



Place 2.0

By Sicco van Gelder

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Placebrands Limited
Damrak 68-5a
1012 LM Amsterdam
The Netherlands
Tel: +31207173041
Fax: +31207173427
info@placebrands.net
www.placebrands.net

Introduction

Much is made of web 2.0, the collection of web-based services for online communities, participation and user-generated content, and of co-makership, the corporate movement to involve partners and consumers in the development or improvement of products and services. Both web 2.0 and co-makership are driven by a realisation that other interested parties can and are willing to contribute to their success.

Governments have also started to understand that they are unable to solve all the problems of their city, region or country on their own. Public-private partnerships have become common, but they are still mainly aimed at providing solutions for financing large (infrastructure) projects. And they usually do not include other stakeholders who can contribute to solutions to the (future) problems facing places, such as the aging of populations, integration of ethnic minorities, traffic congestion, environmental degradation and global competitiveness.

This article argues that in future places will function differently and that their governance is evolving into one where multiple stakeholders will come together to solve specific issues and that governments, although almost always involved, will be only one of the partners of such new alliances, coalitions and partnerships.

In this article we will explore how places used to function, a state dubbed Place 1.0, how they are moving towards a situation dubbed Place 2.0, and what these future places may look like.

Place 1.0

Traditionally, places have been discrete political, economic, social and cultural entities. Despite trade and migration being age-old phenomena, the movements of people, capital and goods has often been fairly restricted. Most people were born in a place, went to school there, got married there, worked there all their lives, supported their local football team, and were buried in the local cemetery. Businesses were devoted to their (company) towns and would often invest in various kinds of services for their employees and their dependants: e.g. sports, culture, health and education. Large and successful businesses were a source of local or even national pride. Government would decide what was good for the place, its businesses, institutions and population. Government also assumed that it was synonymous with the place. Many a prime minister or president still claims to be 'running the country'.

Opinions were formed and decisions made by the political elite, innovations were developed and wealth created by the economic elite, and moral standards and artistic tastes dictated by the cultural elite. The general population was simply considered to be a workforce and a market for what the elites decided to produce and provide. Mass democratisation never fundamentally changed this situation. Admittedly, over time, citizens changed from being mere subjects to being considered as clients of the public sector. However, they were still subjected to the same machine bureaucracy albeit with a little more efficiency, care and understanding. This machine went from being driven by commands and inspections to being driven by delivery targets and audits.

Mass democratisation and the newfound client status has turned people into critical and outspoken citizens and consumers. Increasingly, the political elite is unable to deliver on the growing and ever-changing needs and demands of these citizens, the economic elite shifts jobs and allegiances to other places with

seeming ease, and the cultural elite is either out of touch with the population or they have become part of the creative industries (e.g. entertainment, design, advertising). In this changing environment, the old solutions to solving places' problems no longer work, because they are aimed at solving clearly defined functional problems: build more roads, houses and schools, hire more policemen, teachers, doctors and civil servants, subsidise culture, penalise anti-social behaviour, etc. The issues that many places face today (and will face in the future) are neither discrete nor purely functional. They are complex, multi-faceted and often involve a lot of sentiments. For example, issues such as the integration of immigrants into society, traffic congestion, healthcare and pension crises, environmental degradation and competitiveness are all matters that defy the machine bureaucracy's capabilities. Dealing with such issues effectively involves the participation of not just (local) government departments, but also the private and civic sectors, educational and cultural institutions and the like.

The Emergence of Place 2.0

It is the community (citizens, businesses and institutions) that makes the place into what it is. Not the bricks and mortar, the highways and railways, the airports, the cables, the pipes and the sewers. This infrastructure functions as the platform for the community's investments, initiatives and activities. The quality of the platform does determine a lot of the community's opportunities. In Place 1.0, the platform was used mainly for production, trade and consumption. The main responsibilities of government were to ensure the development and maintenance of the platform and the production of public goods, such as healthcare, education, the arts and public transport. The business sector provided jobs and goods and services for public consumption as well as the tax revenues to keep the place going. The population provided muscle and brainpower as workforce and consumed the goods and services produced by government and business.

A number of developments are bringing this tidy arrangement to an end. Firstly, most places have an increasingly vocal population that now demands a say in what used to be government matters, such as urban development, infrastructure programmes, environmental protection and international treaties. Not surprisingly, citizens have so far mostly been reactive. They protest, appeal, and may participate in official consultation and in referendums. This has meant that citizens have usually opposed decisions and propositions put to them rather than taken responsibility for coming up with improvements or offering alternatives. Some places (e.g. France, the Netherlands, Switzerland and the United States) allow citizen initiatives to put topics on political agendas and sometimes even repeal, propose or amend laws. However, such initiatives are limited forms of citizen participation and remain strictly within the political realm. Public consultation, referendums and citizen initiatives have actually often helped to fuel citizens' disillusionment with government and politics. Rather than narrowing the gap between government and the people, they seem to have widened the gap, as people felt that they weren't being taken seriously by politicians. cursory forms of consultation designed to keep people away, flawed referendums, and non-binding citizens' initiatives have left a bitter aftertaste.

The second development that is bringing Place 1.0 to an end is increasing globalisation, which has accelerated the flow of capital and goods around the world and has made many businesses and increasing numbers of people footloose. Loyalties and allegiances to some places crumble while other place gain such affinity. Decisions, investments and initiatives taken for the community of today may not be the right ones for the community of tomorrow. And tomorrow's community is certain to be a temporary one also. This not only means that places

need to be dynamic to meet every changing needs and demands, but also that today's elites cannot decide what's right for tomorrow's community. This puts the onus on the community itself to come up with solutions rather than just being the consumers of someone else's decisions.

The third development is partially a reaction to the first two, namely the growing need among communities (despite their transience) to define themselves in terms of culture, identity, aspirations and competitiveness. This is an ongoing debate that often sits uncomfortably with places' conventional wisdom and established political, economic and social structures and processes.

Work in this area is leading the charge to develop new operational modes for places. These new modes of operation are characterised by active participation and interaction between public, private and civic stakeholders. It is exactly because the issues at hand involve multiple and varied stakeholders and cannot be dealt with through traditional decision making that new forms of organisation and interaction are sought. These new forms of organisation often take the form of alliances, coalitions or partnerships between stakeholders that are established for the purpose of tackling issues that Place 1.0 finds too hard to deal with. The problems are amorphous, tend to shift over time and are unworkable for a single stakeholder, certainly for one that tends to frame its answers to problems in terms of policies, legislation and taxation. Within the frameworks of these alliances and partnerships, stakeholders take joint responsibility for defining and implementing strategies that help create better functioning, more competitive and self-confident places.

A New Modus Operandi for Places

Instead of relying on traditional elites to decide and provide, Place 2.0 depends on alliances, coalitions and partnerships of public, private and civic stakeholder groups to deal with specific issues. These alliances, coalitions and partnerships will differ from issue to issue (e.g. traffic, health, environment, integration, urban blight) and will change over time as partners leave and others join the arrangement. Alliances, coalitions and partnerships for places are not your usual public-private partnership or a committee of wise men and women. This is a formal or informal body in which the key stakeholders jointly develop, create and lead on the implementation of the strategy for a particular issue. Creating such an alliance or partnership is the first step in changing the way the place operates, because it simultaneously crosses divides such as those between town and gown, government and business, arts and sports, and commerce and culture, the public and community sectors. The alliance, coalition or partnership should be one of equals between those stakeholders that can help solve the issues at hand through their actions, investments, decisions and communications.

Alliances and partnerships are not like central government departments, or local government or private companies or voluntary, community and charitable organisations. They are a hybrid form of organisation. Their characteristics are determined by those who set them up, the purpose for which they were created and by those who lead the work of the partnership. The form of organisation and operation is rarely a given. It has to be negotiated and agreed by those who are going to be involved. What is required is an alliance or partnership where the participants regard each other as equals, regardless of their power or resources, where their individual contributions are valued.

Once an alliance or partnership is created, the challenge is to make it work effectively. The representatives of the organisations that constitute the alliance or

partnership have their own agendas and motivations for participating, as well as their own ways of working, of making decisions and of getting things done. They need to devise a whole new way of working together to reconcile their goals and practices and to make the alliance or partnership an effective vehicle for the issues at hand, taking the lead on finding or creating the resources required. Shared leadership requires a far greater degree of common understanding and joint thinking than traditional forms of leadership in the public and private sectors.

This provides opportunities for (groups of) citizens, businesses and institutions to contribute to the development of their place as active participants in the process rather than only as passive onlookers or hecklers. The initiative to bring together an alliance, coalition or partnership therefore rests with everyone in the community.

The Future of Places

The development of Place 2.0 means that the future of many places will be quite different from their current situation. Rather than being administered by a government places will increasingly be governed by various and varying alliances, partnership and coalitions made up of players from the public, private and civic sectors. This does raise a number of poignant questions, such as:

- Will the government lose control over its entire remit?
- Who will have final responsibility for their activities?
- How will these arrangements be funded?
- How to retain democratic oversight over their activities?

The answers to these questions are not easily given, but the following provides some possible answers.

Local, regional and national governments will be active participants in these new arrangements and will not cede responsibility entirely, but will act more and more as one of many players rather than being the dominant one. At the same time, traditional government activities, such as providing public services, policy making and inter-governmental relations, will not change or cease to exist.

The partners in the alliances, partnerships and coalitions will share responsibility for their activities and will need to figure out which party takes which responsibilities. This means that they are accountable to each other as well as to the wide society in which they operate. Governments can still be held to account by voters and elected representatives, and businesses and institutions can be taken to court if they fail in their duties. These purpose built partnership organisations will need to allow sufficient public scrutiny of their deliberations and activities and the onus is on them to avoid secrecy and silence. But as they are established by a cross section of society's stakeholders this should not be a major issue to them.

The funding for these partnership organisations will come from their individual members' resources and should be accounted for in the same way that they are now: government budgets, company accounts, private donations, etc. This may mean that it becomes more difficult to determine exactly how much a certain project costs, but that it is still possible to trace spending for each individual organisation involved. And each organisation will be responsible to their own stakeholders (e.g. citizens, shareholders, employees) whether the money and other resources were spent wisely.

The issue of democratic oversight may be trickier, because responsibilities are moved from a single government to less well-defined entities. However, as governments are likely to be key partners in any of these new arrangements, parliaments and councils will still be able to call their governments to account for their roles in these alliances, partnerships and coalitions. That is not that much different from government responsibilities for the civil service and for outsourced activities. Voters that are unhappy with the results of the government's involvement can still send them packing at election time.

Conclusion

Places are set to change the way they operate in order to compete, solve their problems and innovate more effectively. The involvement of groups of citizens, businesses and institutions in doing so should be applauded because it turns them from passive consumers of policies, decisions and public services into producers who can better deal with their place's issues and shape its future. This will also help to develop more closely knit communities in a time when these are more and more fleeting. Better to belong to a shifting community for a while than to belong to a stable one that is disappearing or, even worse, never to belong at all.

The Author

Sicco van Gelder is founder of Placebrands a company dedicated to helping cities, regions and countries develop and implement their brand strategies. He has been instrumental in developing the theory and practice of place branding. Sicco has advised places such as Amsterdam, Botswana, East Africa, Malaysia, Southampton and The Hague.

Sicco has lived, worked and travelled across five continents. His exposure to the great diversity of these continents has helped him to develop his understanding of and sensitivity to differing cultural, motivational, economic, social and competitive issues.

Sicco has (co)authored several books, among them:

- Global Brand Strategy – Unlocking Branding Potential Across Countries Cultures and Markets (Kogan Page, 2003)
- Beyond Branding – How the New Values of Transparency and Integrity are Changing the World of Brands (Kogan Page, 2003)
- New Age Branding (ICFAI Press, 2003)
- City Branding – How Cities Compete in the 21st Century (Placebrands, 2006)
- Global Branding Perspectives and Challenges (ICFAI Press, 2007)