

Māra Liepa-Zemeša and Daniel Baldwin Hess

Effects of public perception on urban planning: evolution of an inclusive planning system during crises in Latvia

This article explores changes in public perception of urban planning practice in Latvia during a period of economic crisis. Detailed analyses of the development of the planning systems in Latvia after the disintegration of the Soviet Union and restoration of independence (in 1991) are used to trace changes in public perception of urban planning over two decades during both economic upturns and downturns, beginning with the transition period from centralised planning during the totalitarian era to an inclusive planning system in a democratic society. Economic data describing the crisis and survey data gauging public reaction to them are used to synthesise evidence about public participation in urban planning exercises. Findings suggest that external factors strongly impact community perceptions of planning and that the public is willing to engage after first achieving individual goals. Events in Latvia in recent years suggest that crises serve as triggers for community engagement in planning and turning points in public perception of urban planning.

Keywords: Baltic States, economic crisis, neo-liberalism, democratic planning, centralised planning, inclusive planning, public participation, public perception, Riga, Latvia, post-Soviet, urban planning

Introduction

Public perception of urban planning is a critical part of the planning enterprise. People act on their perceptions because they believe them to be reality. For public engagement in planning to occur, people must possess an opinion about planning that allows them to at least participate in the process (this does not mean they positively support every decision or action). In this way, it is critical for planners to have a realistic understanding of the public's view about planning processes.

We define perception as an individual's or group's beliefs and understanding that guide thought about future actions. For this research, perception reflects confidence among members of the public that a planning process is inclusive, equitable and free of corruption and that through a planning process, planners are able to manage and direct urban growth or change and address problems or challenges. It is vital for planners to understand and react to the public perception of planning (and that perceptions may be more important than reality), because the public – or stakeholders – acts upon and reacts to its perceptions (Barrett, 1995).

Māra Liepa-Zemeša is Post-Doctoral Researcher in the Faculty of Architecture and Urban Planning, Riga Technical University, Latvia; Daniel Baldwin Hess is Associate Professor in the Department of Urban and Regional Planning, University at Buffalo, State University of New York, USA; email: mara.liepa@riga.lv; dbhess@buffalo.edu

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Participants and onlookers form opinions about all aspects of urban planning. Planners can control internal parts of planning processes – communication, timing, responsiveness – for individual projects and exercises. However, external workings affecting planning processes occur outside the control of planners – politics, law, environment and other trends (social, demographic). Planners must be ready to react to such events and develop strategies to meet demands placed on planning processes that also take into account core community values which in turn shape urban development. In this article, we explore one such external event: an economic crisis, both global and local, and its ramifications (political, social) on people's understanding of and trust in urban planning processes and planning professionals.

Research plan

To explore how public perceptions about urban planning shape and change, we rely on a natural experiment in which an external force – outside the control of planners – affects a planning environment in a city and region, allowing us to assess the public's engagement with urban planning before, during and after a transformative event.

Various researchers explore changes related to transition from socialism to democracy and a market-based economy in a body of work that analyses governance after the opening of borders (Semaniš, 1998; Nedović-Budić, 2001; Altroock et al., 2006; Stanilov, 2007a; Adams et al., 2011). Sociologists have explored the ability of the public to react to sweeping social and economic changes due to neo-liberal processes (Laķis, 1997; Bohle, 2006; Tsenkova, 2006; Ozoliņa, 2010), but less is known about connections between public engagement and urban development. While certain studies have described the development of planning legislation in post-socialist countries (Kern and Löffelsend, 2004; Adams et al., 2006; Kūle, 2007), scholarship about adapting modern planning principles in transition societies is undeveloped (Vujošević, 2004). Inclusive and equitable approaches (Reich, 1988; World Summit for Social Development, 1995; Forester, 1999; Feldman et al., 2009), typically implemented through public involvement, prevail in contemporary urban planning. However, researchers have seldom explored how public involvement is adopted in societies with no experience in democratic planning.

Economic crises produce significant societal impacts. Researchers have sought to explain social impacts of crises (Schuerkens, 2012; Otker-Robe and Podpiera, 2013; World Bank et al., 2014), economic impacts stemming from crises (Deshpande and Nurse, 2012; Page and Whaples, 2013) and urban development during a time of crisis (Adams et al., 2006; 2011; Institute of Urban and Regional Development, 2011).

Less is known about how planning process develops in reaction to the public perception of urban planning during a time of change or crisis. Our article is therefore guided by the following key question: in a post-socialist setting, what is the role

of the public's perception of the planning process during a time of crisis? We develop four guiding hypotheses. Our first hypothesis suggests that planning processes react to economic change by meeting both individual aims and collective aims. When a socio-economic environment is unstable, planning action cannot react to public demands as effectively as in a stable environment, and planning processes can be improved by clarifying when and how the public should engage in the planning process. Our second hypothesis, that macro-economic change can strongly influence engagement in urban planning, stems from a belief that people react when their quality of life is at risk. Public engagement is integral to the success of urban planning exercises, and our third hypothesis suggests that public trust of government is critical for people to engage in planning. It is difficult to implement planning objectives if they were not mutually agreed upon by parties engaged in planning processes. Because we situate this inquiry in a relatively new democratic planning system, in which the economic system is also maturing, we suspect (our fourth hypothesis) that people's aspirations for improving their own quality of life strongly influence their views of government and planning for years afterward.

In this article, we conduct comparative analyses of planning methods and outcomes to assess public engagement (or lack of engagement) in planning processes. We study a distinct planning system in a post-socialist nation that, in its current form, is relatively young (about 20 years old) and is patterned after well-established planning systems in North America and Western Europe. To address the research questions, we review planning legislation and resolutions to understand documented changes to planning policy. We conduct our research by analysing and combining (1) demographic and socio-economic data for identifying crises and public reaction to them, (2) regulatory and planning documents in the Baltic States and (3) data about public participation in urban planning exercises. We introduce various indicators (both relative and absolute) – including public opinion polls – to link public perceptions with contextual events. While we focus on a post-socialist society and situate our work in social science scholarship explaining societal change, we devise a research method that can be replicated in other contexts and settings. We next explain our unique research context in a post-socialist setting, and analyse how the public developed perceptions about urban planning and how those perceptions changed over time in response to various actions and forces.

Overview and context

In recent decades, Europe has endured irreversible political, social and economic processes that have dramatically affected urban and regional development. A key political event was the disintegration of the Union of Soviet Socialist Republics (USSR) in 1990, which interrupted socialism throughout a vast part of Europe and

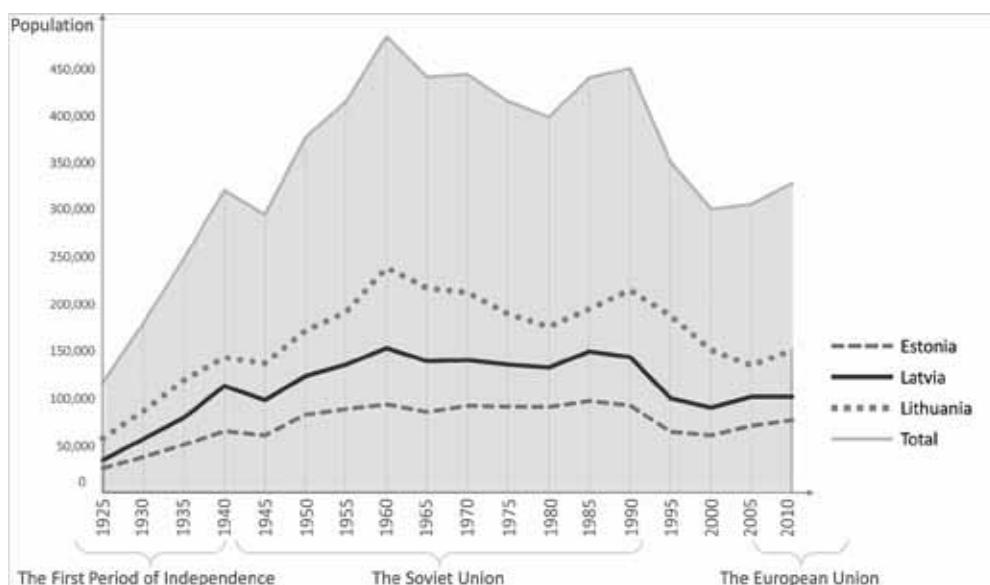


Figure 1 Population in the Baltic States (2014) by year of birth

Source: Statistics Estonia, 2014; Statistics Lithuania, 2014; Central Statistical Bureau of Latvia, 2014

deeply transformed economic and social processes. The command economy of the USSR transformed into a universal, worldwide economic mechanism. The Treaty on European Union (or the Maastricht Treaty [States of European Union, 1992]) authorised the European Union (EU), greatly expanded common policies between participating European countries and established various forms of cooperation.

An important enlargement of the EU occurred in 2004, when a number of former Soviet countries joined – Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Romania and Bulgaria joined in 2007. Joining the EU dictated, in part, the growth of post-socialist societies, their ability to adapt to changes and their willingness to envision future scenarios (a vital ingredient for democratic planning). Residents' ability to react to changes in political, economic and social spheres must be carefully considered when establishing an inclusive planning process in which individuals are encouraged to participate. In many European nations, a large share of adults have lived part of their lives during state socialism (see Figure 1). Today, 80 per cent of adults of working age in the Baltic States were alive during the socialist period.

Compared to other post-Soviet places, the Baltic States experienced significant changes in socio-economic processes after the USSR disintegration. In the last quarter century the Baltic States have endured a series of post-transition periods (Sykora

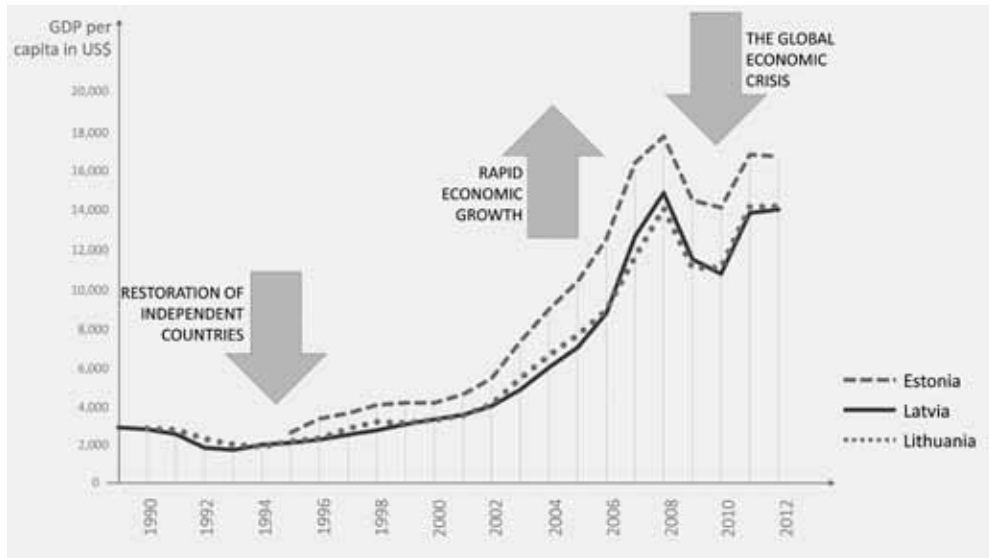


Figure 2 GDP per capita (2014 US\$) in the Baltic States, 1989–2013

Source: World Bank, 2014

and Bouzarovski, 2012): (a) restoration of independent countries (in 1991); (b) rapid economic growth (2004 to 2008); (c) rapid economic decline during the global crisis in 2008 and gradual recovery (see Figure 2). For these reasons, we focus our analysis generally in the Baltic States and specifically in Latvia.

The development of a democratic planning system

Until 1991, the Baltic States were part of the totalitarian USSR, notorious for its strong centralisation of economic life and total dictatorship by the communist party (Cohen, 1985). Planning was centralised and driven by political goals. The government controlled every aspect of citizens' political, economic, spiritual and family lives. In the true spirit of socialism, the collective good trumped individuality (Laķis, 1997). In the 1990s, the Baltic States made a transition from the existing totalitarian political system to new democracies; political systems were justified on the basis of constitutions from the first period of independence (1918–40). A representative democracy was established, overseen by a parliament and local authorities. In order to create new systems for public administration, the Soviet system was combined with the legacy of the first state and then adjusted to contemporary conditions (Tsenkova and Nedović-Budić, 2006).

A large-scale transition from a planned economy to a free market economy could occur only after deconstructing state ownership systems and establishing favourable conditions for private capital to infuse the economy (Jones and Mygind, 2000; Karadjova, 2004). Land reform occurred in both rural and urban areas (Swinnen, 1999). Denationalisation and privatisation of state and municipal residential buildings put housing in the hands of individuals, a new approach in a society that, for nearly 50 years, had only one type of property – collective property, without individual ownership and responsibility.

Hyperinflation in the early 1990s significantly decreased purchasing power, and many people lost their savings. People had hoped for a sovereign country to ensure personal freedom and prosperity. However, the reality was different: challenging economic conditions caused a pessimistic mood, and an unusually high number of suicides occurred in 1993 while birth rates decreased and emigration rates swelled (Central Statistical Bureau of Latvia, 2014). Dramatic population decline in the Baltic States began at the end of the Soviet regime and is a concern today.

Centralised planning during the Soviet period was designed with an ambition to provide comparable living conditions for all people. In the 1990s, there was great disparity between quality of life in western countries and post-Soviet countries (Hess et al., 2012). Private-sector participation in the economy expanded. Those who were prepared to adapt to changes and acquire new knowledge were in a better position. During the Soviet era almost everything – education, culture, science, recreation – was controlled by the state (Zvejnieks, 2003); consequently, reforms were necessary in all realms of life and they affected everyone. Social inequality increased.

In the 1990s, there was much effort given to independent and democratic state-building. Local governments were introduced as indirect administrative bodies envisioned to mediate between state, public and individual interests and to manage local economic development and environmental requirements. They played a key role in urban planning in the Baltics since the 1990s.

Establishing urban planning as a civic institution

After the restoration of independence, much attention was paid at the state level to the creation of a comprehensive, decentralised, democratic and open planning system. On the one hand, there was willingness to follow principles of sustainability, evidenced by participation in international organisations (the Vision and Strategies around the Baltic Sea, the United Nations Educational, Scientific and Cultural Organisation, the Union of Baltic Cities, Local governments for Sustainability and others). Satisfying EU and NATO requirements (North Atlantic Alliance, 1949; States of European Union, 1992) was important. The largest Baltic cities signed the Aalborg Charter in 1994, promising to adhere to sustainable development principles for city development.

On the other hand, privatisation and property rights also needed attention during the transition, and private interests often prevailed over political sentiment (Semaniš, 1998). Urgent decisions about urban development were required quickly without the luxury of wide public debate. A lack of both intellectual and financial resources inevitably led to inadequately conceptualised work on the part of state authorities.

During the Soviet period, the population in the Baltic States, especially in Latvia, increased rapidly due to immigration and high birth rates (Central Statistical Bureau of Latvia, 2014). Housing was lost during the Second World War. The most effective way to accomplish housing equality was to build apartment houses and limit construction of detached homes. During the Soviet era, the main responsibility for planners was development of large industrial housing estates or *mikrorajon*. The Soviet government determined the number of people and the location (Millers, 2013). Local planners were consulted on selecting building types and their site placement (Hess and Hiob, 2014). This work was usually performed by architects educated in polytechnic institutes. Universities did not offer education in urban planning. After the restoration of independence, there were no local specialists with professional experience as urban planners in democratic settings.

Foreign specialists played key roles in the development of the planning system. Through cooperative learning and engagement, local planners were introduced to urban planning practice in developed countries. After the opening of borders in 1991, many foreign-based Latvian nationals visited the country and offered experience exchanges, including North American-based planners Sigurds Grava, Andris Roze and Edmunds Valdemars Bunkse. Workshops were organised in Riga and Jūrmala in the summer of 1991 in which local planners were introduced to democratic planning principles and taught objective assessment (Roze, 2014). Soon after, Roze produced Riga's first post-Soviet development plan for 1995–2005 entitled Plan1995 (Asaris et al., 1995). It was a first-of-its-kind document for development planning in the Baltic States, which set the bar for future endeavours. Local governmental bodies and foreign institutions contributed throughout the 1990s to a professional experience exchange in the form of lectures, training programmes, presentations and pilot projects.

At the time, European planners were busy addressing spatial planning challenges owing to the opening of borders. The education of planners coincided with execution of the Maastricht Treaty during a period when environmental protection was on the agenda in European countries (States of European Union, 1992). Post-Soviet planning specialists were mainly educated in physical planning while economic, social and other important issues remained secondary; consequently, planning systems in the Baltic States emphasised spatial planning.

Grappling with the perception of urban planning

The public perception of planning in the Baltics in the 1990s was strongly associated with independence and the establishment of nation-states. By the late 1980s, a liberalisation process of the political regime (*glasnost* and *perestroika*) erupted in the USSR. Critical cultural and ecological movements against broad urban development emerged. These activities nurtured the public dimension of a national consciousness, which later grew into criticism of Soviet ideology, totalitarianism and human rights abuse. National independence movements fought to leave the authoritarian regime, to democratise society and emphasise a key democratic principle – the right to self-determination (United Nations, 1945). Therefore, the only immediate goal was withdrawal from the USSR and restoration of an independent and national state.

Sociologists argued that the Soviet ideas of social equality, an inability to affect political and economic (including individual) processes and basic social security provided by the state created in society a widespread psychological phenomenon – people with a lack of personal initiative and responsibility (Шацкий, 1990; Laķis, 1997) who are suspicious of others and untrusting (Zvejnieks, 2003). Given such conditions, establishing a democratic planning process was challenging or even impossible.

In the 1990s, most people had little interest in urban development debates. Similar to Soviet practice, public dialogue was rare. Professionals lacked knowledge about democratic planning and planning processes in free market conditions and the public lacked such knowledge to an even greater degree. Members of the public did not believe that their opinion could play a role in urban development. Also, there was a lack of a complex vision for further development given new conditions. Thus the public wanted, on the one hand, to shed the past but, on the other hand, was unready to plan its future.

Democratic urban planning requires public engagement

The Latvian system prescribed that elected representatives make decisions, the executive branch ensured a planning process, and the public (individually or through representative organisations and institutions) had the right to participate in planning exercises. However, the experience of developed countries shows that public participation depends not only on establishment of a legal framework but also on social practice. Transparency in decision-making was something new in post-Soviet society. During the Soviet era, planning decisions were made without public participation (Hess and Hiob, 2014). Construction, transport and infrastructure projects did not consider land value, because a real estate market did not exist (Millers, 2013). Information about plans affecting development was available only for official use. All forms of cartographic material were secret due to military security. The starting point

for planning was deliberately distorted. If information was published, it was general and schematic (Küle, 2007). Thus, at the time of the disintegration of the Soviet Union, the public had no participatory planning experience.

Public participation in planning processes was perceived as an extension of general public interest in development processes in the mid-1980s (Küle, 2007) when the public generally opposed new projects. Such attitudes were significantly different from conflicts of interest, which appear in a democratic society when various private interests possess opposing views and opinions must be reconciled. Plan1995 was the first effort for which residents could view city maps and development plans, still stamped with the Soviet mark '*sekretna*' ('secret' in Russian). Residents attended public meetings and were interested in understanding the concept of urban planning, but they were hesitant to offer opinions (Roze, 2014).

The first place where public participation was required by law was spatial planning. Local governments by law had to ensure public participation. Legislation and resolutions required that any person could submit proposals and feedback about a territorial plan and receive a reply. It was possible to appeal any decision in court. In the new planning system in Latvia, progressive public participation principles were incorporated into legislation and resolutions, which meant that the public was given ample opportunity to engage. Urban planning thus became a pioneer in public participation from which experts in other disciplines, where political decisions must be made amid differing opinions, could learn.

A planning system is established in Latvia

The foundation for democracy was put in place in the 1980s by environmental organisations that established environmental protection systems. Urban planning in Latvia thus developed according to established governmental protocol and environmental protection. Many principles were then foreign to Latvians and needed to be adapted to local conditions. The planning system developed as comprehensive and cross-sectoral; spatial planning became its strongest component, creating a framework and a structure for guiding development planning. Spatial planning is a key tool for implementation of a general land policy. It gained importance in the Baltic States because it was needed for effective management of land reform and privatisation. In 1994, the Latvian government issued the first state-level regulation on spatial planning.

Ambitious strategies defined in Plan1995 were ideologically modern (Kublačovs, 2008). Development processes followed modern democratic planning principles; officials carried out research to understand challenges, consulted with various organisations and empowered the public to express opinions and offer suggestions. A liberal approach, leaving space for interpretation while at the same time advancing towards established goals, was preferred.

When Plan1995 was drafted, land reforms and privatisation were in full swing. Plan1995 could not have made provisions for chaos in property structure caused by land reform and the sequence of economic development processes. Real estate became privatised, and land reform did not respect spatial planning principles. As a result, the land property structure became so complex that it was difficult (and in some cases impossible) to implement development plans (Kublačovs, 2008). Nevertheless, this document launched the development of a modern planning process in Latvia and established important directions for urban development.

To implement planning principles by learning from countries with long-standing democracies is a lengthy process (May, 1999). However, it can be achieved faster if the public is driven by a desire to improve its quality of life. Rules of the game were not clearly defined during the transition period and the public did not have a common understanding of tasks. Introduction of a liberal approach provided space for various understandings and methods of implementation. It was daring for a post-Soviet society. Legislation and resolutions initially promoted the introduction of performance zoning. In response to problems caused by the public perception of urban planning (Stanilov, 2007b) – unclear objectives, indisposition to work for public interests, distrust of government, risk of corruption and self-interest – amendments were made to legislation leading to resolutions that regulated Latvia's planning system.

Early functioning of the planning system during prosperous years

By joining the EU and NATO in 2004, the Baltic States achieved important foreign policy goals (Tisenkopfs, 2006) that accelerated growth. An overriding objective of the neo-liberal political agenda in all member states is to achieve a high and sustained rate of economic growth, increased employment and better living standards (Davoudi, 2006). There was constant and rapid economic growth in the countries after 2004. Steadily increasing lending volumes and an availability of EU funds had a great impact on economic activity (Valsts reģionālās attīstības aģentūra et al., 2007) and led to rapid growth of gross domestic product (GDP). The public believed that it would soon reach the level of rich member states of the EU and personal well-being would significantly improve. Having experienced difficulty during the transition period, the public demanded immediate compensation. Individuals were unwilling to wait for a better life in the future; they wanted it here and now (Tisenkopfs, 2006). Commercial bank lending was favourable to grantees, readily providing loans for purchasing apartments or establishing new businesses. Between 2000 and 2007, real estate prices in Latvia rose almost 700 per cent (Global Property Guide, 2014). Personal income did not grow as fast as real estate prices. In 2007, the average horizon for future plans was 1.5 years, but by assuming mortgages, people accepted a commitment of, on average, eighteen years (Kīlis et al., 2009).

The position of planning professionals

The political environment in the Baltic States between 2004 and 2008 was strongly influenced by development trends, and the domination of neo-liberal rhetoric and agendas helped shape development. New investments and acquisition of finance were key challenges for politicians, who were chiefly concerned with attraction of investment and acquisition of finance. The Baltic States, however, had little experience in acquiring funding in such amounts. Often the main goal of plans and projects during this time was not to address specific problems (Brizga, 2005) through long-term action stemming from mutually agreed upon plans, but to capture as much funding as possible. Rapid economic growth inspired people to ignore expert forecasts of population decline and economists' warnings about a real estate market that could become overheated. Politicians set ambitious goals requiring both public and private investment.

Shortly before the 2008 global financial crisis, the Annual World Urban Development Congress 'Riga INTA32' took place in Riga (International Urban Development Association INTA, 2008). Representatives of the three Baltic capital cities presented plans for urban development, each optimistically stating that their city was poised to become the Baltic centre for trade, transport, culture and tourism. Planned projects included major expansions of airports, ports and transport infrastructure and the addition of ambitious cultural complexes. On a political level, priorities were set recklessly. Acknowledging that the private sector is the main initiator and executor of development in a market economy, politicians responded to initiatives and offered support.

Privatisation processes continued, and local governments sacrificed many properties for privatisation. Planners lacked experience and knowledge about incentive zoning and use of planning tools based on mutual agreement. In addition, there was no regulatory basis for effective private–public partnerships, which further hampered development.

Local governments in Latvia were authorised to make decisions regarding urban development and could choose the most effective planning tools. The only requirements were a territorial plan and a development programme; however, budgeting and development planning were still poorly connected. Local governments adopted budgets for only the following fiscal year. An investment plan was part of a development programme and was a medium-term planning effort. The state did not order local governments to develop a strategy for long-term development. Politicians were interested in maximum discretion and believed, consistent with the neo-liberalisation of planning in Latvia, that strictly defined plans limited opportunities for urban development and reduced competitiveness, making it difficult to respond flexibly.

A key conflict arose between short- and long-term interests. Private initiatives were aimed at gaining quick profit and improving personal well-being, paying little attention

to overall public benefits. Key to successful implementation of a project was political support. However, political liability was relatively low. The short-term approach also suffered from inconsistencies in establishing priorities, support programmes and eligibility criteria on the national level.

In order to shorten the duration of proposal evaluation and avoid potential barriers to urban development, local government officials employed both political and financial tools. Project assessment by planners was often excluded. Planners were primarily responsible for preparation of statutory planning documents; secondarily, they (1) tackled local issues related to land privatisation and (2) developed options for private initiative. Planners implemented various international planning agreements, but the reaction on a political level was apathetic – many local plans were prepared but not adopted. Informal planning in local governments worked poorly in practice because political action preferred short-term solutions; local legislation did not clearly define planning obligations and distribution of funding for local governments. The public was concerned that governments were motivated by elite rather than public concerns.

The public perception of urban planning continues to evolve

During the second transition decade, the public was insufficiently aware of its rights and was inert and indifferent (Hess and Hiob, 2014). Objections mostly occurred after planning documents had already been approved or during project implementation when it was too late for changes. Unresponsiveness to these late objections served to increase public dissatisfaction with urban planning. Consequently, members of the public generally believed that they could not influence decisions. The public only became involved when a narrow private interest, such as protection of title to real property, was jeopardised (Ozoliņa, 2010).

People eventually became more aware of property rights. Most knew that the value of property could increase in an unstable property market. One strategy for increasing land value was to include the maximum use potential in plans. Owners used their rights to submit their preferences during public discussions to influence land-use planning. A review of detailed plans in Riga between 1999 and 2009 suggests that nine out of ten projects were not implemented (Rīgas domes Pilsētas attīstības departaments, 2005–2013). Initiators of motions in local planning had speculative purposes (Sirmā, 2013).

Landowners were the most active participants in public discussions because they wanted to ensure optimal conditions for use of private property. Due to a lack of public engagement, private initiative generally prevailed over public interest. The dominating view was that individuals' opinions would not be considered and final decisions would be unaffected by opinions expressed. Individuals did not trust the

information provided to them and perceived public discussions as a formality in which they need not participate.

Through 2008, the popularity of representative democracy significantly declined in all Baltic States. According to 2007 surveys, three-quarters of Latvians did not trust Parliament, the executive power, or political parties (*Tirgus un sabiedriskās domas pētījumu centrs SKDS, 2007*). Local governments, especially in large cities, also suffered negative perceptions (*Latvijas fakti, SIA, 2008*). A low level of trust challenged implementation of state policy and weakened the legitimacy of governmental action. Citizens in the Baltic States did not perceive government as effective, liable or honest (Jacobs, 2004).

The discretion of local governments

Public discussions about urban planning were in fact the only avenue through which the public could receive objective information and express opinions. Public involvement requires time and financial resources and there is a risk that a project will spark a public reaction that might demand an alternative solution. Public engagement was viewed by developers as a barrier to project momentum.

Taking into account the experience of other European countries, in 2004 Riga City Council initiated three inter-related actions. The effort was to produce (1) the Riga long-term (through 2025) development strategy, envisioned as a cross-sector and conceptual frame for urban development, (2) a development programme, providing a more detailed explanation of the strategy's specific activities and projects and (3) a territorial plan for guiding spatial development. Like other Baltic cities, Riga's plans were based on optimistic development forecasts (Kublačovs, 2008). The city's long-term development vision – 'Riga is an opportunity for everyone' – and liberal approach, however, failed to provide concrete direction for development.

Planning developed even slower in small cities. In order to stimulate planning in all municipalities, the state provided subsidies (since 1996) for planning exercises. Despite this, 75 out of 522 (or 14 per cent) local governments still did not have territorial plans in 2008. The main reasons for a lack of written plans include a lack of expertise and an inability (and unwillingness) to define long-term development goals. Urban planning was better developed in the largest cities. There, finances were more stable, planning expertise existed and development was more urgent. Entrepreneurs and residents were more engaged in the planning process, too.

During the preparation of plans for Riga in 2004 and 2005, the largest public participation campaign in the history of Latvia occurred; urban planners concede that this was also the first time the public was properly introduced to an inclusive planning process (Miķelsone, 2013). The public was unfamiliar with expressing opinions about planning alternatives, but after plans became effective, public awareness about the importance of urban planning had improved significantly.

Planning as rule

With political instability and poor communication, people stopped caring about public interests. Public attitude towards planning was often nihilistic. Aspects that were not legally binding were not interpreted in accordance with the legislative intent or were ignored completely. Thus, legal tools became more important in urban planning. Until 2012, Latvian legislation prescribed a territorial plan as the only long-term document for urban planning. Development of new plans required more resources because local governments had to issue them as normative acts, which complicated planning processes.

Legislation required territorial plans to address pending questions about the use of specific properties. This, in turn, increased the level of detail in territorial plans. In order to avoid conflicting interpretations and limit discretion, urban planners created even more detail in territorial plans. In some cases, planners tried to anticipate every possible scenario. Thus, the overall long-term goal was no longer visible because too much attention was paid to details.

Since the restoration of Independence, post-Soviet societies sought to make urban planning decisions in inclusive ways. However, the experience of the two decades in building democracy showed the opposite process – urban planning developed less as agreement after public discussion and more as regulation set by authorities. Improving living standards resulted in growing individualism. People lacked an ability to think in the long term and had acquired little appreciation for urban planning. A lack of clear rules created conflicts among individuals and weakened general trust of authorities.

Because planning practice was still undeveloped, it was not perceived as a provider of legal stability (Stanilov, 2007b). Many individuals exploited the planning process for speculative purposes. The public was not morally prepared to cope with planning requirements that could be interpreted loosely. Euclidean zoning was introduced and became the main urban regulator. The state government became apprehensive that local governments did not act according to the legislative intent of planning. In 2011, a new national planning law was created. The goal was to establish public participation and achieve institutional transparency throughout local governments' multi-stage planning processes. Strategic planning was consolidated so that spatial development could be appropriately addressed. The new regulation limited the power of local governments in implementing unified requirements and land use actions. A new system made all planning documents publicly available.

An economic crisis empowers a democratic planning process

Actions lead to overvalue

The 2008 global economic crisis (World Bank, 2014) severely impacted the economy in all three Baltic States. By the end of 2008, 72 per cent of Latvians were sceptical about the improvement of the national economy (Latvijas fakti, SIA, 2008). The financial sector and the state budget were in a dire situation. The state government was forced to seek international help and engage in various unpopular practices (such as reduction of government workers and contraction of government grants) to stabilise the economy.

The crisis initiated fundamental societal changes that had cascading effects on consumer habits and collective values (Otker-Robe and Podpiera, 2013). Income tax data suggest personal income significantly decreased during the crisis and unemployment grew rapidly (in 2009 alone, more than 5 per cent of Latvians became unemployed; Central Statistical Bureau of Latvia, 2014; Statistics Estonia, 2014; Statistics Lithuania, 2014). Many households experienced difficulties repaying loans. In 2009, nearly half of Latvian residents (46 per cent) admitted that they had borrowed too much money in the hope of future economic growth. Nearly 50 per cent admitted that optimism was the reason for their debt profile (Rudzītis and AS SEB Banka, 2009).

Significant political changes occurred during elections for local governments in 2009 when a left centrist party won a majority of votes in the capital and in several regional municipalities (and later strengthened its position in 2013 elections), becoming the main force in local decision-making for approximately 40 per cent of Latvians. The party, however, is still not represented in the government and is in opposition in the Parliament. In 2011, Latvian citizens voted to dismiss the Parliament, but this action did not strongly affect the state's political direction.

The rapid recession stopped in 2010 and economies in the Baltic States stabilised gradually, but the prognosis for global economic growth is now modest. The Baltic States depend on global markets and economies. Russian foreign policy seriously impacts economic development in neighbouring countries; in 2014 and 2015, all attention in the political arena is focused on Ukraine and prediction about how events there could affect the Baltic States (Saytas and Kritaine, 2014).

Since the restoration of Independence, the Baltic States have faced an overall population decline – 20 per cent over 23 years (1991 to 2014). During the economic crisis, the birth rate fell and emigration increased (Central Statistical Bureau of Latvia, 2014; Statistics Estonia, 2014; Statistics Lithuania, 2014). The population in the Baltics is projected to continue to decline, eroding the countries' economic potential. In the next few years, key challenges include adaptation to global economic challenges, energy security, climate and environmental change and quality-of-life improvements.

Although economic indicators suggest that the crisis is over and the Baltic States

have experienced an economic upturn, the overall public mood has changed. The recession demonstrated that income growth is not infinite. In recent years, however, the number of residents who blame the state for failing to provide a high living standard has decreased (Rudzītis and AS SEB Banka, 2013). The number and value of deposits is growing, suggesting that people have made significant changes and can assume greater financial responsibility going forward.

Tolerance and coming together

High quality of life cannot be achieved individually (Tisenkopfs, 2006). An important indicator of quality of life is 'social interaction' (Frey and Stutzer, 2006), encompassing interactivity, supportive relationships and social cohesion (Eurostat, 2014). In a democratic society, individuals have a right to maximise their utility (intended to increase individual welfare) or to search for an integrated approach to life and interactions with others while at the same time enjoying the perks of financial welfare. Public willingness to give opinions about development issues and urban planning grew after 2008.

During the post-crisis period, non-governmental organisations (NGOs) formed to protect certain public interests. Between 1991 and 2011, 13,284 NGOs were established in Latvia (26 per cent of these were founded in 2009 and 2010). Half of the NGOs are public benefit organisations, whose objective is public interest rather than interests of a specific group, and 25 per cent of NGOs pursue economic, social and community improvement (Baltic Institute of Social Sciences, 2011). The number of NGOs continues to grow, suggesting their importance in democratic society. They have become important entities in urban planning.

Urban planning initiatives in Latvia have become more modest in the post-crisis period. Ambitious plans have not been implemented. In the pre-crisis period, there was a tendency to seek maximums for development projects. In the post-crisis period, people requested that planning efforts in Riga minimise the figures for development potentialities to lower real estate tax and to satisfy smaller development appetites. Sustainability and efficiency have become more important.

Public trust and support is higher when the decision-making process is transparent. More effective and constructive public participation in urban planning can strengthen citizens' skills and ability to take part in other processes that require public involvement. In recent years, Riga's urban planners have turned greater attention to listening to the interests of individuals. Planners conclude that 'people who come to public consultations today have a clear vision of what they want and understand the meaning of planning actions under discussion' (Miķelsone, 2013). The composition of public groups has diversified. Approximately 600 people attended eighteen meetings in Riga neighbourhoods (organised by Riga municipality during autumn 2012); 85 per

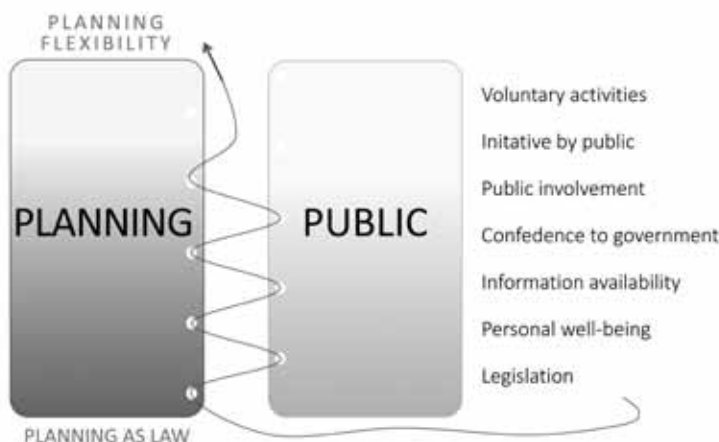


Figure 3
Interaction
between public
trust of government
and opportunities

cent of attendees were Riga residents, 8 per cent represented educational institutions and 6 per cent were affiliated with NGOs or interest groups, representing twenty-two organisations. More than half of the attendees requested future contact with the Riga planning team (Kalvīte, 2015). With keener understanding of both planning processes and societal processes, participants have developed tolerance and willingness to listen to others' opinions. Latvians have made progress toward development of a democratic planning process during the economic crisis.

Public satisfaction with opportunities to influence urban development by participating in both planning and decision-making processes is growing: in Riga it was 18 per cent in 2008 and 35 per cent in 2013. Public satisfaction with people's ability to influence municipal decision-making has also grown, from 15 per cent in 2007 to 20 per cent in 2013 (Latvijas fakti, SIA et al., 2013).

Public insight into urban planning has matured over the years. If local governments – as public representatives and balancers of interests – ensure a consistent and clear planning process (understood by all parties) and also ensure ongoing dialogue during plan development and implementation, public trust grows and an inclusive planning process develops (see Figure 3).

Discussion and conclusion

Since the collapse of socialism, closer relationships among different countries and supranational coordination and integration of economic planning are more meaningful. Various external factors, sometimes from non-local origins, have strongly

impacted urban development and also affected community perceptions of planning. Widespread belief that the government is to be blamed for economic catastrophe (due to an inability to foresee potential future problems) produced distrust in planning processes and passive involvement in them. Better understanding of the impact of external factors on planning processes and opportunities for the public to engage in urban planning can potentially lead to more robust and sustainable environments in which the public is willing to engage in creating a common vision. Such changes in participation levels in Latvia in response to a crisis support our second hypothesis.

In recent decades, the population of the Baltic nations has experienced a change in custom and thinking due to a dramatic transition from socialism to democracy, the establishment of a free market economy and ascendancy into EU global processes. This society has demonstrated an ability to learn and adapt quickly. An impelling force in this rapid development is a desire for improvement in quality of life, which informs all plans for the restored states.

The transition period unfolded differently for various economic sectors. Where urban planning is concerned, the transition period advanced to another stage with the global financial crisis, when people quickly exchanged growing individualism and short-term approaches for common public interests and long-term views. Future-oriented thinking has become a necessity dictated by both ethical and economic factors. We thus address our first hypothesis by arguing that members of the public can more effectively engage in urban planning exercises amid an atmosphere where common public interests trump individual concerns.

Our careful consideration of the development of a democratic planning system in the Baltic States suggests that public trust in the government is crucial to the development of such a system, an assertion that supports our third hypothesis. Post-socialist societies were generally unprepared to accept a democratic, inclusive planning process. Growth of individualism produced a distortion of social values and judicial nihilism, and urban planning has moved toward more restrictive regulations, which, in its turn, jeopardises its flexibility.

Findings from this research suggest that in the Baltic States, the public is willing to participate in community engagement only after first achieving specific individual goals. Individuals demonstrate concern for common public interests, a driving force for urban planning, after they have first secured their own prosperity. Voluntary participation – designed to collectively protect public interests – is essential for developing democratic and inclusive planning processes and for facilitating identification of common interests. Such productive interaction in planning between government and the public confirms our fourth hypothesis.

Confirmation of each of our four hypotheses strongly supports the key role that crises during the transition period have played in formulating public perceptions of planning and advancing public engagement in planning. Given that urban development

depends on many external factors and that rapid changes take place during economic crises, we find that the planning process in the Baltic States was forced to react and change during the previous two decades in accordance with public demands.

Urban planning must operate in unstable social and economic contexts. Planning activities connect to dynamic development in recent decades in the Baltic States suggest that, despite a willingness to establish effective democratic practices by ‘surveying before planning’ and anticipating and reacting to change, it has not always been possible to react on time; that is, the development of an effective planning process that would best meet public approval was delayed. The proper development of a national planning system – and related governmental change – takes time, as does implementation of local planning processes. The efficiency of state planning tools for implementation of a planning process in accordance with public development depends on professional skills of planners, their ability and willingness to listen to interests and their ability to engage the public.

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