



TECHNOLOGY GOVERNANCE

Working Papers in Technology Governance and Economic Dynamics no. 64

THE OTHER CANON FOUNDATION, NORWAY

TALLINN UNIVERSITY OF TECHNOLOGY, TALLINN

RAGNAR NURKSE SCHOOL OF INNOVATION AND GOVERNANCE

CONTACT: Rainer Kattel, [rainer.kattel@ttu.ee](mailto:rainer.kattel@ttu.ee); Wolfgang Drechsler, [wolfgang.drechsler@ttu.ee](mailto:wolfgang.drechsler@ttu.ee); Erik S. Reinert, [erik.reinert@ttu.ee](mailto:erik.reinert@ttu.ee)

# New Leisure Class and Conspicuous Politics in Urban Regeneration Initiatives

Piret Tõnurist, Rainer Kattel, Veiko Lember  
Ragnar Nurkse School of Innovation and Governance

November 2015

## Abstract

New forms of urban regeneration have been based on strong citizen involvement and support. Based on the new realist theory of social class, we argue that these processes have the face of the new leisure class – urban professionals, designers, intellectuals, etc. – who create the agenda for citizen-led regeneration activities. This leads to conspicuous politics: status-based participation attracts (media/popular) attention and creates competitive emulation among various groups among the leisure class. This new perspective helps to describe how – through competition and class practices in citizen initiatives – inequalities are reproduced in the urban environment even if urban governance processes are opened to citizens. The wider context for the discussion is the post-Soviet urban development; a case of the Urban Idea – a large-scale citizen-led collaboration framework with the city of Tallinn – is analysed as a case study of how new leisure class participatory practices lead to conspicuous urban politics.

**Key words:** urban regeneration, participatory urban planning, status-based participation, post-politics, conspicuous politics, Central and Eastern Europe

## 1. Introduction

New governance formats and social innovation in the context of urban regeneration are well-discussed topics. As these new forms of urban governance involve stakeholders from all societal sectors in both formal and informal decision making processes, the increased citizen participation has been the central topic of analysis (Blakeley, 2010; Guarneros-Meza and Geddes, 2010). Broad-based participation is considered necessary to get an overview of local preferences and get citizens involved in co-producing, co-designing and co-enforcing public policies. Consequently, deliberative processes in urban planning are widely promoted as the way to enhance citizen influence, social responsibility, learning and legitimacy (Williamson and Fung, 2004). However, the elite-centric nature of these participatory processes garners also a lot of attention (Blanco, 2015; Eshuis et al., 2014; Roy, 2015). This is at the focus of this article: on the one hand, status-based participation processes have emerged, but on the other hand, it begs to question why citizens are becoming more involved in urban regeneration.

To tackle this issue we utilize both *new realist approaches* to social class (studying class practices as a form of social and cultural formation) and use Thorstein Veblen's ideas published in *The Theory of the*

*Leisure Class* (1912) as an illustration for the reasons behind such practices. Veblen described capitalist consumption practices as both 'conspicuous consumption' and 'conspicuous leisure', where consumers are under social pressure to engage in what he called 'pecuniary emulation' and buy exclusive goods or use their leisure time as a way to signal status. We study the effect of these practices – what we define as positional political practices – in the context of urban governance in Central and Eastern European (CEE) cities where participatory practices are weak, yet, gentrification and segregation processes are strongly on the rise (Brade et al., 2009; Hirt, 2013). With the process still ongoing there are both pockets of wealth and poverty in different neighborhoods due to the socialist legacy of varied development of city housing estates and owner-occupation (Kovács et al., 2013). This has led to, what is coined, the 'heteropolitanization' of neighborhoods in the post-socialist context (Gentile et al., 2012). Thus, CEE cities offer an extreme context for emerging collaborative and participatory governance forms.

To analyze the democratic nature of these new urban governance forms influenced by class formation, we will first describe the main developments in urban policy generally – namely market-led and growth-centric idea of urban policy. We will argue that citizen participation in urban governance has a tendency to be concentric: while the power center (city government) is the same for all (groups of) citizens, not all get similar access (based tendencies) and attention (positional goods). Furthermore, as the traditional urban governance regimes have not fully formed, city governments have their own strategies to promote participation in urban policy making – e.g., legitimatization, conflict diffusion and also transferring tasks to stakeholders. Thus, public professionals seem to revert back and forth between deliberative and representative practices depending on their interests. We will highlight the discussion with a case study from Tallinn, the Urban Idea.

## **2. Theoretical Considerations**

Different theories on urban development describe regeneration strategies through capital development (Harvey, 2012) or through value struggles (Frenzel and Beverungen, 2014). Although from different perspectives, many argue that urban power is concentrating into the hands of few political, business and cultural elites in Europe (Blanco, 2015; Eshuis et al., 2014; Roy, 2015). Indeed, the changing environment of urban development can have different effects across the urban population. In the following sections we will argue that market-led regeneration processes give rise to status-based participation in planning. The modes by which

these processes manifest themselves (market-led development, new leisure class practices) create both positive externalities, but also new inequalities in the urban environment.

## **2.1. Market-led Urban Regeneration**

The market-led governance has contributed to a proliferation of the urban governance structure influencing place-specific, economic, social and political evolution of cities. More than ever, a wide range of actors in addition to professionals and private partners are included in the process. These include neighborhood associations, social entrepreneurs, social movements, project promoters, the third sector in general and the 'ordinary' citizen. Arguably there has been a 'pluralistic turn' (Maginn, 2004: 14) in the decision making processes of urban governance and with it the stakeholder lines have become fuzzier and loosely structured (Fraise, 2011). Furthermore, new urban regimes are believed to be 'instrumental' in nature: they pursue short-term, growth-oriented goals and try to use specific projects with justifiable and tangible results (Sagan and Grabkowska, 2012). Local authorities have, thus, become more financially dependent on private partners and their investments (e.g., Hölzl and Nussl, 2014). This creates a network of partnerships with strong actors, who have access to key inputs and can, therefore, act as veto-players in the process (Higdem and Hanssen, 2014). This means that urban development is characterized by status-based participation.

In the growth-based logic less attention has been given to social and environmental dimensions of urban regeneration (Cochrane, 2007). This contributes to the idea of 'growth first' and (automatic) redistribution of value later (Flint and Raco, 2012). The market-based approach to spatial planning implies that there is a rationally determinable common good. For example, one should be able to ask lower-income residents to lower their fears of the effects of gentrification or displacement from new developments for the greater economic benefit of the city as a whole (Roy, 2015). One of the problems with this logic is that benefits will not be automatically redistributed: with current cutbacks and welfare retrenchment, social polarization and segregation is on the rise (Cassiers and Kesteloot, 2012; Pratschke and Morlicchio, 2012). Thus, different social groupings – social classes – seem to have disproportionate levels of access to power, and thus, possibilities to prioritize issues connected to them.

## **2.2. New Leisure Class in Status-based Participation**

When trying to describe participatory processes through the lens of class dynamics, we first need to define what we mean by 'class'. The existence of class has been a source of debate for many decades. It is diffi-

perspectives any more. Some have proceeded to use more 'real' social divisions (e.g., occupation) in the absence of a concrete class definition (e.g., Grusky and Sørensen 1998), while others still see class as a useful social concept, albeit, without distinct class identities, focusing on 'individualized hierarchical differentiation' (Bottero 2004: 987). In this paper we make a break with the one-dimensional understanding of 'class' as solely an economic concept (as a form of economic stratification), but also try to look at the more subjective, cultural dimension of class which includes the formation of status (Morris and Scott 1996; see also already Weber 1922/2009). Thus, we favor the recently emerged *realist approach* to class describing real social groupings based upon both economic and cultural elements (see Archer and Orr 2011 for relevant literature). This means that class and also status become intertwined (see Bourdieu 1984, 1998 in the context of cultural and social capital).

In this approach class identification is not a determining factor (Archer and Orr 2011), but a form of social and cultural formation. Consequently, contemporary class analysts embed (cultural) class identity within different socioeconomic practices (e.g., urban regeneration) and discuss how in different relational settings inequality is routinely reproduced (Devine and Savage 2000: 194-196). In this model, class is seen as a form of individualized distinction (not as a collective identity). Relational comparisons within social settings create class statuses and shape social reality even if only in individualized ways (Reay 1998; Savage 2000). This means that class identity is created through practice – the creation of 'us' and 'them' (Southerton, 2002). Even if these hierarchical structures are not collectively acknowledged, self-interested actions and preferences produce social inequalities (Reay, 1998: 271).

In the context of urban development, the practice of citizens also as part of social activism can become a marker for individualized class identity. Here Veblen's (1912) perspective is very enlightening as it highlights the formation of identities through consumption practices of both goods and leisure. While class relations based on the 19th Century division of labor (which Veblen described) are not the same today, the importance of status signs and leisure in demonstrating class positions on a socio-psychological level is an important take-away from his theory and broadly used in cultural consumption theories (see also Bourdieu 1984). Thus, we argue that the new leisure class members use 'conspicuous leisure' (i.e., displaying social position by spending free time) and 'conspicuous consumption' (i.e., displaying social position by spending money) as methods of class identification (Archer and Orr, 2011: 111). Consequently, cultural and urban revitalization practices are not only the signs or markers of class, but also means by which class distinction is reproduced. Frank

(2005; 2012) has argued that such practices are better understood in the context of positional goods; consumption of such goods or leisure is often relational – to our peers, neighbors, social class. Thus, we argue that emerging urban collaborative and participatory practices create conspicuous political practices: as new leisure class's political practices garner often media and popular attention, various groups among this class engage in competitive emulation to gain better access into political processes. In essence, political access becomes a positional good.

This is especially interesting in the context of increasing number of 'right-to-the-city' movements, living labs and do-it-yourself urban practices (e.g. Mayer, 2009). Due to a subtle socio-economic sorting these initiatives seem to draw upon a pool of active participants that have varied sources of social capital that helps them engage. Very simply put, volunteering increases among individuals that have higher educational attainment, are employed and higher incomes (Carpenter and Brownill, 2008; Chang et al., 2011). Recursively, people with higher social capital are asked to volunteer and indeed volunteer more (Musick and Willson, 2008). Consequently, governance networks tend to capture stakeholders with higher levels of resources, both social, cognitive (e.g., public technocrats) and economic (e.g., private corporations) (Swyngedouw, 2010). In a sense, participation seems to become status-based. Hence, those possessing more resources – also self-efficacy – play a role in directing the participatory actions. For many participants this is part of their leisure time – arguably conspicuous leisure – and in volunteerism literature this has been labeled as 'serious leisure' (Stebbins, 2013) or 'civil leisure' (Mair, 2002). This, as hinted above, encourages us to call these active participants in urban regeneration figuratively the 'new leisure class.'

These self-enforcing class practices also create the basis for a more successful and long-lasting participation in urban governance. For one, de Wilde et al. (2014) found that higher educated community groups in the Netherlands had more productive relationships with local institutions, while others who lacked contacts and were characterized by failing demands. Thus, concentration of social capital has also negative effects (e.g. entry barriers) to the creation of inclusive communities. There is a danger that in the context of market-led urban regeneration participation will be open for only those with enough resources (time, know-how and professional knowledge etc.) leading to a 'gated democracy' (Carpini et al., 2004: 321), where political access is a scarce resource and thus a positional good for the new leisure class.

### 2.3. State and Citizens in the New Urban Governance: A Critical Perspective

While the practitioners in the new leisure class and market stakeholders may be pushing for participatory and collaborative practices, it does not mean that the formal urban planning mechanisms are developing at the same pace (Innes and Booher 2010). Planners are not keen to dilute their technical knowledge of the process for more local knowledge (Monno and Khakee, 2012). The expert-rational approach is still present through the daily practices and education of professional planners (Boelens and de Roo, 2014). Traditional planning mechanisms are based on expert-based hierarchical governance models relying on representative democracy, top-down steering and vertical command and control mechanisms (Higdem and Hansen, 2014). Here input legitimacy is drawn from everybody's equal right to participate and thus, relies on a broad-based inclusion model through public consultations (Amin, 2005). However, this is more symbolic rather than real decision power as public hearings are rarely effective in facilitating two-way dialogues; although, they can be used to build up community support in the development processes (Koch, 2013). The 'insider view' of professional urban planners gives them the power to direct participant awareness (Schmidt-Thomé and Mäntysalo, 2014) and the existence of different governance models allows planners to pick and choose between models to assure political expediency (Davies, 2011; Carr, 2012).

Network governance in general does not define how participation has to happen, meaning there are no codified roles as in the traditional representational democracy (Swyngedouw, 2005). Consequently, unequal power of stakeholders is hidden in the *ad hoc* structures bringing forth problems of accountability, status and legitimacy of governance models. Local governments are rarely interested in creating counter powers of community initiatives (Amin, 2005; Fraisse, 2011). Public institutions have the tendency to exercise strategic selectivity and support some grassroots activities, while suppressing others (Taylor, 2007). Consequently, few 'ordinary' citizens participate in these deliberative arenas and the ones that do are often consolidation of sub-elites and intermediary bodies between government and the general public (Agger et al., 2008). While some civic organizations fight against instrumentalisation and functional integration of local initiatives by the government, many others have been socialized – co-opted – to implement urban social policies (Mayer, 2006; Blakeley, 2010; Guarneros-Meza and Geddes, 2010; Davies, 2011). Thus, civic society organizations face the danger of oligarchization and acceptance of isomorphism through popular involvement in urban policy making structures (Mayer, 2006). Consequently, the pursuit of more inclusive procedures can also lead to the managerial dominance and shadow-practices (Gualini, 2015), where at most the new leisure class has the resources to

engage. As such, in the afore-described growth-centered logic, there is a tendency towards elitist modes of decision making and technocracy open for manipulation in populist settings (e.g. García, 2006). Urban elites, including the new leisure class (depending on their interests) can 'stage manage' consensus building and predetermine outcomes (Maginn, 2007).

Consequently, new urban governance settings are vulnerable to both status-based participation that is spurred on by the positional good of political access (influence of the new leisure class) and the growth-led paradigm of urban governance, which limits both the involvement of citizens and the debate.

### **3. Context: Central and Eastern European Cities**

While somewhat similar in nature, urban development patterns and regeneration processes have not been the same in CEE as in Western European cities nor is the progress across CEE countries the same. Nevertheless, regeneration, revitalization or modernization are most common topics in accounts of post-socialist urban transformations in CEE – see recent reviews by Gentile et al. (2012), Sýkora and Bouzarovski (2012) and Kubeš (2013). Urban development processes in CEE can be described through the following exogenous and endogenous dynamics:

- *Large-scale privatization process*, which created the owner-occupation dominance (Brade et al., 2009). This meant that, on the one hand, private investors had limited access to the housing stock, but on the other hand, the state's ability to co-ordinate urban regeneration diminished.
- *De-industrialization* and the growth of producer services. Industrial spaces had larger proportions in socialist cities compared to Western urban spaces. Following the collapse of the Soviet system, deindustrialization threatened future downgrading of the urban landscape, but also created potential for a relatively quick transformation of the city – depending of course on investor interest.
- *Globalization, influx of foreign direct investments and metropolization*. Capital cities in the region became the most international. This also increased inter-urban competition and development of 'entrepreneurial' urban governance strategies (Hamilton, et al., 2005). With the negative population trends and outmigration from CEE, the expansion of metropolitan areas has come at the expense of more peripheral cities (Turok and Mykhnenko, 2007).
- *Neoliberal policy practices*. Planning is seen as contradictory to the market-led change, leading to ad hoc decisions making that,

paradoxically, takes place within bureaucratic, physical planning instruments (Golubchikov et al., 2014). Thus, CEE cities have weak 'politics of place' (Sagan and Grabkowska, 2012).

- *Urban upgrading and inter-city migration patterns.* Social and physical upgrading happened through construction of new apartment blocks in the inner city, upgrading and gentrification of existing neighborhoods and the growth of suburban areas through family housing. This was accompanied by the producer services that initially moved into city centers only to relocate later to out-of-the-city locations, into business parks and districts. From 2000s onward this led to a dramatic increase in commuting and put pressure on the city planning system (e.g., Tammaru et al., 2009).

In sum, the regeneration of cities in CEE can be described mainly as (foreign) capital- or investor-led process that has led to the uneven development of city spaces. Such investor-led process concentrates on new investments and high-income groups – potentially reinforcing the new leisure class practices – rather than on stabilization of established socio-economic mixes of citizens. With weak legal and planning frameworks and resources, these processes have remained largely un-opposed by local politicians seeing value in the growth-based urban vitalization. The exogenous environment, integration to the European and global economic systems have also induced some convergence to Western institutional and organizational planning forms (Tsenkova, 2014). This has been partially due to the EU accession process and the accompanying structural funding which has imposed new rules onto the planning process (Brusis 2005). Thus, since 2000s new and more sophisticated planning tools have been applied to the development of master and strategic plans (Kubeš, 2013). This has meant that urban policy making is becoming more open to participation, while looking for more decisive planning and policy frameworks to coordinate development. However, use of structural fund has also meant that the planning process has become more bureaucratic. Moreover, civic society actors, who are supposed to be partners in this process, have limited coordination capabilities and underfunding (Tosics, 2005), thus, lead-activists tend to dominate participatory processes. Consequently, in CEE cities tensions exist between the bottom-up processes of neighborhood improvement and urban elites, project-based/*ad hoc* strategies for development and more long-term planning efforts, growth agendas and social integration and diverging views on developing strategies.

We can draw the following conclusions and propositions for further analysis from the literature review and CEE context discussion:

- (1) In the long term, the new leisure class defines the interest and role of urban initiatives due to resources available to them to

participate. In CEE cities, where investor-led urban generation models dominate, such (new) social groups are relatively uncontested politically, as participatory practices are more bureaucratic and less open.

- (2) As new urban initiatives are usually against technocratic urban planning, in the short-term there is an ambivalent/confrontational relationship between the new leisure class initiatives and public planners in CEE cities due to the power struggle ensuing between the two. However, there is also competition between these new initiatives that leads to conspicuous political practices by such groups.
- (3) Public officials switch between urban governance models – expert-rational and procedural participatory – depending on interests and political expediency; thus, empowering or discrediting participatory processes depending on need.
- (4) In the long-term we would expect that the new leisure class is co-opted into existing institutions, thus, changing the institutions, but also depoliticizing the debate and effectively diminishing the variety in participation and directing attention away from larger planning issues, because of conspicuous politics.

We will analyze these expectations in the following case study on Urban Idea from Tallinn, Estonia, which is an urban initiative specifically set up to facilitate information exchange and discussion practices between neighborhood associations, other civic society organizations and the municipality. This makes it a concise and delineated case to study the change in urban governance structures.

## **4. The case of the Urban Idea**

### **4.1. Methodology**

We have followed the development of the initiative and the connected network for more than a year (from December 2013 to February 2015). The case study triangulates data from various sources. The empirical work is based on 21 semi-structured interviews with the leaders of the initiative, participants within the network, stakeholders and current and prior city officials. This data source was supported by the analysis of public transcripts of Urban Idea initiative meetings, public planning documents, reports, news articles and participatory observations from development meetings for the new spatial planning registry.

In the first stage of the study, six semi-structured interviews were carried out at the end of 2013 with the heads of the initiative, experts in public participation (both from the third and the public sector) and two previous

high level officials from the city of Tallinn. The interviews were used to outline the history of the initiative, the network of people involved with the initiative, the sources of information (incl. Urban Idea working documents) and chart the inner urban governance processes of the city of Tallinn. In the beginning of 2014, a meeting with the Director of the City Office was arranged to get permission to carry out interviews with public officials connected to the case and wider development processes in the municipality. The research team was also granted access to city development meetings for participatory observations (for these the authors rely on personal notes).

In the second stage of the study (based on the information provided to us during the initial interviews and secondary sources made available) 15 semi-structured interviews were carried out with both city officials and members of the Urban Idea. Key informants were chosen on the basis of their roles in the Urban Idea initiative and governance/planning process in the city of Tallinn. The heads of the initiative were re-interviewed to cover also their personal profiles and interests. All interviews were voluntary and permission for recording was asked prior conducting the interviews. All interviewees were granted anonymity to encourage them to be as open as possible. Interview material was later transcribed. To analyze the data, we used open coding to sort the interview material into themes and used quotations to illustrate the discussion points and main findings.

#### **4.2. Urban development context**

Tallinn is the largest city in Estonia and has over 435 245 registered inhabitants (1 March 2015) which is around 33% of the 1.3 million residents in Estonia. The city is one of the least globalized within the region – it can be described as ethno-linguistically binary society (Kamenik et al., 2014) resulting from an *en masse* migration of the Russian-speaking minority with a working class background to Estonia during the Soviet occupation. Currently the Russian-speaking minority constitutes around 25% of the Estonian population and 40% of Tallinners (Statistics Estonia, 2015). This is also reflected in deep ethno-linguistic divisions within Estonia in terms of places of residence, education system, labor market and also leisure activities (e.g., Lindemann and Kogan, 2013; Kamenik et al., 2014).

Ethnic division, however, is not addressed in urban policies and the focus in Tallinn is on social diversity and inequality (Tammaru et al., 2014). Previous analyses has shown that the city has developed towards a significant economic inequality that is accompanied by a polarization of living areas due to on-going gentrification, residential conversion, piecemeal regeneration and infill developments (e.g., Marcińczak et al., 2015). This

results from a mass housing privatization of the 1990s ending in around 95% of the housing owner-occupied in Estonia (Hegedüs, 2013). Due to a very high proportion of private ownership (Kährik and Tammaru, 2010), the public sector has had little experience in balancing private interests and the market-led logic dominates (Ruoppila, 2007; Leetmaa et al., 2009). Consequently, also our interviews showed the disproportional power of developers: „*The city doesn't have money for urban planning and it is contracted out. Developers put together detailed city plans, which means that the city has lost a lot of its discretion and they don't take responsibility – they just follow juridical correctness*“ (civic society leader). The city itself acknowledges the disproportional power relations and their own weaker position: “*the developers have a lot of power to put pressure on the city government: they will invest – on their terms – or they won't invest at all*“ (city officer).

### **4.3. Origin of the Urban Idea and New Leisure Class Practices**

The activation of citizens in the area of urban development is a relatively recent phenomenon: the first neighborhood associations were created in mid-2000s. The origin of the Urban Idea can be traced back to the creation of the network of Tallinn-based civil society organizations in 2010. The network incorporated over 120 organizations at its peak (incl. around 20 neighborhood associations). The network had meetings related to specific problems across city areas (e.g., related to the community safety, traffic and city planning) and the overall consensus was that citizens' views were not accounted for in the City Government (Linnaidee, 2014). There were no institutionalized channels established for citizens' participation apart from the legal requirements to notify and consult local inhabitants during the formal planning processes.

The initial idea of the network was to put together an alternative urban vision for the city of Tallinn. However, the main stakeholders quickly realized that not all volunteers had the capacity to fully engage with the implementation of the vision nor was the city open to the approach. This led to the creation of the Urban Idea network utilizing the know-how of the existing organization, Urban Lab. Urban Lab with 5-8 key individuals from in- and outside the lab became the leader of the Urban Idea project. The background of the key members in the initiative ranged from urban studies, city planning, architecture, political science, semiotics, law etc. All professionals in their field, directly engaged with the Urban Lab or volunteering for it.

The initiators tried to build up a cooperation model between neighborhood associations and the city government under the umbrella of the Urban Idea. Thus, it can be seen as a facilitator of communication and

interaction with city officials and other governmental institutions. The main aim was to actively influence real life decision-making and renewal of development plans, master and detailed plans, although openness and representation of local inhabitants were mentioned as well. The process was accompanied by advocacy trainings and seminars for neighborhood associations. The Urban Idea culminated with the formalization of the cooperation model under the Good Cooperation Pact (this was meant to set specific obligations to stakeholders – both the city and the NGOs – regarding openness, stakeholder inclusion and formulation of joint standpoints (Lippus, 2014)). Although city officials were involved in the process of the Urban Idea, the city of Tallinn did not wish to formalize the participation and thus, the pact has not been formally accepted by the City Government. Nevertheless, 49 organizations signed the Pact and Urban Idea has grown the network of neighborhood associations (Pehk, 2014).

Although, one of the goals of the initiative was to help the neighborhood associations to institutionalize, this was seen problematic due to both the available resources and also interest of those participating. In practice, the core network of the initiative did most of the work. Most enjoyed working with 'similarly minded' people. One of the volunteers described: *"We saw how they were doing things in the Urban Lab and the Telliskivi Association and we made our own association, but it never kind of picked off. But I went to an Urban Lab event and found myself in their network, we clicked."* This of course enforced specific interests and vision akin to younger, active urban elite. The council member of the Urban Idea described: *"While there was a circle of less and more active associations with different interests and motivations, the main stakeholders and volunteers seemed to work with their own motivation and vision."* Some conspicuous leisure/politics trends were also mentioned by the participants, for example: *"All the key people involved have gained a lot from the project. Most of us have gotten a lot of time in the media and I guess it helped us personally and with our professional image as well."* While the initiative and the professionals involved enjoyed media success, when it came to specific policies the issue of representation raised its head. It became clear that *„most of the active neighborhood associations are basically concentrated around one person, who leads the effort"* (civic society leader). Therefore, public officials saw that associations that were represented in discussions over the city space were *"younger and more educated than the average, with a lot of architects and urbanists – very similar in type –, those who would encounter city officials also outside of this building"* (city official).

#### 4.4. The Contested Area of Representation

Neighborhood associations like to see themselves as bridge builders between the local community, local organizations and the city officials. However, as also shown above in the context of the Urban Idea, these organizations tend to represent a more active, well-educated segment of local residents (Leetmaa et al., 2014). Thus, there were strong signs of an elite-clique developing in the area of urban development. Problems with 'inner democracy' have been previously acknowledged by the leaders of the Urban Idea as well (Pehk and Ait, 2015). One public official argued:

*"I don't think that the neighborhood associations know themselves which social groups or community they represent. All the individual interests are not represented there. It's a sensitive topic... /.../ With Telliskivi street renewal project we had a good working relationship with some of the people from the association, but then the local people called us and asked us why are you talking to them – why are you not talking to us."*

Consequently, when participating in discussions, the city has asked what legitimacy the neighborhood associations have and who do they represent. The representational issue is partially ethnical, but it also outlines the socio-economic divisions in society. For example, while Estonian and Russian leisure – and also serious leisure – activities differ, it is partially dependent on the weaker socio-economic position of the minority (see further Tammaru et al., 2014). This is an important hindrance because city has been governed for the past 10 years by the Central Party whose main supporters are Russian-speakers. However, the neighborhood associations, thus far, have been mostly Estonian and indeed representative of the new leisure class (younger, middle-class professionals with different backgrounds). The city argues that they are waiting for *"the democratization of neighborhood associations"* that they would become *"cross-generational, represent people from different socio-economic backgrounds /.../ We would like to see locals going with their request to the neighborhood association and them being a representative partner to us"* (city official).

The associations are well aware of the representation issue and the power of argument it gives to the City Government. Urban Idea started to actively look for partners from the predominantly Russian areas of the city – Lasnamäe – leading to the creation of the Lasnaidee (which at the beginning was very weakly connected to the main Urban Idea network). Nevertheless, associations seem not to be interested in becoming a representative organizations of the neighborhoods: they usually focus on

'active inhabitants' in their strategy documents, putting the emphasis on status-based participation and fostering diversity (Pehk and Ait, 2015) or using the narrative "*best idea should win*" meaning that the origin of the idea is not important as long as the argument prevails. This diminishes the possibility that there may be conflicts between citizen interests that cannot be solved through consensus or the fact that citizens may have varying capabilities to engage in debate.

As such, the citizen-level understanding of urban development is very much the face of the new leisure class in Tallinn. This can be seen in their areas of engagement and low interest among the Urban Idea participants towards social cohesion. Since the beginning of 2014 there are 22 neighborhood associations in Tallinn and most of their interests concentrate around public space issues, transport organizations and cultural projects (Pehk and Ait, 2015). Only two of the former give some attention for social services (ibid.). One of the interviewed civic society leaders participating in the Urban Idea explained: *„People involved in these initiatives have quite high incomes and they don't want to see other type of life next to them. /.../ Even those that feel they are open-minded are against soup kitchens being opened in their neighborhood.“*

#### **4.5. The Effect on Urban Governance: Switching Between the Modes of Governance**

On the whole, it is perceived by stakeholders that the city government cooperates more eagerly in fields that are 'suitable' for them. The city government of Tallinn is against any kind of formalization in the participation process: *“We could accept the Good Collaboration Pact, put our signature on it and then we have created expectations on both sides. But what if it doesn't work out? That would be damaging to both sides.“* While legally there is a requirement to involve other stakeholders in the planning process, the content of these activities is dependent on the municipality's good will and practices. This frustrated many participants of the Urban Idea:

*“The City government doesn't know how to think in a participatory system. They are hierarchically and centrally organized, and cannot make decisions themselves and thus, the room to act is limited. In rhetoric they commit to the participatory process, but in practice they don't – very little is decided in these meetings.“*

If the issues under debate are confrontational, then the general consensus from the interviews was that the dialogue dies away quickly. On the one hand, the city officials argue that deliberative participatory processes are important to enable the city government to discover new ideas and diver-

sify the development process. On the other hand, they see a real effect on their political expediency due to drawn out processes: their internal statistics show that if there is public (or private) interest coupled with protests connected to spatial plans under review, the average length of proceedings extends by 2 years and 4 months. Thus, the city government tends to define active citizen participation in the form of problems:

*“Lasnamäe [a Soviet high-rise building area in the East of Tallinn with the concentration of Russian-speaking] is the only problem-free region for us. There is more anonymity there and therefore, the region may be more obedient, less inclined for protest. Nor are there as many conflicts with developers or they just don’t stand out to us”* (city official).

Thus, we can note a tendency to de-politicize urban governance in Tallinn, especially from the side of the City Government: *“We want the developers themselves to go to the people in the neighborhood and discuss things through and come to us when it is already completed. Of course, they can come to us earlier as well, but it will take much more time”* (city official). Consequently, with the recent changes in the planning process, more responsibility is put on the developers and connected stakeholders to consult and argue amongst each other and reach a consensus prior to city government involvement. However, the city of Tallinn and governments in general seem to neglect the variety of citizens (as we outlined in the new leisure class debate) who have different resources and possibilities for self-organizing.

While there is still no clear division of tasks between the city and citizens, City Planning Department (with other topical departments regarding culture and sports) has become the main partner for the neighborhood associations. This partnership is based on personal relationships between city officials and Urban Idea members. Thus, most contacts have developed through informal channels rather than formal interaction and by taking part of various citizens’ meetings and seminars. While the City Government has played the representation issue against the neighborhood associations, they themselves would like to include ‘constructive’ and professional –status-based – participants to the planning process: *“we would like to include people who understand the field into our discussions”* (public official). Thus, there is a tendency that voices of the new urban leisure class are interpreted as the representation of the ‘local voice’ (see Leetmaa et al., 2014 for the Telliskivi Association case). Yet, these voices tend to compete with each other for attention and access as was the case with some urban projects mentioned in our interviews. This is something the city officials want to avoid.

## 5. Discussion

The process of participatory urban development is still in its early stages in Tallinn and the boundaries of the new relationship are tested. If five years ago there was no institutionalized cooperation between the city and citizens in the area of planning (as self-organization of citizens was low), then today it has developed into a mutually, albeit informally, recognized cooperation, initiated by and mediated through neighborhood associations and facilitated through the network created in the Urban Idea project. Over the course of the past years both the interest and capacity of civil society in participating in public service delivery planning, design and implementation has increased. At the same time, the neighborhood associations are not very representative of the neighborhoods and tend to carry the voice of the new leisure class and thus, the more civically active, locally connected and better-off part of society.

Going back to the prepositions presented at the end of Section 2, we can see that there is a tendency of homophily taking hold in these neighborhood associations with the more active and capable urban leisure class directing the agenda of the initiatives; they rely on personal networks and resources and there are no real other contenders from civil society to engage in planning discussions as these are dominated by investors and developers. This points to the fact that political access in Veblenian perspective is becoming a positional good. Consequently, issues of urban space and cultural activities take precedence over social cohesion or even economic development. Thus, while the city governments might be interested in more inclusive and representative neighborhood associations also to reach their social, economic and political goals towards increasing social sustainability, this has not been the goal of the initiatives under review. Various groups among the leisure class can be argued to view political access as positional good: if one group or organizations has access, so should they. This leads to conspicuous political participation process rather than substantial engagement with the city. This has given the city government also the needed ammunition to discount the legitimacy of neighborhood associations, when the need arises. This allows public officials to switch between urban governance models – expert-rational and procedural participatory – depending on interests and political expediency as was proposed in section 2 for the developing system.

Consequently, participatory processes have become more common in less political initiatives that do not bring forth a lot of debate and while new urban initiatives have been usually against technocratic urban planning, their capabilities and inclusion patterns seem to start to play a role in the former. Thus, the predicted ambivalence is more complicated than

was outlined in Section 2. On the long term, the participation patterns can of course change and the government can become reflexive to the interest of the leisure class led initiatives and the latter can be co-opted to the existing institutional framework as was predicted in section 2. However, it is too early to draw substantive conclusions based on the case at hand. Nevertheless, we see already now trends towards the depoliticization of debate. This raises many interesting topics for future research including the autonomy and independence of citizens' self-organizing efforts and if the following can survive upscaling and institutionalization.

## **6. Conclusions**

This article argued that new urban governance settings are vulnerable to status-based participation which is spurred on by both the market-dominated logic of urban development and new consumption-based class practices – i.e. the new leisure class. By bringing the Veblenian perspective to the realist class theory, we showed that there is a tendency in urban governance for political access to become a positional good, which is utilized by those with more resources. This new perspective helps to describe how – through competition and class practices in citizen initiatives – inequalities are reproduced in the urban environment even if urban governance processes are opened to citizens. Thus, the article brings forth a new theoretical avenue into researching participatory urban governance – positional political practices.

We have illustrated this in the context of CEE countries where there are strong tendencies of gentrification and where new participatory urban governance modes are still emerging. It is important for future research to look into the effects of positional political practices in contexts where civic engagement is much more developed, thus, meaning a much higher level of competition. Future research in this area might also profit from including other factors that moderate or mediate class practices in different urban settings.

## References

- Agger, A., E. Sørensen and J. Torfing (2008) It Takes Two to Tango. When Public and Private Actors Interact. In K. Yang and E. Bergrud (eds.), *Civic Engagement in a Network Society*, 15-39. Charlotte, NC: Information Age Publishing.
- Amin, A. (2005) Local community on trial. *Economy and society* 34.4, 612-633.
- Archer, P. and R. Orr (2011). Class Identification in Review: Past Perspectives and Future Directions. *Sociology Compass*, 5.1, 104-115.
- Blakeley, G. (2010) Governing Ourselves: Citizen Participation and Governance in Barcelona and Manchester. *International Journal of Urban and Regional Research* 34.1, 130-145.
- Blanco, I. (2015) Between Democratic Network Governance and Neoliberalism: A Regime-Theoretical Analysis of Collaboration in Barcelona. *Cities* 44, 123-130.
- Boelens, L. and G. de Roo (2014) Planning of Undefined Becoming: First Encounters of Planners beyond the Plan. *Planning Theory*, doi:10.1177/1473095214542631
- Bottero, W. (2004). Class Identities and the Identity of Class. *Sociology* 38.5, 985-1003.
- Bourdieu, P. (1984) *Distinction: A Social Critique of the Judgement of Taste*. Cambridge, MA: Harvard University Press.
- Bourdieu, P. (1998) *Practical Reasons: On the Theory of Action*. Stanford, CA: Stanford.
- Brade, I., G. Herfert and K. Wiest (2009) Recent Trends And Future Prospects Of Socio-Spatial Differentiation In Urban Regions Of Central And Eastern Europe: A Lull Before The Storm?. *Cities*, 26.5, 233-244.
- Brusis, M. (2005) The Instrumental Use of EU Conditionality: Regionalization in The Czech Republic And Slovakia. *East European Politics and Societies* 19.2, 291-316.
- Carpenter, J. and S. Brownill (2008) Approaches to Democratic Involvement: Widening Community Engagement in the English Planning System. *Planning Theory & Practice* 9.2, 227-248.
- Carpini, M.X.D. and F. Cook (2004) Public Deliberation, Discursive Participation, and Citizen Engagement: A Review of the Empirical Literature. *Annual Review of Political Science* 7, 315-344.
- Carr, J. (2012) Public Input/Elite Privilege: The Use of Participatory Planning To Reinforce Urban Geographies of Power in Seattle. *Urban Geography* 33.3, 420-441.
- Cassiers, T. and C. Kesteloot (2012) Socio-Spatial Inequalities and Social Cohesion in European Cities. *Urban Studies* 49.9, 1909-1924.

- Chang, S.C., C.L Fang, Y.C. Ling and B.K. Tsai (2011) Effects of Socio-economic Status on Leisure Volunteering Constraint: A Structural Equation Model. *Social Behavior and Personality: an international journal* 39.4, 477-489.
- Cochrane, A. (2007) *Understanding Urban Policy: A Critical Approach*. Blackwell, Oxford.
- Davies, J. (2011) *Challenging Governance Theory. From Networks to Hegemony*. The Policy Press, Bristol.
- de Wilde, M., M. Hurenkamp and E. Tonkens (2014) Flexible Relations, Frail Contacts And Failing Demands: How Community Groups And Local Institutions Interact In Local Governance In The Netherlands. *Urban Studies* 51.16, 3365-3382.
- Devine, F. and M. Savage (2000) Conclusion: Renewing Class Analysis. In R. Crompton, F. Devine, M. Savage and J. Scott (eds.) *Renewing Class Analysis*, 184–99. Oxford: Blackwell.
- Eshuis, J., E.H. Klijn and E. Braun (2014) Place Marketing and Citizen Participation: Branding As Strategy to Address the Emotional Dimension of Policy Making? *International Review of Administrative Sciences* 80.1, 151-171.
- Fernandes, L. (2004) The Politics Of Forgetting: Class Politics, State Power And The Restructuring Of Urban Space In India. *Urban Studies*, 41.12, 2415-2430.
- Flint, J. and M. Raco (eds.) (2012) *The future of sustainable cities: critical reflections*. Policy Press, London.
- Fraisse, L. (2011) Potential and Ambivalent Effects of Grassroots Initiatives on Neighbourhood Development. Available at: [http://www.social-polis.eu/uploads/tx\\_sp/EF11\\_Paper.pdf](http://www.social-polis.eu/uploads/tx_sp/EF11_Paper.pdf) (accessed 22.01.2015)
- Frank, R. (2012) Thorstein Veblen: Still Misunderstood, But More Important Now Than Ever. In E.S. Reinert and F.L. Viano (eds.) *Thorstein Veblen. Economics for an Age of Crises*, 353–359. London: Anthem Press.
- Frank, R.H. (2005) Positional Externalities Cause Large and Preventable Welfare Losses. *American Economic Review*, 137-141.
- Frenzel, F., and A. Beverungen (2014) Value Struggles in the Creative City: A People's Republic of Stokes Croft? *Urban Studies*, doi:10.1177/0042098014536239.
- García M. (2006) Citizenship Practices and Urban Governance in European Cities. *Urban Studies* 43.4, 745-765.
- Gentile, M., T. Tammaru and R. van Kempen (2012) Heteropolitanization: Social and Spatial Shange in Central and East European Cities. *Cities* 29.5, 291-299.
- Golubchikov, O., A. Badyina, and A. Makhrova (2014) The Hybrid Spatialities of Transition: Capitalism, Legacy and Uneven Urban Economic Restructuring. *Urban Studies* 51.4, 617-633.

- Grusky, D. B., and J.B. Sørensen (1998) Can Class Analysis Be Salvaged? *American Journal of Sociology*, 103.5, 1187-1234.
- Gualini, E. (ed.) (2015) *Planning and Conflict: Critical Perspectives on Contentious Urban Developments*. London: Routledge.
- Guarneros-Meza, V. and M. Geddes. (2010) Local Governance and Participation under Neoliberalism: Comparative Perspectives. *International Journal of Urban and Regional Research* 34.1, 115-29.
- Hamilton, F.E.I., K. Dimitrowska-Andrews and N. Pichler-Milanović (eds.) (2005) *Transformation of Cities in Central and Eastern Europe: Towards Globalisation*. Tokyo: United Nations University Press.
- Harvey, D. (2012) *Rebel Cities: From the Right to the City to the Urban Revolution*. London: Verso.
- Hegedüs, J. (2013) The transformation of the social housing sector in Eastern Europe: A conceptual framework. In J. Hegedüs, M. Lux and N. Teller (eds.) *Social Housing in Transition Countries*, 1-48. London and New York: Routledge.
- Higdem, U. and G.S. Hanssen (2014) Handling the Two Conflicting Discourses of Partnerships and Participation in Regional Planning. *European Planning Studies* 22.7, 1444-1461.
- Hirt, S. (2013) Whatever happened to the (post) socialist city? *Cities* 32, S29-S38.
- Hölzl, C. and H. Nuissl (2014) Urban Policy and Spatial Planning in a Globalized City – A Stakeholder View of Santiago de Chile. *Planning Practice and Research* 29.1, 21-40.
- Innes, J.E. and D.E. Booher (2004) Reframing Public Participation: Strategies for the 21<sup>st</sup> Century. *Planning Theory & Practice* 5.4, 419-436.
- Kährlik, A. and T. Tammaru (2010) Soviet Prefabricated Panel Housing Estates: Areas of Continued Social Mix or Decline? The Case of Tallinn. *Housing Studies* 25.2, 201-219.
- Kamenik, K., T. Tammaru, and O. Toomet (2014) Ethnic Segmentation in Leisure Time Activities in Estonia. *Leisure Studies* 34.5, 566-587.
- Koch, P. (2013) Bringing Power Back In: Collective and Distributive Forms of Power in Public Participation. *Urban Studies* 50.14, 2976-2992.
- Kovács, Z., R. Wiessner and R. Zischner (2013) Urban Renewal in the Inner City of Budapest: Gentrification from A Post-Socialist Perspective. *Urban Studies* 50.1, 22-38.
- Kubeš, J. (2013) European Post-Socialist Cities and Their Near Hinterland in Intra-Urban Geography Literature. *Bulletin of Geography. Socio-economic Series* 19, 19-43.
- Lees, L. (2008) Gentrification and Social Mixing: Towards An Inclusive Urban Renaissance?. *Urban Studies* 45.12, 2449-2470.
- Leetmaa, K., T. Tammaru, and K. Anniste (2009) From Priority-Led to

- Market-Led Suburbanisation in a Post-Communist Metropolis. *Tijdschrift voor economische en sociale geografie* 100.4, 436-453.
- Leetmaa, K., T. Tammaru, J. Holvandum, I. Pastak, K. Kamenik and A. Kährik (2014) Governance Arrangements and Initiatives in Tallinn, Estonia. DIVERCITIES project report.
- Lindemann, K. and I. Kogan (2013) The Role of Language Resources in Labour Market Entry: Comparing Estonia and Ukraine. *Journal of Ethnic and Migration Studies* 39.1, 105-123.
- Linnaidee (2014) Background Story. Available at: <http://www.linnaidee.ee/en/content/background-story> (accessed 24.06.2014)
- Lippus, M. (2014) On the Meaning of the Good Collaboration Pact. U-Estonian Urbanists' Review. Urban Idea Special, Tallinn.
- Maginn, P.J. (2004) *Urban Regeneration, Community Power, and the (in)significance of 'race'*. Aldershot: Ashgate.
- Maginn, P.J. (2007) Deliberative Democracy or Discursively Biased? Perth's Dialogue with the City Initiative. *Space & Polity* 11, 331-352.
- Mair, H. (2002) Civil Leisure? Exploring the Relationship between Leisure, Activism and Social Change. *Leisure/Loisir* 27.3-4, 213-237.
- Marcińczak, S., T. Tammaru, J. Novák, M. Gentile, Z. Kovács, J. Temelová... and B. Szabó (2015) Patterns of Socioeconomic Segregation in the Capital Cities of Fast-Track Reforming Postsocialist Countries. *Annals of the Association of American Geographers* 105.1, 183-202.
- Mayer, M. (2006) Manuel Castells. The City and the Grassroots. *International Journal of Urban and Regional Research*, 202-206.
- Mayer, M. (2009) The 'Right to the City' in the Context of Shifting Motifs of Urban Social Movements. *City* 13.2-3, 362-374.
- Monno, V. and A. Khakee (2012) Tokenism or political activism? Some reflections on participatory planning. *International Planning Studies* 17.1, 85-101.
- Morris, L. and J. Scott (1996) The Attenuation of Class. *British Journal of Sociology*, 47.1, 45-55.
- Musick, M.A. and J. Wilson (2008) *Volunteers: A social profile*. Indianapolis, IN: Indiana University Press.
- Pehk, T. (2014) "Koostöö hea tava" sai valmimisüritusel 49 organisatsiooni allkirja. (In Estonian) Available at: <http://www.linnaidee.ee/en/node/151> (accessed 03.03.2015)
- Pehk, T. and J. Ait (2015) Tallinn neighbourhood associations as the experts of local living. Available at: <http://www.yss.fi/journal/tallinn-neighbourhood-associations-as-the-experts-of-local-living/> (accessed 03.03.2015)
- Pratschke, J. and E. Morlicchio (2012) Social Polarisation, the Labour Market and Economic Restructuring In Europe: An Urban Perspective. *Urban Studies* 49.9, 1891-1907.

- Reay, D. (1998) Rethinking Social Class: Qualitative Perspectives on Class and Gender. *Sociology*, 32.2, 259-275.
- Roy, P. (2015) Collaborative Planning—A Neoliberal Strategy? A study of the Atlanta BeltLine. *Cities* 43, 59-68.
- Ruoppila, S. (2007) Establishing a Market-Orientated Urban Planning System after State Socialism: The Case of Tallinn. *European planning studies* 15.3, 405-427.
- Sagan, I. and M. Grabkowska (2012) Urban Regeneration in Gdańsk, Poland: Local Regimes and Tensions between Top-Down Strategies and Endogenous Renewal. *European Planning Studies* 20.7, 1135-1154.
- Savage, M. (2000) *Class Analysis and Social Transformation*. Oxford: Oxford University Press.
- Schmidt-Thomé, K. and R. Mäntysalo (2014) Interplay of Power and Learning in Planning Processes: A Dynamic View. *Planning Theory* 13.2, 115-135.
- Southerton, D. (2002) Boundaries of “Us” and “Them”: Class, Mobility and Identification in a New Town. *Sociology*, 36.1, 171–93.
- Stebbins, R. (2013) Unpaid Work of Love: Defining the Work–Leisure Axis of Volunteering. *Leisure Studies* 32.3, 339-345.
- Swyngedouw, E. (2005) Governance Innovation and the Citizen: The Janus Face of Governance-beyond-the State. *Urban Studies* 42.11, 1991-2006.
- Swyngedouw, E. (2010) Apocalypse forever? Post-political populism and the spectre of climate change. *Theory, Culture & Society* 27, 213-232.
- Sýkora, L. and S. Bouzarovski (2012) Multiple Transformations Conceptualising the Post-communist Urban Transition. *Urban Studies* 49.1, 43-60.
- Tammaru, T., K. Leetmaa, A. Kährik and K. Kamenik (2014) Urban Policies on Diversity in Tallinn, Estonia. DIVERCITIES project report.
- Tammaru, T., K. Leetmaa, S. Silm and R. Ahas (2009) Temporal and spatial dynamics of the new residential areas around Tallinn. *European Planning Studies* 17.3, 423-439.
- Taylor, M. (2007) Community Participation in the Real World: Opportunities and Pitfalls in New Governance Spaces. *Urban Studies* 44.2, 297-317.
- Tosics, I. (2005) City Development in Central and Eastern Europe since 1990: The Impacts of Internal Forces. In F.E.I. Hamilton, K. Dimitrowska-Andrews and N. Pichler-Milanović (eds.) *Transformation of Cities in Central and Eastern Europe: Towards Globalisation*, 44-78. Tokyo: United Nations University Press.
- Tsenkova, S. (2014) Planning Trajectories in Post-Socialist Cities: Patterns of Divergence and Change. *Urban Research & Practice* 7.3, 278-301.

- Turok, I., and V. Mykhnenko, (2007) The trajectories of European cities, 1960–2005. *Cities* 24.3, 165-182.
- Veblen, T. (2007) *The Theory of the Leisure Class*. 1912. New York: Oxford University Press.
- Weber, M. (2009) *Economy and Society*. 1922. Berkley: University of California Press.
- Williamson, A. and A. Fung (2004) Public Deliberation: Where Are We and Where Can We Go? *National Civic Review* 93.4, 3-15.
- Zukin, S. (1998) Urban Lifestyles: Diversity and Standardisation in Spaces of Consumption. *Urban studies*, 35.5-6, 825-839.

## Working Papers in Technology Governance and Economic Dynamics

The Other Canon Foundation, Norway, and the Technology Governance program at Tallinn University of Technology (TUT), Estonia, have launched a new working papers series, entitled "Working Papers in Technology Governance and Economic Dynamics". In the context denoted by the title series, it will publish original research papers, both practical and theoretical, both narrative and analytical, in the area denoted by such concepts as uneven economic growth, techno-economic paradigms, the history and theory of economic policy, innovation strategies, and the public management of innovation, but also generally in the wider fields of industrial policy, development, technology, institutions, finance, public policy, and economic and financial history and theory.

The idea is to offer a venue for quickly presenting interesting papers – scholarly articles, especially as preprints, lectures, essays in a form that may be developed further later on – in a high-quality, nicely formatted version, free of charge: all working papers are downloadable for free from <http://hum.ttu.ee/tg> as soon as they appear, and you may also order a free subscription by e-mail attachment directly from the same website.

The working papers published so far are:

1. Erik S. Reinert, *Evolutionary Economics, Classical Development Economics, and the History of Economic Policy: A Plea for Theorizing by Inclusion*.
2. Richard R. Nelson, *Economic Development from the Perspective of Evolutionary Economic Theory*.
3. Erik S. Reinert, *Development and Social Goals: Balancing Aid and Development to Prevent 'Welfare Colonialism'*.
4. Jan Kregel and Leonardo Burlamaqui, *Finance, Competition, Instability, and Development Microfoundations and Financial Scaffolding of the Economy*.
5. Erik S. Reinert, *European Integration, Innovations and Uneven Economic Growth: Challenges and Problems of EU 2005*.
6. Leonardo Burlamaqui, *How Should Competition Policies and Intellectual Property Issues Interact in a Globalised World? A Schumpeterian Perspective*
7. Paolo Crestanello and Giuseppe Tattara, *Connections and Competences in the Governance of the Value Chain. How Industrial Countries Keep their Competitive Power*
8. Sophus A. Reinert, *Darwin and the Body Politic: Schäßle, Veblen, and the Shift of Biological Metaphor in Economics*
9. Antonio Serra, *Breve Trattato / A Short Treatise (1613)* (available only in hardcopy and by request).

10. Joseph L. Love, *The Latin American Contribution to Center-Periphery Perspectives: History and Prospect*
11. Ronald Dore, *Shareholder capitalism comes to Japan*
12. Per Högselius, *Learning to Destroy. Case studies of creative destruction management in the new Europe*
13. Gabriel Yoguel, Analía Erbes, Verónica Robert and José Borello, *Diffusion and appropriation of knowledge in different organizational structures*
14. Erik S. Reinert and Rainer Kattel, *European Eastern Enlargement as Europe's Attempted Economic Suicide?*
15. Carlota Perez, *Great Surges of development and alternative forms of globalization*
16. Erik S. Reinert, Iulie Aslaksen, Inger Marie G. Eira, Svein Mathiesen, Hugo Reinert & Ellen Inga Turi, *Adapting to Climate Change in Reindeer Herding: The Nation-State as Problem and Solution*
17. Lawrence King, Patrick Hamm, *The Governance Grenade: Mass Privatization, State Capacity and Economic Development in Postcommunist and Reforming Communist Societies*
18. Reinert, Erik S., Yves Ekoué Amaïzo and Rainer Kattel, *The Economics of Failed, Failing and Fragile States: Productive Structure as the Missing Link*
19. Carlota Perez, *The New Technologies: An Integrated View*
20. Carlota Perez, *Technological revolutions and techno-economic paradigms*
21. Rainer Kattel, Jan A. Kregel, Erik S. Reinert, *The Relevance of Ragnar Nurkse and Classical Development Economics*
22. Erik S. Reinert, *Financial Crises, Persistent Poverty, and the Terrible Simplifiers in Economics: A Turning Point Towards a New "1848 Moment"*
23. Rainer Kattel, Erik S. Reinert and Margit Suurna, *Industrial Restructuring and Innovation Policy in Central and Eastern Europe since 1990*
24. Erkki Karo and Rainer Kattel, *The Copying Paradox: Why Converging Policies but Diverging Capacities for Development in Eastern European Innovation Systems?*
25. Erik S. Reinert, *Emulation versus Comparative Advantage: Competing and Complementary Principles in the History of Economic Policy*
26. Erik S. Reinert, *Capitalist Dynamics: A Technical Note*
27. Martin Doornbos, *Failing States or Failing Models?: Accounting for the Incidence of State Collapse*
28. Carlota Perez, *The financial crisis and the future of innovation: A view of technical change with the aid of history*

29. Rainer Kattel and Annalisa Primi, *The periphery paradox in innovation policy: Latin America and Eastern Europe Compared*
30. Erkki Karo and Rainer Kattel, *Is 'Open Innovation' Re-Inventing Innovation Policy for Catching-up Economies?*
31. Rainer Kattel and Veiko Lember, *Public procurement as an industrial policy tool – an option for developing countries?*
32. Erik S. Reinert and Rainer Kattel, *Modernizing Russia: Round III. Russia and the other BRIC countries: forging ahead, catching up or falling behind?*
33. Erkki Karo and Rainer Kattel, *Coordination of innovation policy in the catching-up context: Estonia and Brazil compared*
34. Erik S. Reinert, *Developmentalism*
35. Fred Block and Matthew R. Keller, *Where do Innovations Come From? Transformations in the U.S. Economy, 1970-2006*
36. Erik S. Reinert & Arno Mong Daastøl, *Production Capitalism vs. Financial Capitalism - Symbiosis and Parasitism. An Evolutionary Perspective and Bibliography*
37. Erik S. Reinert, *Zeitgeist in Transition: An Update to How rich countries got rich...and why poor countries stay poor*
38. Marek Tiits & Tarmo Kalvet, *Nordic small countries in the global high-tech value chains: the case of telecommunications systems production in Estonia*
39. Erik S. Reinert, *Mechanisms of Financial Crises in Growth and Collapse: Hammurabi, Schumpeter, Perez, and Minsky*
40. Erik S. Reinert, *Economics and the Public Sphere*
41. Osvaldo Urzúa, *Emergence and Development of Knowledge-Intensive Mining Services (KIMS)*
42. Carlota Perez, *Innovation systems and policy: not only for the rich?*
43. Peer Vries, *Does wealth entirely depend on inclusive institutions and pluralist politics?*
44. John A. Mathews, *The renewable energies technology surge: A new techno-economic paradigm in the making?*
45. Andrés Cárdenas O'Farrill, *Natural resource and service-based export performance: Cuba after 1989*
46. Ali Kadri, *The Political Economy of the Syrian Crisis*
47. Erik S. Reinert, *Jacob Bielfeld's "On the Decline of States" (1760) and its Relevance for Today*
48. Erik S. Reinert, *Primitivization of the EU Periphery: The Loss of Relevant Knowledge*
49. Erik S. Reinert and Rainer Kattel, *Failed and Asymmetrical Integration: Eastern Europe and the Non-financial Origins of the European Crisis*

50. Wolfgang Drechsler, *Three Paradigms of Governance and Administration: Chinese, Western and Islamic*
51. Wolfgang Drechsler, *A Non-Autistic Approach to Socio-Economic Problems: Kathedersozialismus and the German Historical School*
52. Erkki Karo and Rainer Kattel, *Public Management, Policy Capacity and Innovation*
53. Ting Xu, *The Production and Circulation of Manuscripts and Printed Books in China Compared to Europe, ca. 581-1840*
54. Philipp Robinson Rössner, *Burying Money. The Monetary Origins of Luther's Reformation*
55. Veiko Lember, Rainer Kattel, Tarmo Kalvet, *How Governments Support Innovation through Public Procurement. Comparing Evidence from 11 Countries*
56. Veiko Lember, Aleksandrs Cepilovs and Rainer Kattel, *Demand-side innovation policy in Estonia: rationales, limits and future paths*
57. Wolfgang Drechsler and Tiina Randma-Liiv, *The New Public Management Then and Now: Lessons from the Transition in Central and Eastern Europe*
58. Erik S. Reinert & Kenneth Carpenter, *German Language Economic Bestsellers before 1850, with two chapters on a common reference point of Cameralism and Mercantilism*
59. Andrea Saltelli and Catalin Dragomirescu-Gaina, *New Narratives for the European Project*
60. Egert Juuse, *Estonian banking regulation as a "world of 'dead letters'" – the interplay of Europeanization process and national idiosyncrasies*
61. Piret Tõnurist, Rainer Kattel and Veiko Lember, *Discovering Innovation Labs in the Public Sector*
62. Carlota Perez, *The new context for industrializing around natural resources: an opportunity for Latin America (and other resource rich countries)?*
63. Erkki Karo (Corresponding Author), Rainer Kattel, Ringa Raudla, *Aftermath of the Great Recession: Challenges of coordinating fiscal consolidation and growth enhancing innovation policies in Central and Eastern Europe*
64. Piret Tõnurist, Rainer Kattel, Veiko Lember, *New Leisure Class and Conspicuous Politics in Urban Regeneration Initiatives*

The working paper series is edited by Rainer Kattel (rainer.kattel@ttu.ee), Wolfgang Drechsler (wolfgang.drechsler@ttu.ee), and Erik S. Reinert (erik.reinert@ttu.ee), who all of them will be happy to receive submissions, suggestions or referrals.