one can already foresee that this process comprises a long course of negotiation, in order to minimize risk of conflict between its partakers.

This liaison role is usually played by the public party. In an attempt to keep the UC as true to its primary goals as possible, the State will work in keeping both private investors and social groups’ representatives satisfied and the same time interested and committed with the project.

This part can also be played by a committee specifically formed to avoid uncertainty in the way the UC is conducted, and in the way each partners’ interests are taken in consideration. This committee can either be formed by representatives of each SH or be outsourced to a team of experts.

This complex and intricate process requires a lot of coordinating effort. Throughout the remaining of this dissertation, the variety of actors and the complexity of the relationships between them will be further discussed and analysed.

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<sup>8</sup> POPH is the programme which implements the thematic agenda for human potential inscribed in the National Strategic Reference Framework (NSRF), the programmatic framework document for the implementation of the economic and social cohesion community policy in Portugal for the period 2007-2013.

## **2.4 FORM AND FUNCTION**

The contours within which a coalition can be defined are so broad that numerous schemes, arrangements and scenarios are conceivable.

Hence, a UC cannot only be defined by who takes part in it but also by the arrangements formed by the partners themselves. As discussed in McQuaid (1998) the characteristics of the partnership include the partnership's remit – aims, range of activities and spatial dimensions. However, several other aspects have to be considered. SH-related features such as key actors, formal structure of their relationship in the coalition, and potential prior informal affairs shall be thoroughly recognized. Also the characteristics according to which the project is to be materialized - per example, implementation mechanisms, temporal dimension and financing scheme – are crucial for a proper definition.

Coalitions can assume different sizes and shapes, not only due to the amount of interveners, especially related to the organizational structure and the extent of their influence/jurisdiction. Many are the criteria established by *connoisseurs*, depending on the different views and approaches their work is based upon.

For the elaboration of this paper there was some reluctance in adopting one of these criteria, as a whole. For that reason, in order to better assess the broader picture, several visions from the related literature are hereby combined, aiming a better understanding of the diverse aspects and constraints that surround the matter.

Defining a UC can become a tremendously exhaustive and detailed assignment – to such an extent that it is necessary to assume a certain inaccuracy in it. Thus, one faces the need to establish distinctive factors according to which the UC can be correctly defined as well as clearly perceived. That goes without saying that the actual delineation shall be as accurate as possible without being so extensive or complex that it fall beyond comprehension.

By crossing and matching distinctive approaches and visions from different authors, one has come to four different ways of classifying UCs in the urban realm. Henceforth, these will be assessed according to four criteria branches: Purpose, Structure, Level of Legal Formalization and Ownership/Management (Image 5).





**Image 5: urban coalition categorization.**

### **2.4.1 PURPOSE**

Coalitions can be differently assessed, according to the main purpose driving them. The goal of the UC will set the standards for the primary action pathway and will be the key to joining up possible actors.

Thus, a question shall be posed: “What is the coalition aiming to do?” There are many possible answers to these questions, such as:

- preventing the physical decay of an urban area
- establishing a policy for addressing issues (such as low quality of living or high unemployment rate);
- stimulating weakened (or even absent) sectors;
- providing a service, and so forth.

By replying to this query a certain image of the UC can begin to take shape. Once again, in an attempt not to fall in complexity, three main categories of UCs are set out below: provision of services (namely infrastructure) to the public sector, commercial value stimulation and policy making interventions.

These categories have been set out due to the fact that they can, on the one hand, harbour most urban interventions, and on the other one, distinguish them according to the most commonly adopted schemes under which they can be found.

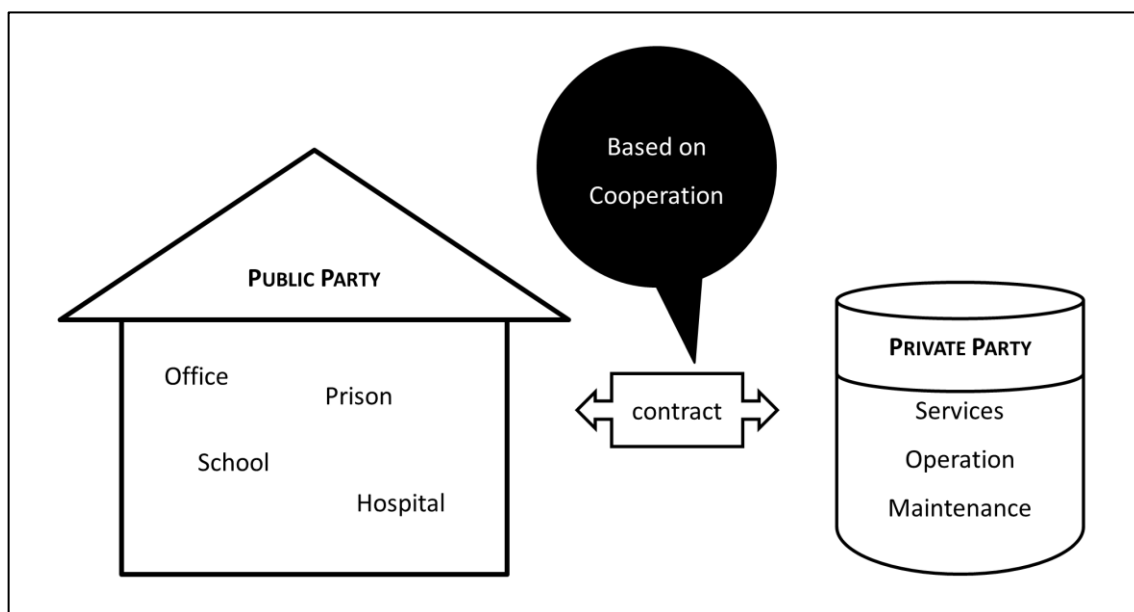
#### **SERVICE PROVISION**

The key aim of this kind of project is to provide a public service. Under the scope of this dissertation, public service is to be perceived as “a service provided by the public sector to

the people under its jurisdiction” (Chavez, 2006). Accordingly, this situation concerns the delivery of a service, operating and maintaining public infrastructures (buildings, roads, water supply networks) (PPP Book).

In these cases the public sector establishes contracts with the private sector not only with the intention of making use of their management skills but also to provide an incentive to the market. The most common example of this case is the building and operation of a motorway. (Tvarnø, 2005)

Providing the public realm with such an infrastructural element may have impact, for instance, in the overall quality of living through providing (easier) access to services and goods or allowing the establishment of new commuting fluxes. It may also have a strong impact on market-led pressures as the service is ultimately managed or explored by the private sector, enhancing the potential economic stimulus and, consequently, acting as an incentive to the market.



**Image 6: relationship representation of a service provision scheme (Tvarnø, 2005).**

Under this scheme (graphically represented on Image 6) there is a risk of private monopoly or extortion, depending on the established contractual constraints and values. In order to avoid such an adverse situation, preventive measures shall be taken, upon the establishment of the UC, in order to confine the space of *manoeuvre* of the private sector party, at the same time as keeping it motivated, interested and willing to cooperate.

#### COMMERCIAL VALUE

This case refers to whenever there's a private entity exploring a public asset without actually providing a "public service" (as defined above). There is in fact the possibility that this exploration is purely market/commercially oriented. In this case, the public interest can be, for instance, enhancing the value of an underused public asset by providing it with functionality and leading it to positively contribute to economic development.

This situation usually pops up as public entities often do not have access and/or proficiency in handling certain means of communication, bidding and implementation. Accordingly, it is not unusual to find public assets that are underused, misused or poorly managed.

Resourcing to a private entity's positioning for further developments arises, this way, as an attractive option. Let us take the example of innovations from government research laboratories (like defence research) that often have a hard time in entering the market — these may be exploited through a UC.

Just as the previous one, also this scheme represents a fair amount of risk of exploitation — even if less risky than the first, since it doesn't actually imply a concession. Once again, it is up to a well-defined, well thought and worked UC establishment to prevent such distresses from arising or, at least, to reduce the risk of their appearance to a minimum.

#### POLICY MAKING

Just as it is stated by Osman (2002) *“public policy making is not merely a technical function of government; rather it is a complex interactive process influenced by the diverse nature of socio-political and other environmental forces.”*

When Public Administration attempts to address a certain issue by building a process involving several stages of development, it is very common that the challenge builds up to a point that cooperating with other parties is absolutely unavoidable. At the same time public policy usually targets several facets simultaneously often involving other distinct spheres of society.

For public policy to be integrated it must touch different social groups, for it to be comprehensive it must articulate different needs and aims (Lang, 2005), and for it to be sustainable it has to be supported not only by the most influential but also from the most commonly least represented strata of society.

Due to the several pressures acting on this process, there may be the need to resort to the establishment of a UC involving several SHs.

One can, for instance, take the example of the Urban II “Critical Neighbourhoods Initiative”, implemented in Portugal under the title “Iniciativa Bairros Críticos” (IBC), which was an attempt to create a public policy that would address critical areas in a detailed-oriented way. Even though it was a public enterprise, its materialization demanded both private and (non-profit) non-governmental cooperation, in order for it to be empowered with the capabilities needed to cover every aspect of the issue. Under such a project it may not only be fair but helpful to include well-rooted institutions, civilian interest groups, commercial and industrial associations. Through this kind of cooperation there is an impetus for credibility that may lead to improving the overall initiative's chance of success.

A very well-known trend is the one that aims for urban regeneration through culture or the nowadays so popular “Creative Industries”. These cases concern the implementation of policies that aim to improve the quality of the urban environment, based on a sustainable development. This is what happened, for instance, relying on charismatic projects such as the *Guggenheim Museum* or the *Museum Quartier*, represented on Image 7 and Image 8, respectively).



**Image 7: Museum *Guggenheim* in Bilbao, the Basque Country.**



**Image 8: *Museum Quartier* in Wien, Austria.**

When it comes to such significant initiatives several actors are summoned in a cooperation that aims to obtain more than the sum of every SH's outcome – an added value that otherwise would not be attainable.

These approaches are, nevertheless, usually complicated and multi-faceted and can, hence, be rendered slow or inefficient. However, when successful, their impact and outcomes are the most effective one has knowledge of.

#### **2.4.2 STRUCTURE**

Having categorized different purposes based on which a UC may arise, it is important then to sought out its structure.

According to Kokx (2011), UCs can be assessed according to the way the relationships between its constituents are established.

After careful consideration, an adaptation has been made to Kokx's (2011) reasoning, out of which three models are proposed (instead of the original four), being that they aim to clarify different interaction and organization representations.

#### HIERARCHIC CLOSED MODEL

This format is characterized by stiff and/or static relationships and roles, established by a high level of formalization. Structures and procedures are highly standardized and often determined by legal bonds. This model represents a very narrow target range, usually contained within a very tight time frame or aiming to act upon a clearly circumscribed area. It is delineated according to very specific aspects and the goal at stake is completely defined.

This model is often regarded as having short-term vision which often translates into little investment into building trust among different SHs. This approach often castrates the possibility of delivering long-term sustainable solutions creating a "touch-and-go" framework. It doesn't annihilate, whatsoever, the possibility for further cooperation between SHs – it does, still, slow down the pace for chains of projects to be established and deprives the UC from working more efficiently.

Accordingly, it is often characterized by low flexibility and high bureaucracy forcing decision-making processes to follow a very rigid path marked by hesitation, leading to extensive caution and, thus, to time-consuming verification processes, on behalf of every intervener.

Low-paced developments and lack of trust are usually due to very strict relationships defined by excessively detailed and precise contractual settings.

#### OPEN SYSTEMS MODEL

In an absolute opposition to the previous one, the *motto* for this model is flexibility.

By lessening boundaries and deformalizing relationships the UC may benefit from a high level of adaptability, allowing it to respond effectively and efficiently to sudden circumstantial changes. This trait also allows the UC to react upon unexpected side-effects: by performing surgical rearrangements, positive occurrences can be productively stimulated and undesirable ones can be immediately addressed for proper mitigation.

However, it is not easy to uphold such a level of adaptability without taking the risk of slipping into a lack of organization that may easily lead to lack of accountability.

This model allows processes to acquire an iterative trait, introducing the possibility for mistakes and inaccuracies in planning to be more efficiently corrected, and for innovative ideas to be tested *in situ*. However, just as much as it harbours a platform for knowledge-transfer and exchange, it may also allow some processes to happen in the shade.

Since SH are not bound in any way, they may act too independently, inadvertently disturbing each other's activities and, ultimately, jeopardizing the overall success of the project.

When it comes to communication, it can either be improved by the established openness or it can suffer for not following any kind of systematization. Upon the latter, there may be cracks

in the information flow, leading it either to leak or to get lost, and even causing the alienation of some of the SHs.

Nevertheless, this model is highly oriented towards innovation and supports a learning-by-doing approach that may harbour a highly motivational, open-minded approach. Due to the absence of relationship formality, the ones that are created are characterized by high levels of trust, opening the possibility for further cooperation and delivery of long-term solutions.

That is the example, for instance, of some Squat<sup>9</sup> movements, very popular in cities like Barcelona.

#### LONG TIME LINES

This kind of structure can more often be found in projects that either face a certain level of controversy or that are highly innovative and, thus, subjective to questioning from the public. Networks involving public authorities, social partners, non-governmental and community organisations and private market-led entities further strengthen citizen involvement (Antalovsky, Dangschat, & Parkinson, 2005).

Hence, legitimacy is really important and every SH is held accountable for their share in the process. Many social innovation projects fall in this category.

However, this fixated pursuit for legitimacy may prove to be counterproductive. For instance, when the drive to acquire public participation (i.e., public support) goes too far, there's a high tendency to breed chaos, which may even lead to depowering the mandated decision makers involved. Also, according to Breda et al. (2009), it is difficult to consolidate processes of participation and transformation in urban management models, noting that a culture of governance is still lacking.

As an example, we can refer to the Local Management Project in Wien (Austria). This project started from a public assessment from the Local Urban Renewal Offices, according to which Public Administration obtained a set of guidelines in order to improve their performance. However the list of suggestions was so extensive that it resulted in a partial take-over of management from the community itself (Feigelfeld, 2000).

Meanwhile, there were issues in corresponding a financing criteria (within a top-down structure) with projects coming from the bottom spheres of society (and, thus, corresponding

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<sup>9</sup> Squatting consists of occupying an abandoned or unoccupied area of land and/or a building – usually residential that the squatter does not own, rent or otherwise have lawful permission to use. Squatting by necessity is in itself a political issue, therefore also a "statement" or rather a 'response' to the political systems causing it. During the period of global recession and increased housing foreclosures in the 2000s, squatting became far more prevalent in Western, developed nations. In some cases, need-based and politically motivated squatting go hand in hand (Peñalver, 2009).

to a bottom-up approach). Therefore, one can see there is a mismatch between the public drive and the drive of the public.



**Image 9: activity fostered by a Local Renewal Office in Wien. (European Commission, 2005)**

However, the project is strong in transparency and has provided population with empowerment, through participation in decision-making processes. (European Commission, 2005)

As one can see this focus on transparency and public participation qualifies, nevertheless, this Long Time Lines model as the strongest on democratic character.

It is crucial, notwithstanding, that every model one may be in the presence of, is based on a common and distinctive set of features.

**Horizontal interaction** (especially among presumptive equal participants whether they are bear a public or private position). The only way to found and keep a cooperative and stirring working environment is to stimulate a face-to-face horizontal communication network. This guideline does not however, interfere with or compromise the fact that some SHs may be more relevant in certain stages of the process. It shall, however, stress the fact that, within the UC, a much more fruitful setting can be embraced when every SH feels at ease, on the one hand, to express their opinion about different topics, and on the other one, to contribute more boldly.

When stakeholders feel that their position is respectfully taken in consideration and their ideas and contributions are seriously considered, there is a stimulus for harbouring a productive-cooperative environment from which the project can gain the most.

**Dynamic exchange:** there shall be regular, iterative exchanges among a fixed set of independent but interdependent actors. It is very important that the information is not trapped under a single SH's control alone. That is to say that an environment of clarity along with resourcing to a smart and effective communication scheme can make a very big difference. It is important for every SH that their role within the UC is clearly defined, acknowledged and recognized. Simultaneously, every SH shall feel part of an interactive network within which their cooperation is encouraged by articulation with every other intervener.

**Decision-making:** each SH shall have guaranteed (but possibly selective) access, as early as possible, to the decision-making cycle. When SHs have the impression that their participation is merely representative, one of two usually happens: either they lose interest, ceasing to actively cooperate on the decision-making process, or they counteract, adopting a counterproductive posture, that may actually have a negative impact on the project itself.

Both situations are to be avoided as much as possible, by involving every SH within the process. Once again, this does not necessarily mean that all SHs are similarly levelled at all times. When it comes to reaching decisions, each and every one of them shall have their own place, within the UC, and their position shall, hence, be valued and cherished in every stage.

**Representation:** on the conception of every public policy project, adequate relevance to the integration of every interested group shall be given. However, group representatives shall always act in interest of the group, leaving their individual motivations aside. The fact that, regarding this trait, many projects deviate from their primary path, is one of the main reasons why many public policy projects fail (Schuller, 2000).

### **2.4.3 LEVEL OF LEGAL FORMALIZATION**

According to what has been explained under the previous category, it is already clear that the contractual bonds that delineate a UC are often an input and an output regarding the relationships upon which it is created.

That is the reason why the actual contractual setting has to be assessed. Heinz (2005) categorizes different types of partnerships, based on the legal bonds binding its SHs. According to this approach, two main categories are to be considered.

#### **“HANDSHAKE PARTNERSHIPS”**

In these cases the level of formalization is so low that it may even consist of a verbal agreement. This format may lead to an almost non-existent level of accountability since, apparently, interveners are allowed to come and jump out at their own will.

Such projects are sustainable only because such a low level of formalization comes usually hand-in-hand with high standards of motivation, guaranteeing to a certain extent, that those taking part in the UC are highly committed and aiming at a common goal.

Under this category one can easily find community “environmental projects” that acquire public administration support, and that aim at reaching very specific targets like cleaning up a beach area, or protecting a certain species at stake.

#### **CONTRACTUAL COOPERATION**

Most initiatives will fit in this second category since contracts can be established within a broad range of rigidity and accountability, resulting hence, in several different possibilities.

Whatever the case may be, upon the establishment of a contract, there is the automatic acquisition of a certain level of accountability and responsibility – which, in some cases, may push away some desired potential partners as, for instance, interest groups or minority



representatives. Therefore it is upon the UC initiator-entity (usually the public party) to prevent a counterproductive setting from being adopted.

Still a certain level of formalization is a *sine qua non* factor for some partners – like, for instance, powerful financing actors – to join in and for that reason, a legal bond is usually required.

The kind of contract shall be casuistically crafted in order to be adequately in line with the character of the project, as well as with the involved SHs. To adopt a single framework and to apply it without any customization is like ensuring lack of effectiveness and efficiency, if not to critically compromise the mission's success from the very beginning.

As stated and defended by Skelcher (2005) there are many different ways of joining-up<sup>10</sup>, from informal agreements to pooled budgets and organizational mergers.

The number and composition of public and private participants in coalition projects are not subject to definite rules, and differ from one case to the next. As previously mentioned, the possible combinations are so diverse that it is not truly possible to summon-up every possible framework, without falling into a naïve, highly inaccurate and unrealistic speech.

However, it is important to keep the following in mind.

- Some arrangements may be, from the very beginning, more adequate than others.
- Whatever the case may be, this decision shall be addressed casuistically.
- The chosen framework cannot only be SH-oriented, but also needs to be in line with the aim of the coalition.
- There is neither right nor wrong – an enormous range of possibilities may be considered, as long as the decision is then carefully adapted and sought out.

#### **2.4.4 OWNERSHIP/MANAGEMENT**

Depending on the case, one may consider several configurations regarding ownership, management and operation. Depending on who holds proprietorship, jurisdiction or usage-right upon the target, different interests and power pressures may arise. Coalitions regarding private ownership are less common and can, in line with the scope of this dissertation, be thus ignored for the moment being.

Therefore, two schemes are to be considered: on the first one, public and private roles are to be clearly distinct and, within the scope of their role, independent; while on the second one both ownership and operation are shared.

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<sup>10</sup> Heinz (2005) takes in consideration a third kind of cooperation: joint cooperation. However, being that it is so rarely employed (except in France where it operates in many public provision fields), one has decided that it does not fit the scope of this essay.

These configurations may lead to many different possible schemes and strategies, and so choosing which one to adopt is preponderant in the way the process evolves.

#### PUBLIC OWNERSHIP WITH PRIVATE MANAGEMENT

It is very common to find situations under which a public asset/resource is rendered useless due to State inadequacy or incapacity to steer it.

In situations like this, the private sector manages the service, while using public sector owned and supplied facilities. It requires investment from the public sector in providing the facility (which may act as a limitation) but then it is up for the private sector to work on its development. This way, the private sector has benefits from exploring these assets but, at the same time, it also makes them profitable and resourceful.

Depending on the way this management role is settled, and in which field it is to be operated, there may be a higher or lower tendency to fall into a monopoly phenomenon.

Still, the fact that the State holds ownership of the asset at stake, can work as an assurance against this risk. Once again, it is up to the Project Owner to protect their assets and the public interest against market-led exploitation.



**Image 10: Casa da Música. (Clara, 2012)**

At this point, one can mention Porto's Casa da Música (CdM), as an example. CdM is owned by the Portuguese State but is managed by a foundation (*Fundação Casa da Música*) formed as shown on Table 1.

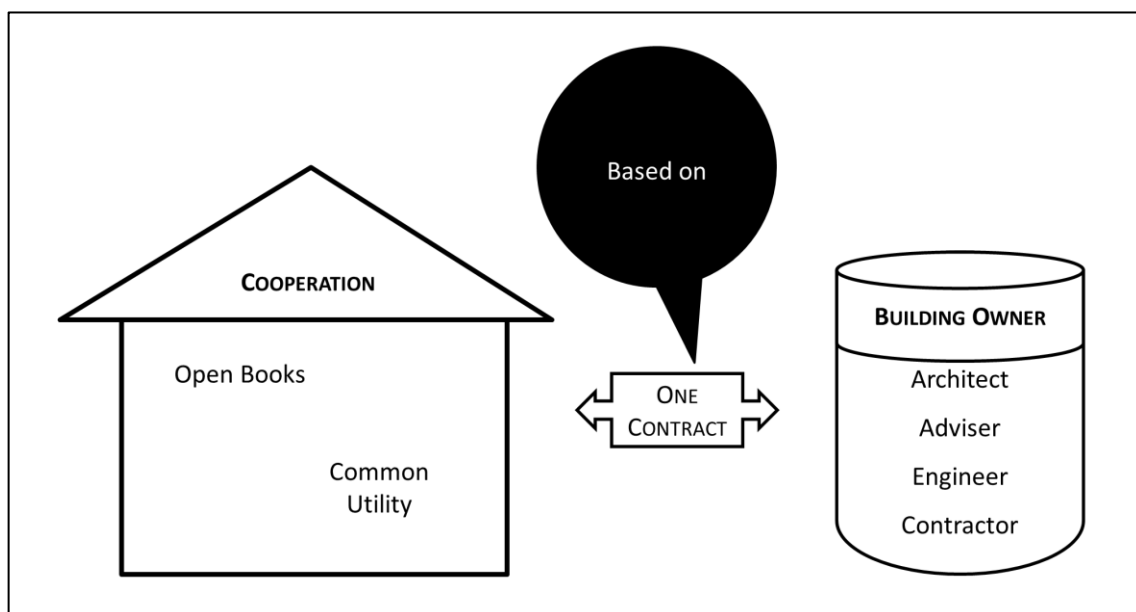
**Table 1: *Fundação Casa da Música* (actors and their distribution).**

Portuguese State	15,79%
Municipality of Porto	3,51%
Great Metropolitan Area of Porto	1,75%
Municipality of Matosinhos	1,75%
Private Actors <sup>11</sup>	77,19%

**SHARED OWNERSHIP AND OPERATION**

It is also common to find situations in which the public sector doesn't have the capacity for investment and shall therefore resource to the private financial positioning in order to enterprise such a public service or good.

In these cases, the public and the private (and/or the third) sectors jointly build a facility and manage it for a defined period (for instance, 25 years), before handing it back to the public. The fact that all responsibilities are shared may carry a risk of the initial purpose to be pushed away from public needs, in order to ensure participation of other sectors.



**Image 11: graphic representation of a shared ownership and operation scheme. (Tvarnø, 2003)**

<sup>11</sup> The private parties taking part in *Fundação Casa da Música* range from financial institutions to retail manufacturers and producers.

On the other hand, the level of commitment from non-public sectors may ensure the projects financial feasibility and prosperity. However the risk of extortion is a lot higher and, for that reason, the public party shall take careful measures in order to secure the process.

**Table 2: synopsis of the explained criteria.**

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<b>A. Purpose</b>	1. Service Provision 2. Commercial Value 3. Policy Making
<b>B. Structure</b>	1. Hierarchic Closed Model 2. Open Systems 3. Long time Lines Model
<b>C. Formalization</b>	1. Handshake 2. Contractual
<b>D. Ownership</b>	1. Public Ownership with Private Management 2. Shared Ownership and Management

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After having exposed this reasoning the moment comes to highlight the fact that these criteria constitute only one of the infinite possibilities that could have been considered. So as to building this set of parameters, the existent literature on PPPs and UCs was closely studied and analysed.

Yet, the above-presented criteria are established in relation with a European environment. In the United States, for instance, private and public roles are bound to different settings and subjected to different pressures and tensions. Thus, it would not make any sense, under the scope of this dissertation, to consider non-European features.

These criteria will later on be used in the construction of a UC analysis methodology.

## 2.5 DISCUSSION AND SWOT ANALYSIS

The complexity surrounding UC formation, as well as the ambivalent outcomes they produce, leads many to wonder whether UCs are actually a good response to the issues of the public realm. In this section, one aims at going through this discussion, by structuring its particularities through a SWOT analysis.

The situation is that actions have begun to reflect, indirectly, the current public distrust of certain public-private partnerships as well as a strong sentiment that the goals and processes of these partnerships should embody the interests of the public.

Also, due to previous disappointing cases, communities have taken a step forward into negotiating directly with private developers to ensure certain community benefits arise out of redevelopment projects. If local governments do not find a way to attract the mainstream economy to operate within their borders, providing tax revenue, jobs and other economically beneficial activities, these projects may end up being more harmful than beneficial due to the lack of policy comprehension and integration.

Therefore the goal would be to address the public's needs through employing private, business-like techniques. Ironically, the result of this need to use private means with the intention of addressing public business constitutes both the solution and the problem.

The American BIDs<sup>12</sup> are examples of transference of responsibilities. They do not have to comply with other state or municipal mandates designed to ensure fairness and ethical behaviour in public employment or procurement of services. These entities also turn significant portions of public decision making into private. They are immune from direct, and often even indirect, public accountability, fostering a kind of bubble effect within the BID.

At the same time, cities have been allowed to transfer government functions to private entities. In many of them, depending on the formalism of the arrangement, the enterprises and their decisions have been treated as private, being that different outcomes have flowed (Rosenbloom, 2005).

However, undermining the risk such an interaction may contain is extremely dangerous and, unfortunately, this relationship is often poorly conceived, misunderstood, and mistreated by the law. Yet the extent to which the UC is established can also constitute a frailty since full disclosure can become an impediment to potentially profitable deals. According to McFarlane (2007) *"there certainly is a public interest in having transparency but at the same time there needs to be protection so that not everything from private companies is an open book."*

Due to this discussion, one attempts, in this chapter, to gather a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis on the establishment of UC, as in to shed a little more light on the matter.

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<sup>12</sup> Business Improvement Districts - are defined areas within which businesses pay an additional tax or fee in order to fund projects within the district's boundaries.

### **2.5.1 STRENGTHS VS WEAKNESSES**

At this point, one has already realized that establishing a UC can become a challenge so big that it may even not be worth it to endeavour it at all. However, in order not to jump into conclusions, one shall gather the upsides and downsides of these arrangements. For a clearer understanding these strengths and weaknesses have been gathered according to parameters that are commonly at stake.

#### **COSTS AND RESOURCES**

If different entities address the same issue from different “sides”, two situations tend to arise, lack of coverage and/or duplication. The first one consists of a lack of resources invested on some aspects, while the latter represents a waste of them.

Therefore, there is a pressing need in creating synergies to enable mechanisms of complementarity, to avoid wasteful duplication of effort and resources. As a result, for each of the SHs, advantages include not only a better resource management, but also an increase in effectiveness, legitimacy and even conflict avoidance.

Moreover, commercial partnerships with the private sector may be used to increase the level of financial resources available for development of appropriate incentives to each party and the spreading of risk in a more appropriate way compared to traditional financing. Also the development of economies of scale can be assessed as an upside, along with a reduction of the transaction costs incurred.

However, this resource management asset is not as linear as it may seem. In fact, the benefits towards resources are only significant if properly addressed and managed. Likewise, it must be taken in consideration that for their proper assessment, the full social costs of the partnership need to be aggregated and compared to the full social benefits, rather than each partner focusing upon its own costs and benefits (McQuaid R. W., 2000). Unfortunately, this evaluation is frequently endeavoured in a pool of partiality, even for political advertisement, being that not all costs and outcomes are considered, thus rendering the result, unreliable and deceiving.

When considering costs and resources, there shall be a comprehensive and thorough analysis, so that the potential outcomes of the UC can be more accurately, and hence less fallaciously, assessed.

#### **EFFECTIVENESS AND EFFICIENCY**

It would be understandable to expect that under a coalition scheme, due to dedicated cooperation, both effectiveness and efficiency would be upraised. By taking a closer look one can, though, easily realise that those advantages cannot be taken for granted.

In a perfect scenario, partnerships would provide efficient, transparent and profitable problem solving and decision making processes, counting not only on the best expertise and insight, but also on the most appropriate financial and political solutions possible. In reality, they actually constitute a matching challenge of successfully co-ordinating the actors in place.

Coalition creation and establishment may affect services in an unexpected way. When facing a top-down, vertical, structure, it is quite clear who is in charge of making the final decision. On the contrary, in a (supposedly) horizontal structure, a certain level of consensus must be achieved in order to go on with the decision process, which may be stalled by political, financial or social impasses, depending on the position taken by the different agents involved.

Moreover, since partnerships every so often constitute an alternative to re-aligning mainstream services, that it may result in some lessening on behalf of the Public Administration, and thus, stimulating insufficiency in public welfare providence. As a result, further fragmentation of public services may occur, along with increased dismissal and decreased accountability.

McQuaid (1997) defends that good management characteristics, particularly leadership and interpersonal relationships, are the main ingredients of effective co-ordination, but also they need to be combined with clear direction and a clear division over responsibility of functions. It's the effort in reaching this delicate balance that makes partnerships so challenging and difficult to manage.

#### LEGITIMACY AND ENTITLEMENT

At this point, it has already been repeatedly stated that the creation of UCs is especially characterized by sharing risks and rewards, raising the level of entitlement for each of the actors that participate in the decision-making processes.

At the same time, whatever the case may be, an organization (regardless its structure or aims) cannot exist without public acceptance of its validity. This is obtained when there is a consensus about the desirability of such action or initiative. In the previously stated contexts under which Public Administration fails to address the needs of the public realm, the creation of a UC is plausible precisely due to an exchange: the UC fills the competence gap and gets legitimacy in return (Sud, VanSandt, & Baugous, 2009).

Even though Schmitter (2000) states there shall be a *“horizontal interaction among presumptive equal participants without distinction between their public or private status”*, in reality, the game is settled under slightly different conditions. Syrett (1997) oppositely claims that the unequal power relations between social partners are often disregarded, leading to the deception that the decision making process is being held under absolutely harmonic and homogeneous circumstances among different SHs, in reality the process develops quite differently.

On the establishment of partnership hierarchies, things are far from being so clear. The public side is usually represented by high-level management individuals, while the actual management is set upon professionals further down the partnership hierarchy. That is to say that the actors “on site” often lack the authority to make significant decisions concerning, for example, resource allocation (Davies, 2009).

When it comes to the interaction with the public, also Cadbury (1993) states that the terms “consultation” and “public partnership” are often used in a standardized way, thus enabling the appearance of pre-conceptions and misconceptions that result in inadequate position-

taking and wrong expectations. Accordingly, a process that should detain a high level of legitimacy, may turn out not to be so legitimate at all.

Nevertheless, the presence of unequal power should not imply that there's an organizational failure since partners don't necessarily need to have equal power. Different issues and/or circumstances, require knowledge in different fields in different depths, being that, in relation to a certain topic, this or that entity may be more qualified, hence entitled to a strong position along the decision making process.

Lynne Sagalyn notes that *"public and private players rarely have, and do not need, equal bargaining power or equal stakes if risk is proportional to each partner's investment"* (Sagalyn, 2007; McFarlane, 2007).

Furthermore, when it comes to social related issues, some SHs may be emotionally involved to an extent that affects fair and good judgement, being that their interaction shall be, thus, properly monitored, filtered and assessed, in order to meet the ambitious goals in place and not to deviate from the more holistic goals of the UC.

#### GOALS AND PHILOSOPHIES

Upon the formation of a UC, the combination between different actors and SHs' interests and ambitions can easily lead to uncertainty and indefiniteness. Actually, the challenge of managing a UC is only worth taking due to the fact that the gathering of its constituents holds a potential that can exceed the sum of their individual ones.

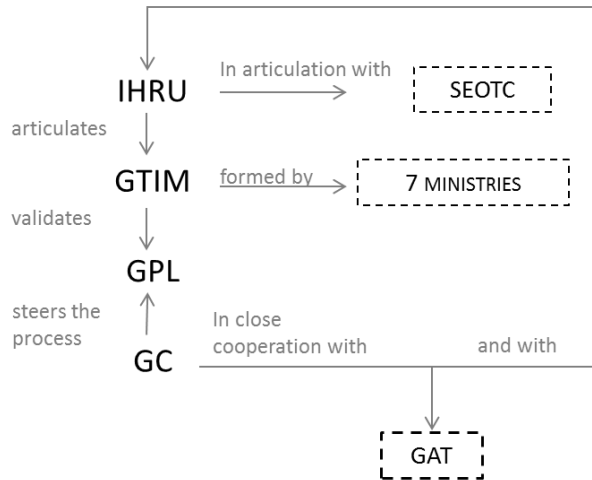
Therefore, it makes sense that networked forms of governance should result in mutual trust and reciprocity, and consequently (in long-term) joint working capacity, which should create better conditions for problem solving and policymaking (Kokx, 2011; Kooiman, 1993; Rhodes R. A., 1997). Still, when actors have a significantly different point of view on the same matter, it is common to encounter difficulties related to misunderstanding, lack of co-ordination, and even conflict.

One shall, once again, take the example of The Urban II Pilot Initiative "IBC". This intervention gathered seven Ministerial Offices, Porto's Municipality, several institutes and NGOs – from the very first meetings, it was obvious that a decision-making scheme had to be proposed and implemented, in order to agile the process. A graphic representation of the adopted scheme for IBC can be assessed on Image 12 (CESSS, 2009).



**ROLES**

- PROGRAMME COORDINATION
- POLITICAL CONDUCT
- BUILDING AND IMPLEMENTATION
- STRATEGIC AND TECHNICAL SUPPORT



**Image 12: schematic representation of the organizational arrangements upon the project IBC.<sup>13</sup>**

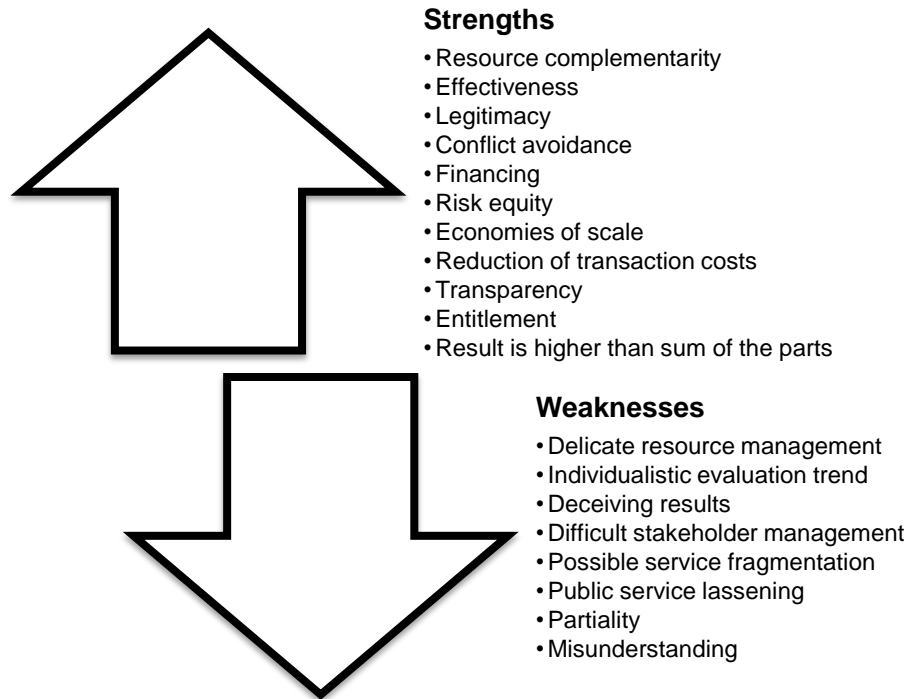
The same situation can be interpreted in different ways by different SHs that may all have their own frames of reference, which may lead to subjectivity and diversion regarding perceptions of problems, solutions and inclusion or exclusion of parties in cooperation practices (Kokx, 2011). In order for the partnership to work as one, the goal in hands must be clearly defined so that one can prevent partners from having differing understandings of what the goal means.

Still, there may be room for a certain risk of discrepancy in combining public and private management practices and philosophies within one partnership organisation; thus the need for a clever and powerful management becomes stronger (McQuaid R. W., 2000).

Acknowledging the fact that interveners may act individualistically, one can always resort to Adam Smith’s theory, according to which the pursuit for individual interest generates collective interest mechanisms (Smith A. , 1776/1986). Nevertheless, according to the current conjuncture one has to admit that believing in an “all-ruling invisible hand” controlling and validating all these processes, requires a certain naivety. Under these assumptions remains the question whether market-based processes are capable of solving problems in areas in need for Urban Renewal.

In Image 13 one can assess a summary of these aspects, gathered in a schematic representation for a clearer understanding.

<sup>13</sup> IHRU – Institute for Housing and Urban Renewal; SEOTC – State Secretariat for Spatial Planning and Cities; GTIM – Interministerial Working Group; GPL – Local Partnership Group; GC – Consultants Group; GAT – Technical Support Group.



**Image 13: strengths and weaknesses summon-up.**

### **2.5.2 OPPORTUNITIES VS THREATS**

The strengths previously presented provide coalitions scenarios with opportunities for new framework and procedures. All the same, weaknesses evolve into threats that may affect the overall coalition purpose.

As stated before partners are not in a zero (or rather constant) sum game. In fact, if that was the case, that would be no reason to go through the hardworking process that is summoning different SHs and reconciling interests and pressures. Rather, building a coalition is seen as allowing each partner to gain the benefits from cooperation, while still retaining some (if not all) their autonomy. Hence, the foundation on which coalitions are based is the strong belief that its outcome on the community will be greater than otherwise (McQuaid R. W., 2000).

Moreover, strategic coalitions often offer interesting insights into attempts to join up public agency goals and activities (from international, to national, regional and local). Many times, creative articulatory initiatives are endeavoured allowing the emergence of new cooperative dynamics not only between distinct governmental layers and jurisdictions, but also between different sectors (Davies, 2009).

A variety of related factors affects the development and implementation of UCs, such as changing value and ethical systems between actors, poor contractual arrangements or inappropriate risk sharing and accountability (Pollock, Price, & Player, 2007; McQuaid R. W., 2000).

These potential sources of governance failure assume different forms in different contexts, for which they shall be properly addressed. According to Jessop (1999) one can specify four sets of strategic dilemmas that affect economic development partnerships.

#### COOPERATION VS COMPETITION

Dynamics of interactivity harboured within the coalition premises will play a major role in its global success. One can easily acknowledge that the level of cooperation among actors is highly correlated to the level of trust that binds them. Naturally, in cases where there has been previous interaction or interveners share a common background, the establishment of relationships is somehow influenced by the previously established ones.

An excessive commitment to cooperation and consensus can, nevertheless, block the emergence of creative tensions that could later breed innovative procedures and actions. Also a certain level of tension promoting active problem-solving can be very productive regarding crisis resolution by stimulating learning processes and new skills.

In the absence of trust building opportunities, maintaining interpersonal support may require attentive handling. Otherwise, on the face of so many prospects, self-interested competitive behaviour may rise, prompting internal fragmentation. Moreover, current institutional practices and the existence of sectorial agendas restrict the development and temporal maturing of learning and innovation experiences in the models of participation and institutional relations. (Chamusca, 2010; Breda-Vázquez, Conceição, & Mória, 2009)

#### OPENNESS VS CLOSURE

According to the scale of the intervention in hands, traits such as legitimacy, transparency and accountability may ask for deeper consideration.

Needless to say, building coalitions and relationships under the critical and attentive eye of the public can be fairly delicate. Nonetheless, it is important that the coalition remains open to the environment and willing to consider productive feedback either from the potential beneficiaries of its actions (in a broader sense, the public itself) or from more organized (more or less formal) entities – like interest groups, social entrepreneurs or philanthropists.

This openness can, however, cut both ways in the sense that securing it at the same time as securing the closure needed for effective coordination among a limited number of partners, may evolve into a major task.

Similarly, as closure may lock in members whose exit would be beneficial openness may discourage partners from entering into long-term commitments and sharing long-term time horizons.

#### GOVERNABILITY VS FLEXIBILITY

While endeavouring any enterprise on the public domain, flexibility is a very important asset as it enables learning and refining, promoting an iterative approach to the whole planning and implementation process. In this constantly changing urban environment, where circumstances are never still and adaptability has to be covered, these assets are acquiring growing relevance. Achieving this frail balance without raising complexity to a point of inoperability is not at all an easy task.

Hence, complexity constitutes both a friend and a foe, taking that it simultaneously provides the process with a desirable variety of contributions just as much as it makes governability

more intricate. The efforts shall thus fall on reaching a mid-point between the inevitable need of applying operational rules (without which governability is rendered impossible) and the risk of falling into oversimplification.

The most desirable approach is to gradually build up a level of standardization around 'best practice' but yet, maintaining adaptability in the face of a turbulent environment by avoiding 'lock-in' to outmoded routines. It goes without saying that this position requires close and up-to-date monitoring and an open-mind towards the need to cut off first approach requirements or constraints that may be more harmful than useful to the project.

#### ACCOUNTABILITY VS EFFICIENCY

Going back to the root of the problem, one shall recall that, more than everything, a coalition has to serve the public interest as well as to deliver private benefits.

It is clear that one of the most pressing threats is a poor responsibility allocation. On the other hand, efforts to establish clear lines of accountability can interfere with the efficient, cooperative pursuit of joint goals. On the same page, it can raise formality and bureaucracy to a level that compromises efficiency, rendering the coalition obsolete.

Yet, lack of accountability can derive into exploitative capture of public resources for private purposes. How relevant can performance indicators be, opposed to public need? That is certainly an issue that requires proper addressing and concern. It is up to the coalition to establish the canons of the project. Which are the essential goals? Which are the desirable outcomes? Which are the main side-effects (both positive and negative) that the coalition can profit from? Or conversely, which ones have to be adequately avoided or mitigated?

It is fundamental that essential and desirable outcomes are defined, as much as which risks are taken in consideration and to which extent they can be taken. However, this iterative process cannot acquire such a heavy and rigid structure that pushes partners away due to extreme normative reinforcement or extremely bureaucratic procedures.

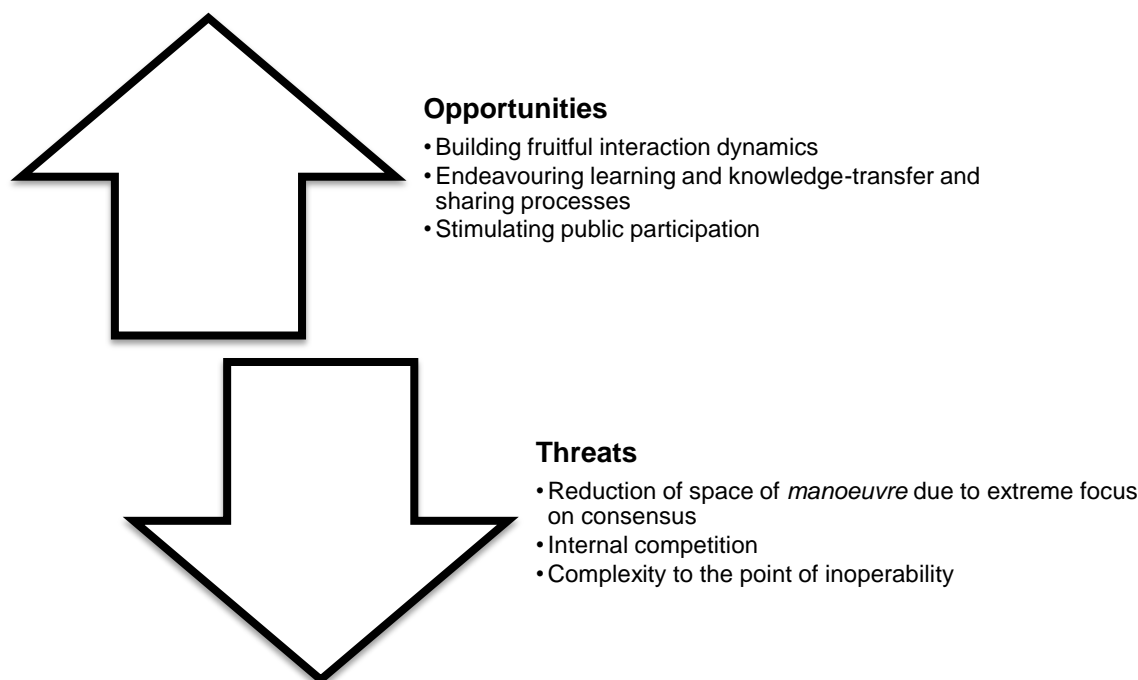


Image 14: summary of opportunities and threats.

The bottom line is that it is very common to find a certain underestimation of the global intricacy of urban restructuring. As previously mentioned, it would be pointless to go through the tough challenge that is to manage a UC unless its positive outcomes add up to more than the sum of the individual upsides to it. That is the reason why UCs are and will continue to be undertaken.

It is however crucial that both Weaknesses and Threats are kept in mind as in to attempt their mitigation if not their absolute dissolution. One again, these have been gathered on Image 14 for better understanding.

## 2.6 BEST PRACTICES

Under the previously elaborated discussion the same initial question remains: is there any way to understand whether a coalition will be any successful in its aims? Are there any aspects that can be traced or beacons in order to, somehow, ensure the achievement of goals?

In reality there is no way to ensure the absolute success of such idiosyncratic relationships. There may be, however, a chance of providing the process with some quality assurance. By thorough literary investigation one has reached a sum of best practices that may positively contribute to a less random, and thus more conscious, way of establishing a UC.

Hence, by getting acquainted with these aspects, potential partners/SH have a chance of acquiring a clearer vision on the pros and cons of each framework. By empowering every SH

with knowledge of the singularities of each organizational criterion, it may be possible to ensure a safer, more sensible process.

In order to have a clearer sense of the problem in hands, in this chapter one aims to gather risks and “best practice” mitigation actions. For coherence the previous criteria organization structure is replicated, in this chapter. For each of the criterion branches presented on 2.4. (Form and Function), the information is gathered in tables for a more schematic and clear reading. These tables can be assessed as Annex A, Annex B, Annex C and Annex D, respectively.

On the present chapter, one has attempted to shed some light on the present discussion on urban coalitions. By deciding on a certain categorization, it was possible to delineate the matter along with its trickiest frailties. After following this processes, the intricacies on the problem in hands become easier to perceive, allowing us to acknowledge that there's in it a lot more than meets the eye.

Strengths and Weaknesses, along with Threats and Opportunities were gathered, presented and explained, so that they can later be used to improve coalition establishment processes.

Along with best practices collected among the existent literature, these aspects will be used in order to create a methodology for coalition analysis, presented on Chapter 3.

## **CHAPTER 3. METHODOLOGY FOR COALITION ANALYSIS**

At this point, one has already analysed which kind of coalitions there may be, which actors may be involved and to which extent their relationships are affected by other features.

Different kinds of coalitions were presented, ups and downsides were listed and best-practices to ensure the most successful outcomes and to avoid more pernicious risks were gathered. Still, there is a profound need for the establishment of a systematized framework that can be used to assess and monitor whether these guidelines are being followed.

This methodology will thus consist of two sequential parts.

1. Analysis of the project in hands, in order to match it according to the recognized four branches of criteria.
2. Completion of a check-list based on the best-practice actions previously defined.

In this dissertation, this methodology will be applied in order to analyse the following case study. Accordingly, it will be possible to assess the answer to its, so far, success and, at the same time, to understand which aspects could be better managed in order to ensure a successful project achievement.

### **3.1 CONTEXTUALIZATION AND QUALITY ASSURANCE**

The first part of the methodology will require a thorough analysis of the projects' aims and of the framework according to which it has been established. Only after being absolutely acquainted to all the projects singularities and particularities, can one actually judge the idiosyncrasies that will allow close monitoring of its path and outcomes.

McQuaid (2000) gathers a list of questions that aim to work as a sound basis for analysis. By going through this list, a good knowledge of the project is guaranteed, thus providing a good starting point for assessing details for further detailed consideration.

Accordingly, for endeavouring a trust-worthy analysis, one must be absolutely capable of answering the questions listed on Table 3.

**Table 3: quality assurance checklist.**

---

**a) What is the coalition seeking to do?**

- What's the purpose for establishing a coalition?
  - Is the coalition strategic or programme/project driven?
  - What is the underlying basis of the coalition?
- 

**b) Who is involved?**

- Which are the key actors?
  - How is the coalition structured? How are the relationships established?
  - Can the interaction among interveners be considered as a top-down or bottom-up development?
- 

**c) When?**

- What is the motto of the project?
  - What triggered it or what is the opportunity that enabled its implementation?
- 

**d) Where and whom?**

- Where is it being implemented?
  - By whom and to whom is it being endeavoured?
- 

**e) How? – Implementation mechanisms**

- How can its development be described? (Main milestones, stages, events.)
- 

It is important to stress, at this point, that the answer to these questions shall be the most accurate and least speculative possible. Once again, this step is a quality assurance measure that guarantees that the person undertaking the study has deep knowledge of the project, holding, thus, a position that allows them to endeavour a trust-worthy investigation.



### 3.2 ANALYSIS

In order to perform the required analysis, we will resort to the same criteria structure used before as represented on Table 4. This time, it has been labelled in a way that will contribute towards process efficiency.

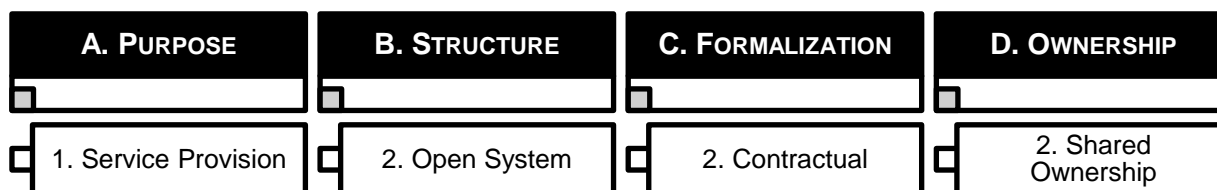
**Table 4: labelled criteria.**

<b>A. Purpose</b>	<ul style="list-style-type: none"> <li>1. Service Provision</li> <li>2. Commercial Value</li> <li>3. Policy Making</li> </ul>
<b>B. Structure</b>	<ul style="list-style-type: none"> <li>1. Hierarchic Closed Model</li> <li>2. Open Systems</li> <li>3. Long time Lines Model</li> </ul>
<b>C. Formalization</b>	<ul style="list-style-type: none"> <li>1. Handshake</li> <li>2. Contractual</li> </ul>
<b>D. Ownership</b>	<ul style="list-style-type: none"> <li>1. Public Ownership with Private Operation</li> <li>2. Private/Public Shared Ownership and Operation</li> </ul>

The procedure will then consist in matching each branch of the criteria to the information previously gathered and systematized through the preceding set of questions. That is to say that, under each branch, one of the cases will have to be chosen as in being the closest representation of the reality at issue.

Hence, one obtains a square of four traits defining the coalition.

As a result, the outcome of this matching process will be a set of four parameters. Let us take, for instance, the fictitious example of the Urban Coalition “X” out of which the following set would come up: {A1, B2, C2, D2}. The characterization of such a UC would be as represented on Image 15.



**Image 15: graphic representation of an illustrative set of criteria.**

**Table 5: criteria gathered through coalition observation and subsequent matching.**

<b>Criterion</b>	<b>Best-practice guidelines</b>
<b>Purpose</b>	Define goals for service provision before launching tenders or granting lease.
	Establish beacons for fees and charges, as well as profit margins, in relation to the targeted public.
	Ensure monitoring
<b>Structure</b>	Create an interactive open communication platform in order for all SHs to know what is happening (can be as simple as an online blog, for instance).
	Provide the project with public visibility that enhances SHs accountability without legal constraints.
	Keep SHs interested and motivated through fostering relationships and managing contacts.
<b>Formalization</b>	Ensure creation of mechanisms of interaction with the outside of the coalition.
	Establish process standardization, ensuring simplicity and preventing bureaucracy.
	Reject "copy paste": define a crafted casuistic contract.
<b>Shared Ownership and Operation</b>	Define counterparts and responsibilities <i>a priori</i> .
	Public interest can be ensured by contractual premises.

As one can easily assess, the main traits of UC "X" would be that the purpose of its creation was to allow the provision of a certain service which ownership was shared among public and private partners. These relationships are bound by contractual, legal agreements but established in an open, flexible, system.

After gathering this beaconing set of features one shall collect the respective best-practice guidelines, which will constitute the core of the upcoming analysis. These guidelines are in accordance with the previously cited criteria, as demonstrated on Table 5.

The next step would thus assess how far recommendations stated as best practices were actually addressed or, in other words, materialized. After consideration, a judgement has to be made as in to decide whether that best practice has been validated according to its materialization – the outcome should then be a check (✓), in case the answer is positive, or a cross (✗), otherwise.

On Image 16 it is possible to see a sample of the outcome of this analysis. The complete example can be seen on Annex E.

CRITERION	BEST-PRACTICE GUIDELINES	MATERIALIZATION	VALIDATION
<b>PURPOSE:</b> <b>SERVICE PROVISION</b>	Define goals for service provision before launching tenders or granting lease.	Goals were not so clearly defined <i>a priori</i> even though they are set, in general, to ensure public interest.	✗
	Establish beacons for fees and charges, as well as profit margins, in relation to the targeted public.	There is a defined top slab that limits which percentage of the project can be financed by fees to be charged upon the user.	✓
	Ensure monitoring	There is a team which is responsible for synchronizing with the exploration entity in order to ensure adequate monitoring of the process.	✓
<b>STRUCTURE:</b> <b>OPEN SYSTEM</b>	Create an interactive open communication platform in order for all SHs to know what is happening (can be as simple as an online blog, for instance).	An online blog has been created and it has been advertised on the media. It contains distinct sections to be maintained and updated by each of the actors involved.	✓
	Provide the project with public visibility that enhances SHs accountability without legal constraints.	Every project stage completion is announced on the Municipality's newsletter and is subjected to public participation, considering some discretion, on their webpage.	✓
	Keep SHs interested and motivated through fostering relationships and managing contacts.	Upon closure of every stage, all interveners are invited to sit around a table, on an open public event, as in to exchange thoughts about the progress of the project and to discuss further developments.	✓
<b>FORMALIZATION:</b> <b>CONTRACTUAL</b>	Ensure creation of mechanisms of interaction with the outside of the coalition.	Once again enabled by allowing both online and on-site participation on occasion.	✓
	Establish process standardization, ensuring simplicity and preventing bureaucracy.	Some procedures have been established but either poorly or with high levels of complexity.	✗
	Reject "copy+paste": define a crafted casuistic contract.	There was no detailed care in crafting a contract that would be specifically crafting a contract from scratch.	✗
<b>PROPERTY/MANAGEMENT:</b> <b>SHARED OWNERSHIP</b> <b>AND OPERATION</b>	Define counterparts and responsibilities <i>a priori</i> .	There is still some uncertainty when it comes to whose responsibility it is to ensure the quality of some works, or the fluency of some processes.	✗
	Public interest can be ensured by contractual premises.	Goals were not so clearly defined <i>a priori</i> even though they are set, in general, to ensure public interest.	✓

**Image 16: sample of 'best practice' compliance regarding UC "X"**

According to this example it is now possible to assess at which extent each criteria has been covered and protected. Hence, one can see that two thirds of the guidelines are being followed. Overall, it can be inferred that the balance of this project is positive, even though with a lot of room for improvement.

One can, thus, understand that even though some care was taken in consideration while actually implementing the project, this attitude seems not to have been assumed from the very beginning. Otherwise, core problems such as lack of definition in goal establishment or in contractual arrangements, would not be so easy to find.

The primary aim of this methodology is to provide Public Administration (or monitoring bodies) with a tool that can be used for acquiring deeper familiarity with a coalition scenario – whether it already exists or constitutes only a proposal. Thus, it can either be used to assess the feasibility degree of a potential coalition, or to evaluate an existing one.

Since the method is divided in two parts – the preparation for the analysis and the analysis itself – it acquires a self-empowering trait. After the first step, whoever is undertaking the process has the opportunity of perceiving to which extent further information shall be collected and whether it is actually feasible to proceed with the method.

On a second stage, the method provides the analyst with both insight on the established (or to be established) coalition and with recommendations on which aspects shall be promptly addressed.

The most important, nevertheless, is to keep in mind that, post to such analysis, results shall be reflected on, with proper attention and care, in order to proceed to highlighting the coalition's strengths and opportunities. It is crucial to gather lessons learnt and to address the aspects suffering from a stronger need of improvement.

This tool leaves, however, some space for subjectivity, in the sense that (to a certain extent) it relies on judgement. This aspect was not at all disregarded upon the formulation of the method. On the contrary, one believes thoroughly that the matters of the urban realm, social and human oriented as they are, only seldom can be numerically or statistically assessed. Hence, this underlying subjectivity is actually the attribute that will allow the method to profit from the analyst's expertise and/or sensitivity concerning these themes.

Nevertheless, it goes without that the more detailed the quality assurance dissertation is, the more likely the method is to succeed into both producing a factual outcome and with providing the appropriate related recommendations.

## CHAPTER 4. BRAGA MUNICIPALITY: NEW CHALLENGES = NEW APPROACHES

### 4.1 CONTEXT AND BACKGROUND

Braga is a Portuguese city, funded by the Roman Empire under the name of *Bracara Augusta*. Located in Northern Portugal (Image 17: location of Braga within Portugal.), Braga is the capital of the province of Minho. Along with its 112.000 inhabitants, it is considered as the 3rd biggest city in the country but, in fact, the overall municipality of Braga contains over 180.000 inhabitants, and its jurisdiction adds up to 184km<sup>2</sup>.



Braga is also one of the youngest cities in Europe (having taken the 1st place in the ranking, for the first time, in 1989), which provides it with a particular dynamism and energy. Even over the last 30 years, in contrast with the overall European trend, its population has increased in 25%.

One of the main reasons why Braga stands out the most is the fact that it offers high quality of living standards and development indexes (significantly above the national average), raising it to compete closer to Porto and Lisbon rather than with other cities similar in size or position.

The third sector constitutes its main economic asset, which relies on the significance of its pedestrian-only spaces (the largest in the country). Furthermore, two entities play a major role in stimulating the municipality's economic development, which are Braga Commercial Association

Image 17: location of Braga within Portugal.

(ACB)<sup>14</sup> and Minho Industrial Association (AIM)<sup>15</sup> (Wikipedia).

## **4.2 URBAN REGENERATION APPROACH**

The historical centre of Braga holds a massive heritage value, prompting its significance within a territorial extension, holding such an attractiveness factor that it spreads throughout the whole north-west wing of the Peninsula.

The Municipality has assumed a very distinctive attitude towards the preservation and maintenance of this heritage, being that already by 1979 an inner-city area was circumscribed and classified as “Critical Area for Urban Regeneration and Restructuring”. Several organizational bureaus and norms were subsequently created facing a growing need for a more professional, multi-criteria and multi-faceted approach.

With the support of several National and European Programmes, many interventions focused on the urban space regeneration have been endeavoured in the city centre. However, not only public space and urban environment has been addressed – the persistent concern with the city’s economic independence and growth enabled the implementation of Commercial Urbanism Programmes (like PROCOM<sup>16</sup> and URBCOM<sup>17</sup>), that rose from a partnership between the Municipality and ACB.

Vast is the panoply of interventions that were defined as of crucial importance for Local and Regional development and thus ranked and addressed accordingly. These actions were taken to the overall extent of the municipality and included projects such as:

- extended infrastructure implementation (roads, water supply and sewage, among others);
- extended school network;
- sport and health facilities and services;
- ensuring an overall high growing rate;
- industrial development aside from the construction industry (which has always been of significant prominence in the area).

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<sup>14</sup> Associação Comercial de Braga (ACB)

<sup>15</sup> Associação Industrial do Minho (AIM)

<sup>16</sup> PROCOM (*Programa de Apoio ao Comércio*) – programme focused on the modernization of commercial activities.

<sup>17</sup> URBCOM (*Sistema de Incentivos a Projectos de Urbanismo Comercial*) – programme focused on comercial urbanism.

Image 18 presents a timeline that summons the main landmarks upon which the strategy for urban intervention in Braga during the second half of the 20<sup>th</sup> century was delineated.

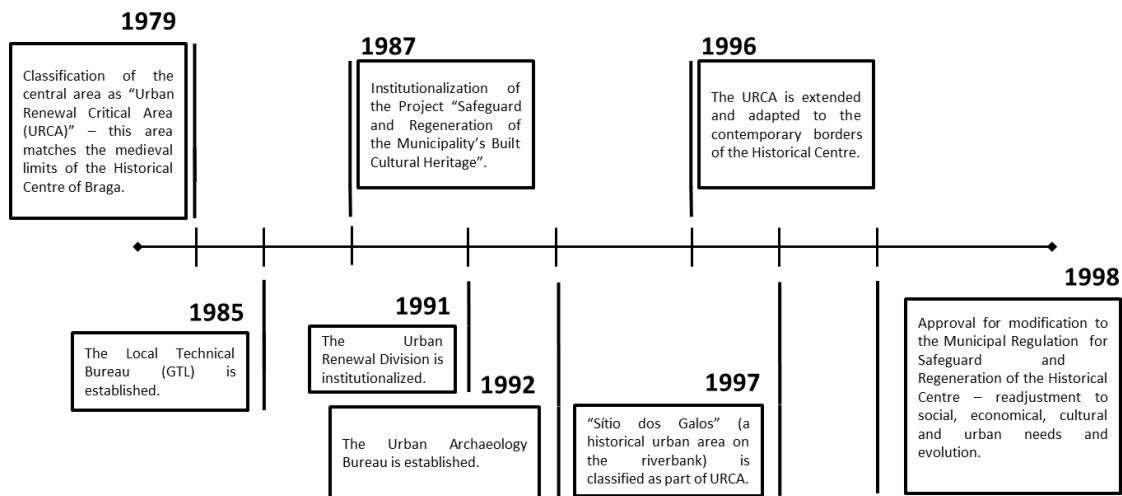


Image 18: timeline of urban regeneration interventions in Braga (20<sup>th</sup> century).

Having undertaken these initiatives, the aftermath has shown, in general, a positive result. However it is difficult to ensure their sustainability, especially when it comes to the current economic conjuncture. Hence, the moment rises when the need to attract investors and profitable economic dynamism has reached its highest peak.

Therefore, it is, at the moment, of great priority to the Municipality, to stimulate investment from other public and private entities, so as to develop other branches of urban regeneration, as for instance, culture and social activities and entrepreneurialism. This new approach will give the motto to the establishment of new, innovative and dynamic, partnerships, taking the urban regeneration of Braga to a whole new level, aiming to propel it to a regional, over-border, platform of competitiveness.

### 4.3 BRAGA AS EUROPEAN YOUTH CAPITAL

The European Youth Capital (EYC) is an initiative by the European Youth Forum and consists of a title awarded to a European city for the period of one year, during which it is given the chance to showcase, through a multi-faceted programme, its youth-related cultural, social, political and economic life and development.

The first EYC title was awarded in 2009, to Rotterdam (the Netherlands) and that same year, the Municipality of Braga (from now on referred to as CMBraga) embraced the challenge in applying and bringing the title to Portugal in 2012.

The application period involved the completion of a concrete proposal, including a program, potential activities, agenda, schedule, budget and a list of partners. In order to provide the process with openness and interactivity, the Municipality opened the possibility for public participation. Accordingly, the process could count on the insight from youth and student

associations, as well as with young individuals' participation. This singular approach allowed Braga's application to acquire, on the one hand, a significant youth character, and on the other one, the accuracy and perfectiveness aimed at by the Municipality itself.

Hence, during the period of application, dozens of projects and innovative ideas came up, either through interest groups and individuals initiatives or by a thorough search by the Municipality, using top-edge technologies and means of communication (namely, Facebook).

The acquisition of this title is aligned with the long lasting vision this Municipality is unique for: to keep their young population trait and to enjoy the biggest advantages that derive from it, like innovative spirit, entrepreneurship and front-row development approach. In order to bring this vision to life, it is crucial that young professionals and students are called to participate and to feel part of the plan that is to keep, if not to enhance, Braga's attractiveness features and quality of living.

Under this massive project that EYC has been, some projects shall be highlighted, for they represent innovative examples of partnerships for urban enhancement and, thus, economic development. Some of those projects will be stated and briefly referred to in this dissertation –the most significant of them (GNRation) will be studied later on in further detail.

#### [EM] CAIXOTE

This project was one of the most prominent of all EYC period. [EM] CAIXOTE targeted to promote and enhance cultural, artistic and tourist oriented activities in the city centre. This project took the form of an entertainment program and relied on young artists, performers and developers, whose projects were expected to stimulate a dynamic and creative environment.

Through their art and talent, young artists, as well as national and international organisations were invited to merge their products with public space as in to create a perfect symbiosis with daily life.

As a result, streets and squares that used to be mostly empty became part of the citizens' daily life, motivating them into spending more of their free time in the centre, either to attend a performance or just to enjoy the lively joyful established environment (Fundação Bracara Augusta, 2012).



**Image 19: captures of some [Em] Caixote initiatives.**



## "ENCAIXA-TE"

This initiative was the result of an interesting cooperation between Fundação Bracara Augusta<sup>18</sup> and Liftoff (the Entrepreneurial Bureau for the Academic Association of Minho University). It was born out of the combination of different needs: on the one hand, the overall abandonment of the city centre leading to desertion (and potentially decay), was a main concern; on the other hand, the Municipality wanted to stimulate and develop an entrepreneurial culture among young professionals that are struggling through a very deep economic crisis and, thus, need new incentives to boost their careers and economic independence.

The rules were simple: individuals holding property of empty establishments (such as shop or offices) "offered" usage rights for 6 months free of charge to young entrepreneurs, providing them with a unique opportunity of establishing their businesses in the core centre of the city. These establishments were also free of municipal taxes and licenses throughout this period. Afterwards, it was up to the interveners (both landlord and tenant), according to the success of the project, to choose whether to further formalize a rental commitment.

Five projects were selected to take their place in the available locations, allowing young entrepreneurs to open their business in one of the many vacant establishments in the city centre, at the same time as to prevent desertion and ruin.

## 1€ AUCTION

One of the most controversial initiatives of this lot consisted of an auction with a starting bid of 1€. However, what turn this into something impressive is what was at stake – a building in the city centre.

Once again this project was a two-edged sword. On the one edge, there is the issue of an enormous need to inhabit the decaying housing stock located in the city centre, whose owners (the Municipality included) have no capacity to invest in. On the second edge, there is the need to support young individuals and couples that would want to populate the centre but for economic reasons would be unable to.

Hence, as a pilot-project, the Municipality promoted an auction for a building of its own ownership. The project is limited by the following rules:

- bidders must be between 18 and 35 years of age;
- the building is auctioned together with a design project already licensed and approved by the Municipality;
- the reconstruction works have to start within a year after the auction and be concluded within two.

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<sup>18</sup> A foundation constituted by the municipality along with other (public and private) entities with the intention of promoting the city of Braga in relation to its culture and identity.

The first attempt to launch this project had to be postponed as the appointed venue ended up being too small for the amount of attendees. At its second attempt the building was finally sold for 37.000€ (value reached in only 10 minutes). As for this first edition, the project seems to be successful, so much that a second one is already being planned.

As one can see, the CM Braga has been deeply concerned about issues such as the historical city centre desertion, cultural impoverishment, unemployment and economic degeneration. What shall be brought to the spotlight though is the fact that concerns have been turned into creative solutions comprising dynamic social-political interaction and creative economical steering.

Within the current reality of deep economical (and thus, social) crisis, it is crucial to think out of the box. Only by implementing original and yet dedicated, crafted solutions, can one address these challenges accordingly. It is hence, in line with this reasoning that Braga Municipality arises as an example one shall keep under careful attention. Under the scope of this dissertation, focus will be given to one of its preponderant projects – GNRation.

## CHAPTER 5. GNRATION – A PROJECT UNDER THE MICROSCOPE

### 5.1 INTRODUCTION

*GNRation* is a project that became the *ex-libris* of “Braga EYC 2012”. This project consists on the rehabilitation and, hence, transformation of the former National Guard (Guarda Nacional Republicana – GNR) headquarters, located in one of the main city centre squares. While turning this building in a multipurpose facility, the CMBraga trusts on the capability of creative activities to prompt economic growth. Through implementing the creation of a hub where these activities will be stimulated and promoted, the drivers of this project are also pursuing the creation of synergies between different sectors and actors, allowing for this initiative to acquire its own identity and sustainability.

Additionally this project is supposed to grow in accordance to those who surround it and with whom it will interact – civil appropriation and social empowerment are also significant goals to be addressed.

*GNRation “is targeted to be a space harbouring creation and creativity, consumption and experimentation within creative activities, at service of the city and the community” (GNRation, 2013).*

As well as spaces specifically dedicated to cultural activities, this building will also include areas where young people are encouraged to directly intervene. Besides promoting artistic activities and projects GNRation is also aiming to incubate new projects and ideas, relying on a strong cooperation with the formerly mentioned Liftoff and with TecMinho<sup>19</sup>. This goal will

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<sup>19</sup> TecMinho is a non-profit organization that stimulates knowledge transfer between research entities and industries.

mean a strong investment in students and young professionals as in to empower them either to pursue entrepreneurialism or an international career.

An auditorium capable of holding events up to 120 attendees opens the possibility for external associations and groups to organize events concerning youth development and enhancement. This shall be a space for knowledge transfer and sharing, as well as for enabling further interaction between the building itself, the Municipality's youth and external actors.



**Image 20: GNRation building entrance.**

## **5.2 METHODOLOGY COMPLIANCE**

### *a) What is the coalition seeking to do?*

This coalition has been established in order to implement the project for construction and operation of a new public asset: GNRation.

Even though it may, at first sight, seem that the purpose of this coalition is, only, the refurbishment of an old public building, it is actually aimed to be the first rock falling, making way for an avalanche of challenging and exciting initiatives.

Therefore, this project may as well be the lever of a wider policy, with two main fields of action. Firstly, it is the Municipality's intention to poke the younger layers of society, providing them with the possibility to acquire new skills and opportunities for economic emancipation and development. Secondly, by stimulating creative industries it is also the intention of Braga to enhance the attractiveness factor it already holds, while developing new features that may allow it to be launched in the international competitiveness panorama as regional capital.

Although especially oriented towards the young strata of society, GNRation also aims to achieve a vast portion of the population through different levels of impact.

**Cultural** – providing population with a broader option of cultural and artistic initiative they can participate in or attend to.

**Entrepreneurial** – supporting artists and entrepreneurs by harbouring their projects and initiatives in several exhibition spaces, two meeting rooms and a showroom.

**Commercial** – harbouring six commercially-oriented establishments, a multidimensional establishment acting as café/bar/restaurant and a bar/disco.

**Economical** – by giving impulse to economic-based activities that would not stand a chance without public support and by providing this public building with a profitable set of activities, contributing to its development rather than to its former near-imminent degeneration. Among these one can find a digital fabrication lab.

### *b) Who is involved?*

CMBraga can be pointed out as Project Owner – it is the main beneficiary and it also holds the ownership of the building. It was up to CMBraga to apply for finance through QREN<sup>20</sup>, ON.2 – O Novo Norte<sup>21</sup> and FEDER<sup>22</sup>. This financial scheme is held under a Regional Development Programme, especially oriented towards Creative Industries.

Hence, not only these entities contribute with 85% of the overall financing, they also monitor the investment according to the Programme Regulation, aiming to ensure that it is in accordance with the overall regional investment scheme.

CMBraga has designed the entire strategic model and defined targeted goals, and the process is managed by a close cooperation between CMBraga and CCDR-N<sup>23</sup>. Subsequently, the management and programming role for this project has been assigned to Fundação Bracara Augusta, which will be playing it during its first year.

### *c) When? – Project Trigger*

The motto of opportunity for endeavouring this project is the awarding of EYC title to Braga, in 2012. Along with the vacation of the GNR building, came the drive, from CMBraga, to acquire the property in order to build a headquarters for the EYC2012 events.

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<sup>20</sup> Benchmark Framework National Strategy

<sup>21</sup> Operational Programme for the Northern Region

<sup>22</sup> European Fund for Regional Development

<sup>23</sup> Commission for Northern Regional Coordination and Development

After completion of this role the building would have acquired an identity on its own, based on entrepreneurial and creative industries-related events, constituting, from then on, a pillar for entrepreneurship and arts not only within the city of Braga, but also within the Northern Region and even trans-border, aiming to reach Galicia.

*d) Where or whom?*

GNRation is being implemented in the very centre of the city of Braga, harboured in one of its main historical buildings. It is endeavoured by the Municipality (public initiative) and the areas of action it aims to address are three, and can be described as follows.<sup>24</sup>

**Start-up GNRation.** GNRation holds, within its premises, spaces dedicated to sheltering innovative ideas, projects and businesses. There will be an open call for entrepreneurs to apply with new ideas. These are to be assessed and sorted out according to their feasibility, innovation and creativity character, so that some can be chosen to be housed in the building.

**Arts.** It is planned that several activities will be held at GNRation. From training to creative, from debate to exhibition, there will be room for stimulating the cultural and creative local resources, in a way of both promoting them and stimulating their profitability. The GNRation team also plans to perform a kind of “project-hunting” as in to hook other interesting and challenging projects that will be distributed along these individual or communal working spaces. GNRation aims, however, not only to discover new talents but also to reactivate or reinforce existent dynamics and creativity flows.

**Digital.** The GNRation LAB is a multidisciplinary laboratory aiming to foster research, experimenting, training and synergy establishment within the digital arts and multimedia fields (GNRation, 2013).

*e) How? - Project path (main milestones and dates)*

**Stages of Development**

- Conception phase

It started in 2009 with the awarding of the EYC2012 title and the need to establish its headquarters. The aim would be to have it as centre of EYC2012 management and of all the dynamics being bred from it.

- Developing Strategy and Forming UC

This stage consisted of a long and intricate conceptualization and materialization process. Many of the decisions made, at first glance, ended up going through a transformation in order to craft them according to the projects immediate needs.

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<sup>24</sup> Remark: this excerpt was almost literally transcribed from GNRation’s website. It is interesting, if not only important, to acknowledge the way the institution itself presents its aims and goals, as much as to which extent it intends to take this project forward.

Accordingly, some changes were made regarding the project design tender procedure or the management assignment scheme. It was under this stage that the concept of a start-up incubator arose as well as the thorough belief that involving and nurturing creative activities was a must for the project.

It was also during this stage that the financing scheme was arranged, and that applications were made in order to acquire funds for supporting this project.

During this stage, CMBraga approached the remaining partners in order to form a coalition that would provide this project not only with feasibility within the EYC2012 time-frame but also in the future.

- Strategy definition

During this stage, a Project Manager took over of the implementation process, tracing the steps GNRation would have to take for a successful kick-off. The fields of action were redefined and contacts for market-stirring started being established. The management scheme was assigned to Fundação Bracara Augusta and the initial programming was designed.

Since its grand opening, GNRation has already harboured several creative, cultural events, as well as entrepreneurial activities (as the one on Image 21).



**Image 21: Creative Festival (held in GNRation, in 2013).**

### **Main Milestones/Dates**

- 2009 – the building formerly owned by GNR is acquired by CMBraga.
- December 2009 – it becomes of public knowledge that a contest will be launched in order to harbour ideas on how to handle the old GNR headquarters.
- September 2011 – the design of the new building is assigned to the Architect Carvalho Araújo.
- December 2011 –Project Manager role is assigned to Ângela Berlinde.

- February 2013 – management and programming role is assigned to *Foundation Bracara Augusta*.
- May 1<sup>st</sup>, 2013 – GNRation Grand Opening

### **5.3 DATA ANALYSIS**

According to the methodology presented on Chapter 3, one shall at this point assess in which criteria branches GNRation will fit, in order to, afterwards, make some considerations regarding its development scheme and path.

Therefore, a definition according to the adopted criteria is elaborated below.

#### **Purpose**

Since GNRation is partially consisting of a refurbishment project that will harbour commercial/business activities, one could, at first, see it as a Commercial Value project. However, GNRation goes far beyond a market-led approach.

Its aim is to stir business dynamics, extend synergies and harbour economic development and sustainability in order to attract the younger spheres of society. The purpose is to prompt an economic stimulus so that the young citizens of Braga are motivated to stay and actively contribute to the development of the city. At the same time, there is the thrive to attract other potential interested young professionals who may feel attracted by this new creative and entrepreneurial environment, coming to choose Braga as the city where they would like to live and develop their own projects and careers.

Hence, GNRation's purpose category is Policy Making.

#### **Structure**

In this project CMBraga is the initiator, the Project Owner. Relationships with other partners are formal – and there would be no chance of doing it differently due to constraints established by the financing scheme.

However, there seems to be an open communication scheme between different SHs, preventing the establishment of bureaucracy loops and the consequent excessive delay of the project.

It is also a project with very high levels of public visibility and, therefore, all its partners are highly accountable for all actions (even though, in practice, each of them will have to report to a different entity/public).

This is also a project that harbours entrepreneurship and social dynamization and shall, therefore, be classified as a Long Time Lines project. Its constituents – especially the non-contractually-bound to it – seem to be forming relationships that will allow for further developments and projects to take place.



### Level of Legal Formalization

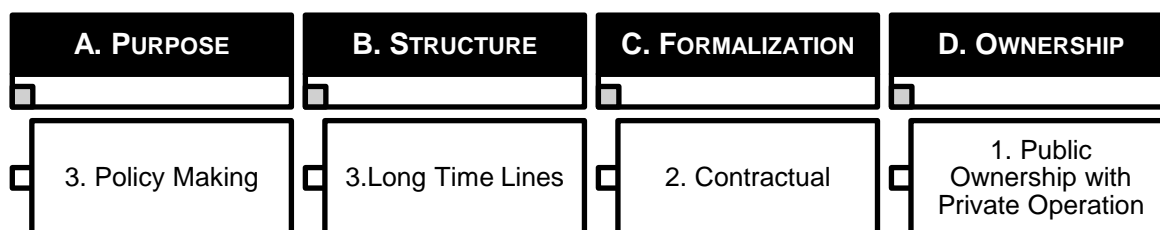
There are several contractual agreements upon the establishment of this project. They range from contracts assuring the financing scheme, to the management and programming granting, and thus, therefore, the category in which this project will fit is Contractual Agreements.

### Ownership/Operation

The building which was previously property of GNR was acquired solely by CMBraga and is, thus, of public property. The management has been assigned to *Fundação Bracara Augusta* (which is itself of public-private structure).

The way this operation is conceded or granted is established by the private party and subject by rules defined by it. In this case we are clearly in a case of Public Ownership with Private Management.

Hence, the set of criteria obtained for the coalition nurturing the GNRation project is the one shown on Image 22.



**Image 22: graphic representation of GNRation's set of criteria.**

Just as previously stated, it is now time to match the GNRation coalition with the previously summoned best practice guidelines. On Image 23 one can see a sample of the established criteria for GNRation. The complete table can be accessed on Annex F.

Criterion	Best-practice guidelines
Policy Making	Ensure involvement of every interest group.  Ensure clear lines of communication and decision-making between each partner and the partnership in order to prevent inefficiency.  Ensure clarity of coalition goals and separate them from each SH's aims.  Establish different levels of entitlement/accountability for different stages of the project.
Long Time Lines	Define guidelines setting borders for consultation/participation.  Define roles among SHs.

**Image 23: sample of the summit of 'best practice' guidelines for GNRation.**

In accordance, with these 'best practices', this project was extensively sought out. The final chart can be accessed on Annex G.

## **5.4 CONSIDERATIONS AND ASSUMPTIONS**

According to the undertaken analysis, the coalition bringing to light the GNRation Project has been driven in such a way that many usual discrepancies and frailties have been avoided, allowing it to acquire certain distinctness, in relation to other projects endeavoured in Portugal.

When it comes to its Purpose, the overall appreciation is positive. The goals of the coalition are well defined and clear, just as it is clear until which point every SH is up for going in order to comprise with their own ambitions. Roles are clearly defined and communication works effectively.

According to the social character of this project, it has been highly subjected to public scrutiny, providing the coalition SHs with high levels of accountability that vary from one phase to another, depending on who is leading the process at the moment. This aspect allows for each of the SHs to intervene in the area of their own expertise, allowing the project to make the most of the established cooperation.

Also, there has been a strong effort into involving representatives or beneficiaries of various different societal groups, allowing the citizens to contribute either with feedback and ideas, or with actual voluntary work, thus actively contributing to the steering aspect of this project.

One not so positive aspect shall, nevertheless, be pointed out: better care shall be taken in order to standardize some intermediate level decision-making processes that will ensure the project's motion after the initial peak of motivation has passed. Guaranteeing a certain level of standardization will allow the persistence of the main goals at stake, even after routine is established.

When it comes to the Structure of the coalition, the assessment is also positive. There is a strong effort in keeping open lines of communication and in ensuring public visibility. These aspects keep interveners motivated while, at the same time, providing them with the desirable ease that is crucial for a fruitful involvement.

Upon the closing of every stage, the project is re-evaluated during an open gathering and all SHs have the opportunity of offering feedback, insight and expertise. Also there is a strong focus on advertising initiatives on social networks, on the Municipality's Newsletter and on the website of the project itself – these actions provide all SHs with accountability due to public scrutiny and provide the public with a sense of proximity to the undertaken actions. However, this process is often unidirectional – it's merely informative, allowing however for public feedback to be provided –, thus preventing excessive empowering phenomena on the side of the public.

Concerning the Level of Formalization in hands, the result is also positive, in the sense that there was a special care in the establishment of contractual agreements.

First of all, the contract was casuistically established, aspect that was actually demanded by the fact that its financing scheme is monitored by a Regional Development Programme. At the same time, as the main interveners are representatives of entities that have been cooperating for a long time, the establishment of contractual procedures actually constituted

only a small step further. Hence, the decision-making process is not stalled by contractual formal restrictions.

Furthermore, the fact that the operability has been granted to one of the SHs allows medium level decision processes to be centralized and, hence, not to be subjected to an excessive amount of paper work that could constitute an impediment to the proper flow of the process (this aspect is strongly related with the lack of standardization previously mentioned).

Finally, regarding the Operation/Management scheme, also the outcome is fairly positive.

According to the strong social orientation of this project, the demand for public visibility is very high and, thus, the levels of accountability on every SH are immediately raised as well. Also, its scope and goals are publically defined and advertised which lowers the risk of deviation of exploitation from the management entity.

However, even though there is a strong effort in providing the public with constant new and updated information on the initiatives that are being held and on the impact that may be having (both on the community and on the region), there is less care in revealing clear information on the profitability of the project. Taking in consideration that a large investment has been made, and that the economic conjuncture demands constant explanation from the Public Administration when it comes to public expenses and revenues, it would be expected that this aspect would be better covered.

The endeavoured analysis shall be used in order to raise awareness about certain frailties that constituting, in this sense, a helpful tool that can be used by the Project Owner. It can, thus create a platform for keeping certain parameters concerning quality and safety assurance, within certain standards, enabling the coalition to further develop in a more conscious and aware manner.

Its frailties can be addressed in a very pragmatic way, in order to improve its performance. This character of constant improvement can provide the project with providing it with an even higher potential for success. When it comes to monitoring its course of development, also the applied methodology can be a useful resource, if used in different stages of the project, for further comparison and analysis of several results over time.

All things considered, one can infer that GNRation can actually constitute an example of a UC formed to serve public interest, involving private actors and having a strong local (and, on the long run, perhaps even broader) impact. Similarly, the endeavoured analysis matches the actual performance of the project, which validates its applicability opening the way for further developments.



## CHAPTER 6. FINAL CONCLUSIONS AND RECOMMENDATIONS

As previously stated, the goal of this dissertation is, first of all, to shed some light on the subject about urban coalitions focused on promoting economic growth. Accordingly, one has attempted to clarify the matter, according to existent literature, combined with European examples.

Afterwards, through identifying the upsides and downsides of these arrangements, and by gathering a set of best practices, a methodology for coalition analysis and assessment was defined and explained.

In order to exemplify the application of such a methodology, a very specific case of a UC in Braga (Portugal) was chosen: GNRation. This project was, thus, subjected to scrutiny, evaluated and analysed under the light of the established procedure.

Such analysis allowed the methodology to be tested validating its applicability, yet a lot can be further elaborated on this matter. Hence, throughout the production of this dissertation some conclusions about the assembled methodology have been reached.

One of the main features of this method is its **versatility**. Not only can it be used by the Public Administration, it can also be handed over to a consulting team, as a powerful assessment tool. Moreover, the way according to which it is crafted provides it with a very significant casuistic character, emphasizing its **reliability**. In this case, the set of best practices gathered was based on literature focused on coalitions for economic growth. Other cases will, naturally, require other literary basis so that adequate guidelines can be specifically collected for the case in hands.

This methodology has also proven to be **multifaceted** since there is room for it to harbour more than one role, depending on the approach according to which it is used. Its most immediate and obvious role purpose is to assess the conditions according to which a coalition can be established – either as “safety net” for the coalition kick-off phase or as appraising tool for the coalition that is already on-going. However, it can also be used to monitor the coalition’s development over time. To do so, the method shall be repeatedly

applied so that its results can be progressively compared, analysed and, interpreted for application within the decision-making process.

As this method relies on information collected *in situ*, it also displays a very strong **contextualization** trait. It is, though, dependant on the quality of the information obtained by the analyst. Thus, the most accurate and detailed this information is, the most accurate the results will be. First, in order to acquire all the data needed to properly apply the method, there shall be a firm commitment, on behalf of the Public Administration, of keeping open channels of communication. This method is rendered absolutely useless if important lots of information are hidden, wrongly transmitted by the source, or wrongly perceived by the analyst itself.

Finally, one shall highlight the **incremental** aspect of this methodology as one of its main assets. In the actual urban context of change, it is crucial that we equip ourselves with tools that can constantly be adapted to new contexts and constraints. Accordingly, following the advancements in research the set of best practices can be incrementally improved, to ensure that it is constantly updated and in line with reality.

Regardless the upsides that can already be foreseen, there is always room for improvement. Thus, in the face of the possibility for further development, some aspects shall be categorically attended to.

It would be interesting to stimulate a deeper **involvement** of other partakers of the coalition upon the collection of information. Different SHs will have different interpretations of the same circumstances – having access to these tensions and singularities will certainly shed a new light on the image of the coalition.

As previously mentioned this methodology can be used for **monitoring** the performance of the coalition at stake. Hence, the pace or the stages upon which the method is to be applied can be planned *a priori*, focused either on project milestones, deliverables or on time constraints.

When it comes to stimulating **comprehensiveness** there are many possibilities through which this methodology can grow. An interesting step would be to test its application to several cases, different from each other in scale and scope, in order to gather a catalogue comprising several set of best practices. These can later be used as a solid basis for developing crafted recommendations for other coalitions sharing a common ground. Similarly, the most this methodology is used, the highest level of detailed can be acquired for these guideline collections.

The methodology proved, on the one hand, to be of simple use and, on the other, to require a certain level of sensitivity and insight. It can be argued that without a numerical basis of assessment, its outcomes can be fairly shaped into fallacious ones. However, this dissertation stands for the fact the matters of the urban real are too intricate and complex to be decided upon relying solely in numeric values. The urban realm is dominated by the human factor which requires a sensitive trait on the part of whoever is aiming to apprehend it.

There is, accordingly (and as previously mentioned), a certain level of subjectivity related to the method's delivery.

However, one considers the goal of this dissertation to have been achieved. The main concepts a stake were clarified and the main risks highlighted. Due to the popularity they acquired, partnerships and coalitions are often endeavoured by totally clueless interveners, which are far from imagining the complexity of the process they have signed up for. By making use of the gathered methodology, interveners – and mostly the public party – can have a clearer sense both of the scale to which this challenge may rise and of which concerns shall be placed on the top of their priority list.

Moreover, if the undertaken analysis is further disclosed it can also promote knowledge transfer and sharing phenomena, allowing distinct entities to learn from each other's experiences. Under the same reasoning, it would be interesting to create a platform along which entities could proceed to their analysis and have access to other entities' lessons-learnt.

The most important, nonetheless, is that coalitions are faced, not as a miraculous remedy for all urban plagues, but as a multifaceted and intricate tool that shall be dealt with care, responsibility and awareness. Only with such an approach can these arrangements perform to their maximum potential and deliver the best results, on behalf of the public interest.





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# ANNEXES

## ANNEX A: RISKS AND ACTIONS – PURPOSE CRITERION.

Risk	ACTION
<b>SERVICE PROVISION</b>	
Deviation from public interest.	Define goals for service provision before launching tenders or granting lease.
Potential phenomena of monopoly or extortion from the private entity, potentially resulting in a non-adequate overcharge on the public users reaching out for the service.	Establish beacons for fees and charges, as well as profit margins, in relation to the targeted public.
	Ensure monitoring
<b>COMMERCIAL VALUE</b>	
Potential phenomena of monopoly from the private entity.	Establish beacons for profit margins and contract duration.
Exploitation may go against public interest.	Define standards for resource exploitation as in to avoid it being managed against public interest.
<b>POLICY MAKING</b>	
Policy building creates unbalance between different spheres of society.	Ensure involvement of every interest group.
Complicated, multi-actor processes.	Ensure clear lines of communication and decision-making between each partner and the partnership in order to prevent inefficiency.
Elevation of individual goals above common goals.	Ensure clarity in coalition goals and separate them from each SH's aims.
Inadequate involvement of SH at different stages of the process	Establish different levels of entitlement/accountability for different stages of the project.

**ANNEX B: RISKS AND ACTIONS – STRUCTURE CRITERION**

RISK	ACTION
<b>HIERARCHY MODEL</b>	
Groups are misrepresented or representatives lack decision-power.	Ensure nomination of permanent partner representatives – by, for instance, assigning executive roles in order to avoid representative alternation.
Processes are too stiff and impersonal.	Establish communication standards in order to foster openness, aiming to provide the process with Human factor.
There is no room for trust building.	Motivate partners through milestone-achievement incentives and stimulate teambuilding activities.
<b>OPEN SYSTEMS MODEL</b>	
High levels of individualism leads to either duplication or sabotage of each SH's actions. Also communication may be fuzzy or random.	Create an interactive open communication platform in order for all SHs to know what is happening (can be as simples as an online blog, for instance).
Organizational relaxation reduces accountability	Provide the project with public visibility that enhances SHs accountability without legal constraints.
Partners feel too loose and don't cooperate with each other at a similar pace.	Keep SHs interested and motivated through fostering relationships and managing contacts.
<b>LONG TIME LINES</b>	
Public participation goes beyond manageable limits.	Define guidelines setting borders for consultation/participation.
Organizational chaos	Define roles among SHs.
Over-exposure threatens to move the project away from its primary goals.	Define public milestones beaconing success.

**ANNEX C: RISKS AND ACTIONS – LEVEL OF LEGAL FORMALIZATION CRITERION**

RISK	ACTION
<b>“HANDSHAKE PARTNERSHIPS”</b>	
Partners join and leave too randomly.	Provide the project with public visibility that enhances SHs accountability without legal constraints.
Lack of commitment threatens project continuum.	Create suitable system of incentives within and between organisations to encourage commitment harbouring;
Lack of accountability.	Create mechanism for public exposure to hold SHs without imposing them legal restrictions.
Partners lose interest.	Define public milestones that provide the project with credibility motivating its partners.
<b>CONTRACTUAL COOPERATION</b>	
The coalition is stiff and closed within itself.	Ensure creation of mechanisms of interaction with the outside of the coalition.
Processes are tardy and sinuous.	Establish process standardization, ensuring simplicity and preventing bureaucracy.
The contract doesn't serve the purpose of the project.	Reject "copy+paste": define a crafted casuistic contract.

ANNEX D: RISKS AND ACTIONS – LEVEL OF LEGAL FORMALIZATION CRITERION

RISK	ACTION
<b>PUBLIC OWNERSHIP WITH PRIVATE OPERATION</b>	
Modification in exploration conditions resulting in deviation from public interest	Clearly define goals for public purpose compliance and expose them to public knowledge in order to raise accountability.
Extortion or monopoly phenomenon.	Keep up-to-date public reports (written or not) from private entity.
<b>SHARED OWNERSHIP AND OPERATION</b>	
Deviation of primary goals due to shared responsibility.	Define counterparts and responsibilities <i>a priori</i> .
Market-led exploitation.	Public interest can be ensured by contractual premises.

## ANNEX E: EXTENSIVE EXAMPLE OF 'BEST PRACTICE' COMPLIANCE REGARDING UC "X"

CRITERION	BEST-PRACTICE GUIDELINES	MATERIALIZATION	VALIDATION
<b>PURPOSE:</b> <b>SERVICE PROVISION</b>	Define goals for service provision before launching tenders or granting lease.	Goals were not so clearly defined <i>a priori</i> even though they are set, in general, to ensure public interest.	✗
	Establish beacons for fees and charges, as well as profit margins, in relation to the targeted public.	There is a defined top slab that limits which percentage of the project can be financed by fees to be charged upon the user.	✓
	Ensure monitoring	There is a team which is responsible for synchronizing with the exploration entity in order to ensure adequate monitoring of the process.	✓
<b>STRUCTURE:</b> <b>OPEN SYSTEM</b>	Create an interactive open communication platform in order for all SHs to know what is happening (can be as simple as an online blog, for instance).	An online blog has been created and it has been advertised on the media. It contains distinct sections to be maintained and updated by each of the actors involved.	✓
	Provide the project with public visibility that enhances SHs accountability without legal constraints.	Every project stage completion is announced on the Municipality's newsletter and is subjected to public participation, considering some discretion, on their webpage.	✓
	Keep SHs interested and motivated through fostering relationships and managing contacts.	Upon closure of every stage, all interveners are invited to sit around a table, on an open public event, as in to exchange thoughts about the progress of the project and to discuss further developments.	✓
<b>FORMALIZATION:</b> <b>CONTRACTUAL</b>	Ensure creation of mechanisms of interaction with the outside of the coalition.	Once again enabled by allowing both online and on-site participation on occasion.	✓
	Establish process standardization, ensuring simplicity and preventing bureaucracy.	Some procedures have been established but either poorly or with high levels of complexity.	✗
	Reject "copy+paste": define a crafted casuistic contract.	There was no detailed care in crafting a contract that would be specifically crafting a contract from scratch.	✗
<b>PROPERTY/MANAGEMENT:</b> <b>SHARED OWNERSHIP</b> <b>AND OPERATION</b>	Define counterparts and responsibilities a priori.	There is still some uncertainty when it comes to whose responsibility it is to endure the quality of some works, or the fluency of some processes.	✗
	Public interest can be ensured by contractual premises.	Goals were not so clearly defined a priori even though they are set, in general, to ensure public interest.	✓

**ANNEX F: EXTENSIVE GATHERING OF 'BEST PRACTICE' GUIDELINES REGARDING GNRATION.**

<b>CRITERION</b>	<b>BEST-PRACTICE GUIDELINES</b>
<b>POLICY MAKING</b>	
	Ensure involvement of every interest group.
	Ensure clear lines of communication and decision-making between each partner and the partnership in order to prevent inefficiency.
	Ensure clarity of coalition goals and separate them from each SH's aims.
	Establish different levels of entitlement/accountability for different stages of the project.
<b>LONG TIME LINES</b>	
	Define guidelines setting borders for consultation/participation.
	Define roles among SHs.
	Define public milestones beaconing success.
<b>CONTRACTUAL COOPERATION</b>	
	Ensure creation of mechanisms of interaction with the outside of the coalition.
	Establish process standardization, ensuring simplicity and preventing bureaucracy.
	Refuse "copy+paste": define a crafted casuistic contract.
<b>PUBLIC OWNERSHIP WITH PRIVATE OPERATION</b>	
	Clearly define goals for public purpose compliance and expose them to public knowledge in order to raise accountability.
	Keep up-to-date public reports (written or not) from private entity.

**ANNEX G: EXTENSIVE GATHERING OF ‘BEST PRACTICE’ COMPLIANCE REGARDING GNRATION.**

CRITERION	BEST-PRACTICE GUIDELINES	MATERIALIZATION	VALIDATION
<b>PURPOSE:</b> <b>POLICY MAKING</b>	Ensure involvement of every interest group.	<p>In this case the interest groups are a broad range of society. The minority (so to speak) to which this policy making interests the most is the youngest active sphere of society, and these individuals are being involved either directly, through open calls for participation and volunteering, or by inclusiveness in projects oriented towards them.</p> <p>Similarly, partnerships have been established with a venture capital firm in order to provide new entrepreneurs and enterprises with expert support.</p>	✓
	Ensure clear lines of communication and decision-making between each partner and the partnership in order to prevent inefficiency.	<p>Since the main interveners have been cooperating on other projects and initiatives, even prior to the conceptualization of this one, a high level of trust and openness has been achieved. Therefore, the lines of communication are open and clear. However, this kind of situation may harbour relaxation, through low definition of the decision making processes, allowing some management decisions to happen without the knowledge, or acknowledgement, of all partners.</p>	✓ X
	Ensure clarity of coalition goals and separate them from each SH’s aims.	<p>The coalition goals are clearly defined and can be seen on the projects Mission and Vision. Since the commercial side of the project relies deeply on its public legitimacy, the goals of both public and private actors are so entangled they cannot be dissociated, one from another.</p>	✓
	Establish different levels of entitlement/accountability for different stages of the project.	<p>An example of the fact that this guideline has been address can be seen of the fact that the contract granted to Fundação Bracara Augusta is only for one year. This raises this entity’s accountability since this short-term contract will result in equally short-term results, subjecting it to public scrutiny after a very short period of action.</p>	✓
<b>STRUCTURE:</b> <b>LONG TIME LINES</b>	Define guidelines setting borders for consultation/participation.	<p>There has been a deep investment in public consultation, through making open calls for ideas and projects, and for a deep exposure on social networks. So far, it seems that this contribution has been very valuable. However, it would be important to assess whether it is not allowing too much empowerment, in the sense that it may interfere in the role of those that, at the moment, are part of the decision making process.</p>	✓ X
	Define roles among SHs in order to prevent organizational chaos.	<p>Different SHs have different and well-defined roles and, therefore, each and every one of them is aware of what their practical contribution to the coalition may be.</p>	✓
	Define public milestones beaconing success.	<p>The first public milestone to be set was opening GNRation building itself, and it has been running full-throttle.</p> <p>There are also small deadlines for seasonal project presentation or initiation. Still, future public indicators or milestones are yet to be defined. Since the project is so far on its initiating phase, the levels of motivation are quite high and so the risk of lessening on goals is low.</p> <p>However, on the long run it may be risky not to establish these goals since they’re extremely useful in assuring a demanding project expedition..</p>	X

CRITERION	BEST-PRACTICE GUIDELINES	MATERIALIZATION	VALIDATION
<b>FORMALIZATION: CONTRACTUAL</b>	Ensure creation of mechanisms of interaction with the outside of the coalition.	These mechanisms are created through a severe media exposure, upon which outside interaction is not only allowed but also stimulated.	✓
	Establish process standardization, ensuring simplicity and preventing bureaucracy.	Once again, since the interveners have been cooperating prior to this project, not too much complexity arose in defining decision-making processes. If a decision has to be made in relation to finance or funding, a concrete, yet not too complicated, process has to be followed.  Since the management role was granted as a whole, all decision to be made within the operability of the project are centralized and therefore don't require too bureaucratic processes.	✓
	Reject "copy+paste": define a crafted casuistic contract.	The specificity of this project demanded that the contract would be made in order to ensure its liability and completion. Therefore, the monitoring process made by both CCDR-N and ON.2 ensure that the project is aligned with the targeted goals for the region.  At the same time, granting management responsibilities to Fundação Bracara Augusta ensures that the project is endeavoured by locals and is, therefore, focused on endeavouring measures that are deeply compliant with the plan for the future of the city,	✓
<b>PROPERTY/MANAGEMENT: SHARED OWNERSHIP AND OPERATION</b>	Clearly define goals for public purpose compliance and expose them to public knowledge in order to raise accountability.	The goals of the project have been publically defined and advertised. For it to be deviated from its business and creativity harbouring purposes it would mean a very big risk for the management entity, without providing it with any practical benefits. One can then, assume, that from this point of view the project is well assured.	✓
	Keep up-to-date public reports (written or not) from private entity.	Public announcements and updates are constantly done on the website. There are not so clear reports, though, on the profitability of the project which may turn out as an issue.	✓ X